

SECTION 01 2000**PRICE AND PAYMENT PROCEDURES****PART 1 - GENERAL****1.01 SUMMARY**

- A. Section includes administrative and procedural requirements governing:
 - 1. Allowances
 - 2. Unit prices
 - 3. Alternates
 - 4. Cost breakdown
 - 5. Applications for payment.

1.02 ALLOWANCES

- A. Certain items are specified in the Contract Documents by allowances. Allowances have been established in lieu of additional requirements and to defer selection of actual materials and equipment to a later date when direction will be provided. If necessary, additional requirements will be issued by Change Order.
- B. At the earliest practical date, advise the University's Representative of the date when final selection and purchase of each product or system described by an allowance must be completed to avoid delaying the Work.
- C. At University's Representative's request, obtain proposals for each allowance for use in making final selections. Include recommendations that are relevant to performing the Work.
- D. Purchase products and systems selected by University's Representative from the designated supplier.
- E. Submit proposals for purchase of products or systems included in allowances, in the form specified for Change Orders.
- F. Submit invoices or delivery slips to show actual quantities of materials delivered to the site for use in fulfillment of each allowance.
- G. Submit time sheets and other documentation to show labor time and cost for installation of allowance items that include installation as part of the allowance.
- H. Coordinate and process submittals for allowance items in same manner as for other portions of the Work.
- I. Coordinate allowance items with other portions of the Work. Furnish templates as required to coordinate installation.

- J. Allowance shall include trade discount cost to Contractor of specific products and materials selected by University's Representative under allowance and shall include taxes, freight, and delivery to Project site.
- K. Unless otherwise indicated, costs for receiving and handling at Project site, labor, installation, overhead and profit, on-site storage, security, and similar costs related to products and materials selected by University's Representative under allowance shall be included as part of the Lump Sum Base Bid and not part of the allowance.
- L. Unused Materials: Return unused materials purchased under an allowance to manufacturer or supplier for credit to University if possible, after installation has been completed and accepted.
 - 1. If requested by University's Representative, retain and prepare unused material for storage by University. Deliver unused material to University's storage space on campus as directed.
- M. Allowance Adjustment: To adjust allowance amounts, University's Representative shall prepare a Letter of Instruction authorizing the Contractor's use of allowance funds including the dollar amount of allowance funds to be expended, a description of what the allowance funds will be used for, and the remaining balance of the allowance, if any. At project closeout, any remaining allowance balances will be returned to the University by a deductive change order.
- N. Schedule of Allowances: A schedule of allowances is included in Part 3.

1.03 UNIT PRICES

- A. A Unit Price is an amount incorporated in the Agreement, applicable during the duration of the Work, as a price per unit of measurement for materials, equipment, or services, or a portion of the Work, added to or deducted from the Contract Sum by appropriate modification, if the scope of Work or estimated quantities of Work required by the Contract Documents are increased or decreased.
- B. Notify the University's Representative immediately when conditions indicate the probable need to use any of the Unit Prices. When University's Representative determines Unit Price Work is required, proceed on basis of Unit Price making necessary modifications to adjacent Work as required.
- C. Unit prices include all necessary material, plus cost for delivery, installation, coordination of Work, insurance, applicable taxes, overhead, and profit. Unit Prices will not be used for Work constructed for convenience or to correct construction errors.
- D. Measurement and Payment: See individual Specification Sections for work that requires establishment of unit prices. Methods of measurement and payment for unit prices are specified in those Sections.
- E. University reserves the right to reject Contractor's measurement of work-in-place that involves use of established unit prices and to have this work measured, at University's expense, by an independent surveyor acceptable to Contractor.

- F. If an extension in Contract time is required because of Unit Price Work, such extension shall be negotiated in accordance with provisions of the General Conditions.
- G. Schedule of Unit Prices: A schedule of unit prices is included in Part 3. Specification Sections referenced in the schedule contain requirements for materials described under each unit price.

