



## 2-36.1 Contractor Payments

### 2-36.1.1 General

There are three types of payments: progress payment estimates (intermediate), semi-final estimates (tentative final) and final payment.

Estimates are:

1. Prepared in FieldManager®.
2. Sent via FieldNet® to the FieldNet® approval system.
3. Approved by the regional office.
4. Passed on to the Transport Construction Administration System (CAS) for processing.

After successful processing the Bureau of Project Development (BPD) forwards estimates to the Bureau of Financial Services (BFS) for payment to the contractor.

Estimates are numbered consecutively regardless of the type. Estimates are divided into projects and categories indicating the sources of funding.

### 2-36.1.2 Progress Payment Estimate (Intermediate)

As the project progresses, item postings are made in FieldManager® for payment to the contractor.

Progress payment estimates are made bi-weekly if the contractor is due a payment of \$1,000.00 or more. More frequent payments are appropriate for larger sums owed.

An item may be marked complete in FieldManager® after it has been completed, measured, documented, and verified.

Once the payments have reached 75 percent of the original contract amount, each estimate will retain 5 percent of the payment submitted. This retained amount may be reduced anytime after the project is substantially completed as specified in [standard spec 105.11.2.3](#).

### 2-36.1.3 Semi-Final Estimate (Tentative Final)

The semi-final estimate documents the final quantities of all bid items used on the contract. All quantities will have been measured, documented, and verified before submittal.

A semi-final estimate is submitted upon final acceptance as specified in [standard spec 105.11.2.4](#). All required documents (including materials test reports) are to be received and accepted before the semi-final estimate is sent to the contractor.

The contractor has 30 days to review and submit a written statement of agreement or disagreement with the final quantities. Should the contractor not submit a written statement within 30 days, the final payment may be processed providing all other contractual requirements have been met. See the diagram on page 8 of the "Finals Process for Let Project Closeout" document at:

<http://wisconsindot.gov/rdwy/admin/finals.pdf>

It shows a general process timeline process flow timeline, showing when the engineer should submit intermediate, semi-final, and final estimates in relation to project final acceptance.

### 2-36.1.4 Final Payment

All bid items must be marked complete in FieldManager® before the final estimate is generated. The final payment will be made upon agreement of final quantities between the department and the contractor, or as specified in [standard spec 109.7](#). All retainage will be released with the final payment.

## 2-36.2 General Instructions for Preparing an Estimate

### 2-36.2.1 Procedure

All estimates for contracts let to bid contracts are to be prepared in FieldManager®.

Following award of the contract, the BPD proposal management section will provide the region with a FieldManager® file of the contract through FieldNet®, to the assigned support person for each region office. Support personnel transfer the contract information to each engineer's PC as assigned. The contract should be carefully reviewed to make certain the correct categories and bid items are listed.

### 2-36.2.2 General Payment Considerations

Even though work may have been done and partial payment requested for only one of the projects under a multi-project contract, an estimate must be submitted for each project.

Updates of quantities should realistically reflect the work done by the contractor. The engineer should be careful to avoid overpayments, particularly when nearing completion of construction. Quantity entries should always include items completed since the preceding estimate.

Pay quantities for all items should be reduced to reflect contingencies and costs still to be incurred, as indicated under [standard spec 109.6](#). In particular, the engineer should reduce the pay quantity for structural steel so there is a deduction of about \$15.00 per ton of steel per field coat of paint still to be applied.

Items such as Field Office, Finishing Roadway, and Traffic Control should be included for payment in proportion equivalent to the work performed. For example, payment for Field Office can be pro-rated on the basis of the value of work done on the whole contract. Payment for Finishing Roadway and Traffic Control should be based on the engineer's judgment of extent of completion of each item.

Defective, deficient, or adjusted price items that are authorized by the specifications for payment and not requiring signed and approved contract modification may be paid with administrative items or an adjustment to an existing contract item. A complete list of administrative items is provided in [CMM 2-38](#). Reductions should also be made in the pay quantities for items that have predetermined reduced payment schedules for defective materials, but may be incorporated in the work and paid for before the materials test reports are received.

### 2-36.2.3 Change Orders

The engineer must not generate quantities of approved contract change order (CCO) work for items not already in the contract until the change order has been approved.

Bureau of Financial Services receives a copy of the signed change order so they can enter it into the TIPS/EAPS system. On extra work done by force account under CCO, the contractor is required to submit detailed statements, receipted invoices, or affidavits for all labor, machinery, and materials charged to the work. Partial payments of amounts up to a total of 90% of the estimated value of the CCO may be made as the work progresses and prior to receiving detailed billing from the contractor.

### 2-36.2.4 Non-Compliance with Contract

If there has been a lack of compliance by the contractor with the provisions of the contract, the engineer has the authority under [standard spec 109.6](#) to suspend progress payments. Should it become necessary to take this action, the department will notify the contractor immediately. The region will evaluate the situation, make a determination, and advise the contractor in writing of the suspension of progress payments, if that is the determination. The letter should set forth the reasons for suspension, plus the actions needed by the contractor to secure payment.

### 2-36.2.5 Concrete Masonry Superstructure Forming

Payment for concrete masonry superstructure forming allowed by the engineer to be erected and to remain in place over winter in preparation for early-season concrete placement may be made by intermediate cost estimate at 30% of the product of the concrete masonry unit bid price and the plan quantity of concrete masonry in the formed and uncompleted portion of the superstructure. Forming must be complete and acceptable to the engineer before payment will be considered. No consideration for extra pay will be allowed for any refurbishment necessary in the spring to bring the forming to an acceptable condition for pouring.

### 2-36.2.6 Special Provision Items

Certain contracts may contain special provisions for payment for materials under conditions not provided for in the standard specifications. Payment policies generated by special provisions in these contracts are not applicable to materials furnished under other contracts. The other contracts are subject to the standard specifications payment requirements as explained above, unless modified by their own special provisions.

### 2-36.2.7 Delivered or Stored Material Prepayment (Stockpile Items)

For materials delivered to the job site or stored at approved locations off the job site, [standard spec 109.6.3.2.1](#) provides that payment for the value of the materials may be made upon request by the contractor. Examples of stockpiled materials include piling, culvert pipe, bar steel reinforcement, steel plate beam guard, aggregates, and treated lumber.

Also [standard spec 109.6.3.2.1](#) stipulates that the value of materials that have been specifically manufactured, produced, or purchased for a project can be included for payment if stored at an approved location such as in the fabricator's yard and accompanied by invoices or other satisfactory evidence of costs incurred. Examples of these materials include fabricated girders, railings, expansion joints, sign bridges and supports, and prestressed girders. The contractor needs to provide evidence of costs incurred with invoices, freight bills, or other

satisfactory evidence including material description, identification, and cost data. The amount included in the estimate for these materials should include the sales tax paid and the freight costs.

In those instances when a transaction was not made, such as production of a gravel stockpile, the price to be prepaid should be based on the contractor's estimate of production costs and verified by WisDOT historical cost records.

The engineer should document all transactions, and should account for the payment of stockpiled items using the stockpile wizard in FieldManager®. When creating stockpiles, if the bid item to be associated to a stockpile exists in two or more separate projects or categories, a separate stockpile should be created for each instance of the item.

The amounts paid for delivered, stored, or stockpiled materials will reduce the amount of other partial or final payments due to the contractor for the work performed as the materials are incorporated in the completed work.

All vendor claims must be satisfied within 30 days of receiving the payment, or the department may cancel the applicable payment in the next progress pay estimate.