

SECTION 01026
MEASUREMENT AND PAYMENT

Applies only to City of Naples Utilities Projects and Utilities Portions of City of Naples Stormwater, Streets and Traffic Projects, but not to Private Developments

PART 1 GENERAL

1.1 SECTION INCLUDES

- A. Explanation and Definitions
- B. Measurement
- C. Payment
- D. Schedule of Values

1.2 EXPLANATION AND DEFINITIONS

A. The following explanation of the Measurement and Payment for the Bid Schedule items is made for information and guidance. The omission of reference to any item in this description shall not, however, alter the intent of the Bid Schedule or relieve the CONTRACTOR of the necessity of furnishing such as a part of the Contract. Measurement and payment for all Contract Items shall be made in accordance with this section or as modified by the Supplemental Terms and Conditions.

1.3 MEASUREMENT

A. The quantities set forth in the Bid Schedule are approximate and are given to establish a uniform basis for the comparison of bids. The CITY reserves the right to increase or decrease the quantity of any class or portion of the work during the progress of construction in accord with the terms of the Contract.

1.4 PAYMENT

A. Make payment for the items listed on the Bid Schedule on the basis of the work actually performed and completed, such work including but not limited to, the furnishing of all necessary labor, materials, equipment, transportation, clean up, restoration of disturbed areas, and all other appurtenances to complete the construction and installation of the work as shown on the drawings and described in the specifications.

B. Unit prices are used as a means of computing the final figures for bid and Contract purposes, for periodic payments for work performed, for determining value of additions or deletions and wherever else reasonable.

1.5 SCHEDULE OF VALUES

A. Approval of Schedule: Submit for approval a preliminary schedule of values, in duplicate, for all of the Work. Prepare preliminary schedule in accordance with the Supplemental Terms and Conditions. Submit preliminary schedule of values within 10 calendar days after the Effective Date of the Agreement. Submit final schedule of values in accordance with the Supplemental Terms and Conditions.

B. Format: Utilize a format similar to the Table of Contents of the Project Specifications. Identify each line item with number and title of the major specification items. Identify site mobilization, bonds and insurance. Include within each line item, a direct proportional amount of CONTRACTOR's overhead profit.

C. Revisions: With each Application for Payment, revise schedule to list approved Change Orders.

PART 2 PRODUCTS

Not Used

PART 3 EXECUTION

3.1 MEASUREMENT AND PAYMENT

A. Make payment on the basis of work actually performed completing each item in the Bid, such work including, but not limited to, the furnishing of all necessary labor, materials, equipment, transportation, cleanup, and all other appurtenances to complete the construction and installation of the work to the configuration and extent as shown on the drawings and described in the specifications. Payment for each item includes compensation for cleanup and restorations. Cost of cleanup and surface restorations (including pavement replacement) will be considered as the percentage retained in accordance with the Contract Documents, and complete payment will not be made until cleanup, restorations and as-builts are completed.

1. **MOBILIZATION**
[Section 1 – Item 1a.] [Section 2 – Item 1a.] [Section 3 – Item 1a.]
[Section 4 – Item 1a.] [Section 5 – Item 1a.] [Section 6 – Item 1a.]
[Section 7 – Item 1a.]: Payment for mobilization will be made for at the Contract lump sum price in accordance with City specifications. Cost shall include performance and payment bond premiums and insurance.

2. **RECORD DRAWINGS**

[Section 1 – Item 1b.] [Section 2 – Item 1b.] [Section 3 – Item 1b.] [Section 4 – Item 1b.] [Section 5 – Item 1b.] [Section 6 – Item 1b.] [Section 7 – Item 1b.]: Payment for providing all survey and record drawings will be made at the Contract lump sum price in accordance with City specifications. Record drawings shall be prepared in accordance with City specifications.

3. **MAINTENANCE OF TRAFFIC**

[Section 1 – Item 1c.] [Section 2 – Item 1c.] [Section 3 – Item 1c.] [Section 4 – Item 1c.] [Section 5 – Item 1c.] [Section 6 – Item 1c.] [Section 7 – Item 1c.]: Payment for maintenance of traffic in accordance with the CITY Maintenance of Traffic Policy will be made for at the Contract lump sum price in accordance with City specifications.

4. **CONCRETE PAD**

[Section 1 – Item 2a.] [Section 5 – Item 2a.] [Section 6 – Item 2a.] [Section 7 – Item 2a.]: Payment for furnishing and installing the backup diesel pump **concrete pad** in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful construction of the concrete pads in conformance with the construction plans and City specifications, including (but not limited to): clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; bedding; backfilling; sheeting; concrete formwork; concrete; grout; mortar; rebar and reinforcement; concrete finish work; and cleanup and disposal of excess materials.