1.04 ALTERNATES

- A. Alternate: An amount proposed by bidders and stated on the Bid Form for certain work defined in the bidding requirements that may be added to or deducted from the Base Bid amount if University decides to accept a corresponding change either in the amount of construction to be completed or in the products, materials, equipment, systems, or installation methods described in the Contract Documents.
 - 1. Alternates described in this Section are part of the Work only if enumerated in the Agreement.
 - 2. The cost or credit for each alternate is the net addition to or deduction from the Lump Sum Base Bid to incorporate each alternate into the Work. No other adjustments are made to the Contract Sum.
 - 3. Work described in alternates shall be completed with no increase in contract time, unless stated otherwise.
- B. Coordination: Revise or adjust affected adjacent work as necessary to completely integrate work of the alternate into Project.
 - 1. Include as part of each alternate, miscellaneous devices, accessory objects, and similar items incidental to or required for a complete installation whether or not indicated as part of alternate.
 - 2. Coordination, labor, materials, equipment, accessories, and Contractor's overhead, mark-up and profit required for the alternate work shall be included in the Alternate cost.
- C. Notification: Immediately following award of the Contract, notify each party involved, in writing, of the status of each alternate. Indicate if alternates have been accepted, rejected, or deferred for later consideration. Include a complete description of negotiated revisions to alternates.
- D. Execute accepted alternates under the same conditions as other work of the Contract.
- E. Contract Time: Complete accepted Alternates within the time stipulated for the Work in the Agreement unless specifically provided by the University.
- F. Hold the Alternates price for each Alternate for time indicated in the Alternate description beyond the date stated in the Notice to Proceed.
- G. Schedule: A schedule of alternates is included in Part 3. Specification Sections referenced in schedule contain technical requirements for materials necessary to achieve the work described under each alternate.

1.05 COST BREAKDOWN

- A. Submit a Cost Breakdown and Application for Payment in accordance with General Conditions Article 9, "Payments and Completion".
- B. Provide a breakdown of the Contract Sum in enough detail to facilitate continued evaluation of Applications for Payment and progress reports. Provide multiple line items for principal subcontract amounts.
- C. Format and Content: Use Specification's table of contents as a guide to establish line items for the Cost Breakdown. Provide at least one line item for each Specification Section.
 - 1. Submit two copies with signed agreement.
 - 2. Round amounts to nearest whole dollar; total shall equal the Contract Sum.
 - 3. Provide a separate line item in the Cost Breakdown for each part of the Work where Applications for Payment may include materials or equipment purchased or fabricated and stored, and not yet installed.
 - 4. Provide separate line items in the Cost Breakdown for initial cost of materials and for total installed value of that part of the Work.
 - 5. Provide a separate line item in the Cost Breakdown for each unit price, allowance, or alternates, if applicable.
- D. Each item in the Cost Breakdown and Applications for Payment shall be complete. Include total cost and proportionate share of general overhead and profit for each item.
- E. Schedule Updating: Update and resubmit the Cost Breakdown before the next Applications for Payment when Change Orders or Field Orders result in a change in the Contract Sum. A new sheet can be used as an alternative.
- F. When University's Representative requires substantiating information, submit one copy of justifying data for each line item amount in question. Justifying data shall be transmitted indicating application number and date and by line item number and description

1.06 APPLICATIONS FOR PAYMENT

- A. Application for Payment Forms: Use forms provided by University as form for Applications for Payment, Exhibit 4.
 - 1. Contractors new to conducting business with the University will need to register into Kuali Vendor Onboarding (KVO) system, you may review the website for information <http://accounting.uci.edu/ap/kvo/index.html>. Please email Project Accounting (FM-PAC@uci.edu) to initiate the onboarding process.
 - 2. For any updates to payment terms or changes to direct deposit, please send email to FM-PAC@uci.edu or contact Nathalie Anaya (949) 824-2906.
- B. Initial Application for Payment: Administrative actions and submittals that must precede or coincide with submittal of first Application for Payment include the following:
 - 1. List of subcontractors.
 - 2. List of principle suppliers and fabricators.
 - 3. Cost breakdown.

4. Contractor's construction schedule (preliminary if not final).
 5. Schedule of principle products (preliminary if not final).
 6. Submittal schedule (preliminary if not final).
 7. Surrounding site condition survey report and video.
- C. Each Application for Payment following the initial Application for Payment shall be consistent with previous applications and payments paid by University.
- D. Submit two copies of each Application for Payment in accordance with the schedule established in General Conditions.
1. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor.
 2. With each Application for Payment, submit waivers of mechanic's liens from subcontractors, sub-subcontractors, and suppliers for construction period covered by the previous application.
 3. Entries shall match data on the Cost Breakdown.
 4. Submit updated schedule for approval. If University's Representative accepts updated schedule, the Application for Payment will be processed.
 5. Include amounts for work completed following previous Application for Payment, whether or not payment has been received. Include only amounts for work completed at time of Application for Payment.
- E. Stored Materials: Include in Application for Payment amounts applied for materials or equipment purchased or fabricated and stored, and not yet installed. Differentiate between items stored on-site and items stored off-site.
1. Provide certificate of insurance, evidence of transfer of title to University, and consent of surety to payment, for off-site stored materials.
 2. Provide supporting documentation that verifies amount requested such as paid invoices or summary documentation to show value.
- F. Final Payment Application: Submit final Application for Payment with or proceeded by conditional final waivers from every entity involved with performance of the Work covered by the application that is lawfully entitled to a lien.
1. Include insurance certificates, proof that taxes, fees, and similar obligations were paid, and evidence that claims have been settled.
 2. Include affidavit of payment of debts and claims.
 3. Include affidavit of release of liens.
 4. Include transmittal of required "approved" Project record documents.
- G. Request for Retention Release: Submit final Application for Retention Release with releases and supporting documentation not previously submitted and accepted, including, and not limited, to the following:
1. Evidence of completion of Project closeout requirements.
 2. Completion of items specified for completion after Substantial Completion.
 3. Unconditional waivers and release upon final payment from Contractor and subcontractors.
 4. Transmittal of remaining required Project record documents to University.

