

Section Cover Page

2004-12-15

Section 00630
Payment Conditions

Use this Section to specify Payment Conditions for building construction and renovation contracts when Section 00700 - General Conditions of Contract is used.

Normally use this Section when estimated contract cost is \$100,000.00 or greater.

This Master Specification Section contains:

1. This Cover Sheet
2. Specification Section Text:
 1. Related Requirements
 2. Basis of Payment
 3. Statutory Declaration Forms
 4. Progress Payments
 5. Holdback
 6. Partial Payment of Holdback
 7. Final Payment
 8. Federal Goods and Services Tax
 9. Deductions from Payments
 10. Withholding of Payment
 11. Title to and Acceptance of Work
3. Attachments:
 - .1 CCDC 9A-2001 - Statutory Declaration of Progress Payment Distribution by Contractor
 - .2 AI/MS Form 00630A – Statutory Declaration of Payment Distribution.

This Section is not intended to be edited. It should be used as is, in its entirety. Any required modifications must be made by means of Supplementary Conditions. If Supplementary Conditions are deemed necessary, discuss with Alberta Infrastructure and Transportation, Specifications and Standards Section.

1. RELATED REQUIREMENTS

- | | | |
|----|---|----------------|
| .1 | Workers' Compensation Board submittals: | Section 01330. |
| .2 | Contract Price breakdown: | Section 01330. |
| .3 | Cash flow forecast: | Section 01330. |

2. BASIS OF PAYMENT

- .1 When payment is on the basis of a Stipulated Price Arrangement, amounts claimed by Contractor for progress payments shall be consistent with the approved Contract Price breakdown.
- .2 When payment is on the basis of a Unit Price Arrangement, amounts claimed by Contractor for progress payments shall be based on the Contract Unit Prices.

3. STATUTORY DECLARATION FORMS

- .1 Either of the following statutory declaration forms may be used when submitting applications for payment:
 - .1 CCDC 9A-2001 - Statutory Declaration of Progress Payment Distribution by Contractor
 - .2 AI/MS Form 00630A – Statutory Declaration of Payment Distribution

4. PROGRESS PAYMENTS

- .1 Contractor shall submit monthly application for payment to Minister.
- .2 Application for payment shall be dated the last day of the monthly payment period agreed to with Minister and the amount claimed shall be for the value, at that date and for that payment period, of:
 - .1 work performed, including labour provided and material supplied and set in place, and
 - .2 material stored at the Place of the Work, but not incorporated into the Work.
- .3 Contractor shall submit with application for payment:
 - .1 sufficient data to permit Minister to evaluate amount claimed,
 - .2 completed statutory declaration form with second and subsequent applications for payment, and
 - .3 any additional data requested by Minister.

- .4 Minister will review application for payment and may make adjustments to amount claimed, including reducing amount claimed by the amount of deductions specified in Article 9.1.
- .5 Amount payable by Minister shall be as referred to in Article 4.4, less the holdback specified in Article 5.1.

5. HOLDBACK

- .1 Minister will hold back 10% from each progress payment referred to in Article 4.
- .2 Up to 100% of holdback monies will be payable by Minister to Contractor provided:
 - .1 Minister has issued a Letter of Interim Acceptance of the Work,
 - .2 a period of 45 days from date of Interim Acceptance of the Work has expired, and
 - .3 third party claims received by Minister have been resolved, or addressed and a course of action agreed to between Minister and Contractor,subject however to the deductions and withholdings specified in Article 5.4.
- .3 Contractor shall submit to Minister written application for payment of holdback monies, including:
 - .1 Letter of clearance from Workers' Compensation Board,
 - .2 completed statutory declaration form.
- .4 Amount of holdback monies payable pursuant to Article 5.2 shall be subject to any deductions under Article 9 and to any withholdings under Article 10, and subject further to withholding:
 - .1 an amount equal to twice the Minister's estimate of the cost to the Minister of remedying any uncorrected defects described in the Letter of Interim Acceptance of the Work, and
 - .2 an amount equal to the Minister's estimate of the cost to the Minister of completing any outstanding work described in the Letter of Interim Acceptance of the Work.
- .5 If the Minister withholds a portion of the holdback monies pursuant to clause 5.4, such monies, or portions thereof, shall, at such reasonable times and intervals as the Minister may determine, become payable by the Minister as and when the cause or causes for the withholding are removed.

6. PARTIAL PAYMENT OF HOLDBACK

- .1 When partial utilization of the Work by the Minister is required and partial payment of holdback is a condition of such partial utilization, the conditions specified in Article 5 shall apply to the part of the Work to be utilized.

7. FINAL PAYMENT

- .1 The unpaid balance of the Contract Price will be payable by Minister to Contractor provided:
 - .1 Minister has issued a Letter of Final Acceptance of the Work,
 - .2 third party claims received by Minister have been resolved, or addressed and a course of action agreed to between Minister and Contractor, and
 - .3 final adjustment of accounts has been rendered and agreed to between Minister and Contractor.
- .2 Contractor shall submit written application for final payment, including:
 - .1 Letter of clearance from Workers' Compensation Board,
 - .2 completed statutory declaration form, and
 - .3 statement of final adjustment of accounts.
- .3 Notwithstanding requirements of Article 7.1, Minister and Contractor may agree to defer payment for those portions of the Work which cannot be completed due to circumstances beyond Contractor's control.

8. FEDERAL GOODS AND SERVICES TAX

- .1 Each application for payment shall exclude any amount for federal Goods and Services Tax.