5. **CONCRETE PLATFORM**

[Section 2 – Item 2a.] [Section 3 – Item 2a.] [Section 4 – Item 2a.] [Section 7 – Item 2a.]: Payment for furnishing and installing the backup diesel pump **concrete platform** in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful construction of the concrete platforms in conformance with the construction plans and City specifications, including (but not limited to): clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; bedding; backfilling; sheeting; concrete formwork; concrete; concrete block; grout; mortar; rebar and reinforcement; concrete finish work; precast materials; handrails, including materials, in-field layout to accommodate piping, welding, and anchors; and cleanup and disposal of excess materials.

6. **PUMP INSTALLATION**

[Section 1 – Item 2b.] [Section 2 – Item 2b.] [Section 3 – Item 2b.]
[Section 4 – Item 2b.] [Section 5 – Item 2b.] [Section 6 – Item 2b.]
[Section 7 – Item 2b.]: Backup diesel pumps will be provided by the City. Payment for installation of the backup diesel pump in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for installation of the backup diesel pump onto the concrete pad or platform, including (but not limited to): pickup and transport of the backup diesel pump from City facilities; loading and unloading; lifting and hoisting; positioning; anchoring; and in-field assembly, as required. Contractor shall coordinate with the City for final pump orientation. Contractor shall be responsible for any damage to the backup diesel pump while said pump is being transported and installed. Contractor and City personnel shall inspect the backup diesel pump immediately prior to pick up and after delivery to the lift station.

7. **6-inch HDPE DR11 SUCTION PIPE AND FITTINGS**

[Section 1 – Item 2c.] [Section 2 – Item 2c.] [Section 3 – Item 2c.]
[Section 4 – Item 2c.] [Section 5 – Item 2c.] [Section 6 – Item 2c.]
[Section 7 – Item 2c.]: Payment for furnishing and installing the 6-inch HDPE DR11 suction pipe and fittings in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. Construction plans may not depict all required fittings. Unless otherwise noted, all fittings shall be fusible HDPE and fused in the field in conformance with City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful construction and installation of the suction pipe, including (but not limited to): pipe; fittings; hardware; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; suitable pipe bedding; backfilling; sheeting; connection to the backup diesel pump; connection to wetwell, including coring of the wetwell wall or connection to existing suction pipe, penetration seals, and interior pipe supports; and cleanup and disposal of excess materials. Contractor shall coordinate final suction pipe penetration location with City personnel, as relevant.

8. **6-inch HDPE DR11 DISCHARGE PIPE AND FITTINGS**

[Section 1 – Item 2d.] [Section 2 – Item 2d.] [Section 3 – Item 2d.]
[Section 4 – Item 2d.] [Section 5 – Item 2d.] [Section 6 – Item 2d.]
[Section 7 – Item 2d.]: Payment for furnishing and installing the 6-inch HDPE DR11 discharge pipe and fittings in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The contractor shall furnish all required for installation.

Construction plans may not depict all required fittings. Unless otherwise noted, all fittings shall be fusible HDPE and fused in the field in conformance with City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful construction and installation of the discharge pipe, including (but not limited to): pipe; fittings; hardware; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; suitable pipe bedding; backfilling; sheeting; connection to the backup diesel pump; and cleanup and disposal of excess materials. Contractor shall coordinate final suction pipe penetration location with City personnel, as relevant.

9. **6-inch GATE VALVE**

[Section 1 – Item 2e.] [Section 2 – Item 2e.] [Section 3 – Item 2e.] [Section 4 – Item 2e.] [Section 5 – Item 2e.] [Section 7 – Item 2e.]: Payment for furnishing and installing the 6-inch gate valve in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful construction and installation of the 6-inch gate valve, including (but not limited to): valve; valve box, vault, or housing; valve stem; valve box extension and adjustment; concrete work; operators; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; base material below valve; backfilling; sheeting; connections; and cleanup and disposal of excess materials.

10. **4-inch GATE VALVE**

[Section 6 – Item 2e.]: Payment for furnishing and installing the 4-inch gate valve in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful construction and installation of the 4-inch gate valve, including (but not limited to): valve; valve box, vault, or housing; valve stem; valve box extension and adjustment; concrete work; operators; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; base material below valve; backfilling; sheeting; connections; and cleanup and disposal of excess materials.