5. If required by the Work to pay utilities, submit proof that final construction utility cost(s) have been paid to University's Facilities Management.
6. Removal of temporary facilities and services.
7. Removal of surplus materials, rubbish, and similar elements.
8. Change of door locks to University's access.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.01 SCHEDULE OF ALLOWANCES

- A. Examine products covered by an allowance promptly on delivery for damage or defects. Return damaged or defective products to manufacturer for replacement.
- B. Coordinate materials and their installation for each allowance with related materials and installations to ensure that each allowance item is completely integrated and interfaced with related work.

Two paragraphs below are examples of typical allowance provisions; revise or delete below and insert others to suit Project. Include a brief description of what each is designated for, and the amount of the allowance. Include reference to applicable Specification Sections for more detailed information on item included in the allowance.

Copy and re-edit first "(Insert allowance name)" Paragraph below for each allowance required for Project.

- C. **Allowance No. 1: <Insert allowance name>**: Allow the sum of **<Insert dollar or quantity amount of allowance>** for **<Insert allowance description>** as specified in Section **<Insert MF04 Section number>** "**<Insert MF04 Section title>**"[and as shown on Drawings].
- D. **Allowance No. 2: <Insert allowance name>**: Allow the sum of **<Insert dollar or quantity amount of allowance>** for **<Insert allowance description>** as specified in Section **<Insert MF04 Section number>** "**<Insert MF04 Section title>**"[and as shown on Drawings].
- E. **Allowance No. 3: <Insert allowance name>**: Allow the sum of **<Insert dollar or quantity amount of allowance>** for **<Insert allowance description>** as specified in Section **<Insert MF04 Section number>** "**<Insert MF04 Section title>**"[and as shown on Drawings].

3.02 SCHEDULE OF UNIT PRICES

Copy and re-edit "Unit Price No. (Insert unit-price number)" Paragraph below for each unit price required for Project. See samples of unit-price descriptions in the Evaluations.

- A. Unit Price No. 1: **<Insert unit-price item>**:
 1. Description: **<Insert unit-price item description>** in accordance with Section **<Insert Section number>** "**<Insert Section title>**."
 2. Unit of Measurement: **<Insert unit of measurement>**.
 3. Multiplier: **<Insert multiplier here>**

B. Unit Price No. **<Insert unit-price number>**: **<Insert unit-price item>**:

1. Description: **<Insert unit-price item description>** in accordance with Section **<Insert Section number>** "**<Insert Section title>**."
2. Unit of Measurement: **<Insert unit of measurement>**.
3. Multiplier: **<Insert multiplier here>**

C. Unit Price No. **<Insert unit-price number>**: **<Insert unit-price item>**:

1. Description: **<Insert unit-price item description>** in accordance with Section **<Insert Section number>** "**<Insert Section title>**."
2. Unit of Measurement: **<Insert unit of measurement>**.
3. Multiplier: **<Insert multiplier here>**

D. Unit Price No. **<Insert unit-price number>**: **<Insert unit-price item>**:

1. Description: **<Insert unit-price item description>** in accordance with Section **<Insert Section number>** "**<Insert Section title>**."
2. Unit of Measurement: **<Insert unit of measurement>**.
3. Multiplier: **<Insert multiplier here>**

3.03 SCHEDULE OF ALTERNATES

Copy and re-edit "Alternate No. (Insert number)" Paragraph below for each alternate required for Project. See samples of alternate descriptions in the Evaluations. Revise below when additional clarification of base bid and alternate conditions will assist bidders and Contractor in understanding scope of each.

A. Alternate No. **1**: **<Insert title of alternate>**.

1. Alternate: **<Insert brief description of alternate requirement>** [as indicated on Sheet **<Insert title of sheet>**] [and] [as specified in Section **<Insert Section number>** "**<Insert Section title>**."]
2. The University reserves the right to exercise this alternate for up to 60 days after the date of Notice to Proceed.

B. Alternate No. **<Insert number>**: **<Insert title of alternate>**.

1. Alternate: **<Insert brief description of alternate requirement>** [as indicated on Sheet **<Insert title of sheet>**] [and] [as specified in Section **<Insert Section number>** "**<Insert Section title>**."]
2. The University reserves the right to exercise this alternate for up to 60 days after the date of Notice to Proceed.

END OF SECTION