9. DEDUCTIONS FROM PAYMENTS

- .1 Minister may deduct from any amount claimed by or payable to Contractor an amount equal to the value, as determined by Minister, of work not in accordance with Contract Documents.
- .2 Minister may deduct from any amount payable to Contractor:
 - .1 the amount of any unresolved third party claim submitted pursuant to the Public Works Act or applicable requirements of the General Conditions of Contract, and

- .2 the amount of any unpaid and overdue statutory account related to the Contract and which is enforceable against the Crown.
- .3 Deductions referred to in Articles 9.1 and 9.2 will be made if and as required, provided such deductions have not been previously made from monies payable to Contractor.

10. WITHHOLDING OF PAYMENT

- .1 Minister may withhold all or part of any amount payable to Contractor in order to protect the Minister or third parties from loss due to Contractor's:
 - .1 failure to make payments properly to Subcontractors or for labour, materials or equipment,
 - .2 failure to ensure that Subcontractors make payments properly to Sub-subcontractors or for labour, materials or equipment,
 - .3 inability to complete the Work within the Contract Time,
 - .4 inability to complete the Work for the unpaid balance of the Contract Price, or
 - .5 persistent failure to perform the Work in accordance with the Contract Documents.

11. TITLE TO AND ACCEPTANCE OF WORK

- .1 Contractor warrants that title to work and materials covered by any application for payment will pass to the Minister, at the time of payment, free and clear of all claims, interests and encumbrances.
- .2 Contractor further warrants that materials, stored at the Place of the Work and for which payment has been received, shall not be removed from the Place of the Work and shall be kept secure and protected.
- .3 Payments made by Minister shall not be construed as an acceptance that the Work, Products, or any part thereof is complete, is satisfactory or is in accordance with the Contract Documents.

END OF SECTION

Statutory Declaration of Progress Payment Distribution by Contractor

Standard Construction Document

CCDC 9A - 2001

To be made by the Contractor **prior to payment** when required as a condition for either:

- second and subsequent progress payments; or
- release of holdback.

The last application for progress payment for which the Declarant has received payment is No. _____
dated the _____ day of _____,
in the year _____.

Identification of Contract

Name of Contract (Location and description of the Work as it appears in the Contract Documents)

Date of Contract: _____

Day

Month

Year

Name of Owner

Name of Contractor

Identification of Declarant

Name of Declarant

Position or Title (of office held with Contractor)

Declaration

I solemnly declare that, as of the date of this declaration, I am an authorized signing officer, partner or sole proprietor of the Contractor named in the Contract identified above, and as such have authority to bind the Contractor, and have personal knowledge of the fact that all accounts for labour, subcontracts, products, services, and construction machinery and equipment which have been incurred directly by the Contractor in the performance of the work as required by the Contract, and for which the Owner might in any way be held responsible, have been paid in full as required by the Contract up to and including the latest progress payment received, as identified above, except for:

- 1) holdback monies properly retained,
- 2) payments deferred by agreement, or
- 3) amounts withheld by reason of legitimate dispute which have been identified to the party or parties, from whom payment has been withheld.

I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

Declared before me in _____ this _____ day of _____,
City/Town and Province
in the year _____.

Signature of Declarant

(A Commissioner for Oaths, Notary Public, Justice of the Peace, etc.)

The making of a false or fraudulent declaration is a contravention of the Criminal Code of Canada, and could carry, upon conviction, penalties including fines or imprisonment.

**Apply a CCDC 9
copyright seal here.**

Use of this form without a CCDC 9 copyright seal constitutes an infringement of copyright. Use of this form with a CCDC 9 copyright seal demonstrates that it is intended by the parties to be an accurate and unamended version of CCDC 9A - 2001.



Copyright 2001
Canadian Construction Documents Committee

Statutory Declaration of Payment Distribution

Identification of Contract

Contract Name (location and description of the Work as it appears in the Contract Documents)

Contract ID:		
Date of This Application for Payment		
Month	Day	Year
Date of Last (Immediate Preceding) Application for Payment		
Month	Day	Year

Identification of Declarant (person making the declaration)

Full Name of Declarant	Position or Title (of office held with Contractor)	
Business Name (Name of Contractor)		
Business Address		
City or Town	Province	Postal Code

Declaration

I, the undersigned, solemnly declare that as of the date of this application for payment:

- .1 all the Contractor's lawful obligations to subcontractors and suppliers, in respect of work contracted for and performed before the date of the last (immediate preceding) application for payment, are fully discharged, except for (i) hold back monies properly retained, and (ii) payments deferred by agreement;
- .2 all the Contractor's lawful obligations to workers, in respect to work contracted for, are fully discharged;
- .3 all assessments and payments required to be made by the Contractor under law have been made in full; and that
- .4 I am an authorized signing officer of the Contractor and have personal knowledge of the contract identified and the facts stated in this statutory declaration.

I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

Making a false or fraudulent declaration is a contravention of the Criminal Code of Canada, and could carry, upon conviction, penalties including fines, imprisonment, or both.

Signature of declarant

Attestation (to be completed by a person empowered to receive declarations, e.g. Commissioner of Oaths, Notary Public, etc.)

DECLARED before me at _____ this _____ day of _____ 20 _____		
City/Town and Province		
Signature of person before whom declaration is made	Authority to receive solemn declarations	Expiry date
Name (please print)	Any changes or corrections on this Statutory Declaration must be initialled by the person before whom the declaration is made.	