11. **CONNECT TO EXISTING 8-inch FORCE MAIN**

[Section 1 – Item 2f.]: Payment for furnishing and installing the connection to the existing 8-inch force main in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications.

The Contractor shall provide all labor, equipment, materials, and incidentals required for successful connection of the backup diesel pump discharge pipe to the existing 8-inch force main, including (but not limited to): wye-fitting; pipe sleeve(s); hardware; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; bedding; backfilling; sheeting; field measurements; protection of existing facilities; and cleanup and disposal of excess / discarded materials. Contractor to verify sizing and existing force main pipe material. Connecting using a tapping sleeve shall not be acceptable.

12. **CONNECT TO EXISTING 6-inch FORCE MAIN**

[Section 2 – Item 2f.] [Section 3 – Item 2f.] [Section 4 – Item 2f.] [Section 5 – Item 2f.] [Section 7 – Item 2f.]: Payment for furnishing and installing the connection to the existing 6-inch force main in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful connection of the backup diesel pump discharge pipe to the existing 6-inch force main, including (but not limited to): wye-fitting; pipe sleeve(s); hardware; pipe; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; bedding; backfilling; sheeting; field measurements; protection of existing facilities; and cleanup and disposal of excess / discarded materials. Contractor to verify sizing and existing force main pipe material. Connecting using a tapping sleeve shall not be acceptable.

13. **CONNECT TO EXISTING 4-inch FORCE MAIN**

[Section 6 – Item 2f.]: Payment for furnishing and installing the connection to the existing 4-inch force main in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for successful connection of the backup diesel pump discharge pipe to the existing 4-inch force main, including (but not limited to): wye-fitting; pipe sleeve(s); hardware; pipe; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; bedding; backfilling; sheeting; field measurements; protection of existing facilities; and cleanup and disposal of excess / discarded materials. Contractor to verify sizing and existing force main pipe material. Connecting using a tapping sleeve shall not be acceptable.

14. **BYPASS PUMPING OR PUMPER TRUCK**
[Section 1 – Item 2g.] [Section 6 – Item 2g.]: Payment for bypass pumping or pumper truck will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. This item is related to cutting in and installation of the discharge pipe connection to the existing force main. The Contractor shall provide all labor, equipment, materials, and incidentals required for collection and disposal of wastewater during connection of the discharge pipe to the existing force main. Contractor shall coordinate timing, means, and methods with City personnel. All wastewater shall be properly disposed of. City personnel shall be notified immediately in the event of a spill.
15. **REMOVE AND REPLACE EXISTING LIFT STATION DISCHARGE PIPING WITH NEW HDPE DR11 ABOVE-GROUND PIPING AND FITTINGS, VALVES, AND ARVs**
[Section 2 – Item 3a.] [Section 3 – Item 3a.] [Section 4 – Item 3a.] [Section 5 – Item 3a.] [Section 7 – Item 3a.]: Payment for removing existing lift station discharge piping and furnishing and installing new HDPE DR11 discharge piping in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. Above-ground piping shall conform to the standard details included in the construction plans and City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for installation of above-ground discharge piping, including (but not limited to): piping; fittings; valves, ARVs; hardware; pipe supports, including anchors; clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; bedding; backfilling; sheeting; field measurements; protection of existing facilities; connection to the existing force main; and cleanup and disposal of excess / discarded materials. Contractor shall coordinate above-ground piping orientation with City personnel. This item shall be performed following wetwell lining and installation of the new wetwell lid and hatch(es) as shown by the construction plans.
16. **REMOVE AND REPLACE EXISTING WETWELL LID**
[Section 2 – Item 3b.] [Section 3 – Item 3b.] [Section 4 – Item 3b.] [Section 5 – Item 3b.] [Section 7 – Item 3b.]: Payment for removing the existing wetwell lid and furnishing and installing a new wetwell lid in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for removing and replacing the wetwell lid, including (but not limited to): precast reinforced concrete wetwell lid of appropriate size; sealing gasket / materials; hatches; hardware; clearing and disposal of trees and bushes; dewatering;

excavation of all unsuitable materials, including rock; saw-cutting existing pavement; imported fill; grading; compaction; bedding; backfilling; sheeting; field measurements; protection of existing facilities; and cleanup and disposal of excess / discarded materials, including transport and disposal of the existing lid. Contractor to field verify measurements. Minimum lid thickness is 10 inches for a wetwell diameter of 8 feet or less and 12 inches for a wetwell diameter of 10 feet. Wetwell lids shall have four sides (circular lids are not acceptable). WETWELL / WORK AREA SHALL BE SECURED AT ALL TIMES WHEN LID IS REMOVED. Contractor shall ensure that work area does not present a hazard to the public.

17. **CLEAN AND LINE EXISTING WETWELL**

[Section 2 – Item 3c.] [Section 3 – Item 3c.] [Section 4 – Item 3c.] [Section 5 – Item 3c.] [Section 7 – Item 3c.]: Payment for cleaning and lining the existing wetwell in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required for cleaning and lining the existing wetwell, including (but not limited to): dewatering the wetwell; sludge / trash removal and disposal; removal of interior components; surface preparation in accordance with lining manufacturer's requirements, including (but not limited to) drying, sandblasting, removal of sandblasting materials, removal of loose materials, crack / spalling repairs, other concrete repairs, and any other work necessary to prepare for lining; installation, finishing, and curing of wetwell lining; sump forming; pump bench repair; other concrete repairs; protection of existing facilities; cleanup and disposal of excess / discarded materials; and warranty work. **WETWELL LINING SHALL BE SewperCoat Lining System.** Lining to be cured according to manufacturer's specifications. Contractor shall ensure that work area does not present a hazard to the public.

18. **INSTALL PUMPS, GUIDE RAILS, PIPE SUPPORTS, AND OTHER INTERIOR COMPONENTS**

[Section 2 – Item 3d.] [Section 3 – Item 3d.] [Section 4 – Item 3d.] [Section 5 – Item 3d.] [Section 7 – Item 3d.]: Payment for installing pumps, guide rails, pipe supports, and other interior components in conformance with the construction plans will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The City will provide submersible pumps, float racks, transducer conduit, pump bases, guide rails, and guide rail mounts. The Contractor shall provide all labor, equipment, materials, and incidentals required for installing pumps guide rails, pipe supports, and other interior components, including (but not limited to): hardware; bracketry; interior pipe supports; cleanup and disposal of excess / discarded materials; and any other labor, equipment or materials required for

successful completion. Contractor shall coordinate with City for acquisition of City-provided materials. This work shall be completed following the City's acceptance of the wetwell lining work.

19. **BYPASS PUMPING**

[Section 2 – Item 3e.] [Section 3 – Item 3e.] [Section 4 – Item 3e.] [Section 5 – Item 3e.] [Section 7 – Item 3e.]: Payment for bypass pumping will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. Bypass pumping shall be utilized during wetwell rehabilitation. Cutting in and installation of the backup diesel discharge pipe connection to the existing force main can be performed concurrently with wetwell rehabilitation while bypass pumping is available. The Contractor shall provide all labor, equipment, materials, and incidentals required for bypass pumping, including (but not limited to): pumps; engine drives or generator sets; fuel; suction and discharge piping; flow-through plugs; control equipment; alarm auto-dialer; and equipment barriers. Contractor shall coordinate timing, means, and methods with City personnel in accordance with City specifications. Alarm auto-dialer shall notify the contractor in the event of an alarm. At a minimum, alarms notifications shall be sent upon high water level and low fuel level. **CONTRACTOR MUST PROVIDE PRIMARY AND BACKUP CONTACT PERSONNEL ABLE TO RESPOND TO ALARMS AT ALL TIMES.** The contractor shall provide the names and 24-hour phone numbers / contactor information of persons who will respond to alarms to the City, and this information shall be also located on site. City personnel shall be notified immediately in the event of an alarm or spill. Contractor shall ensure that sufficient fuel is available at all times. Fuel shall not be stored unattended on site. Contractor shall employ all reasonable attempts to limit odor, noise, and other public nuisances during bypass pumping operations. Contractor shall use barriers to prevent public access to bypass pumping equipment.

20. **SITE RESTORATION**

[Section 1 – Item 3a.] [Section 2 – Item 4a.] [Section 3 – Item 4a.] [Section 4 – Item 4a.] [Section 5 – Item 4a.] [Section 6 – Item 3a.] [Section 7 – Item 4a.]: Payment for site restoration will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required to restore and repair the site, including (but not limited to): clearing and disposal of damaged trees, shrubs, bushes, and sod; imported fill; grading; top soil; replacement trees, shrubs, bushes, and sod of like species, type, size, and quality prior to construction; irrigation system components; groundcover, including stone, rock, pavers, asphalt, or other types not specified in the bid; roadways; sidewalks; driveways; curbing; fencing; drainage facilities including grates, catch basins, mitered end sections, culverts, pipes, inlets,

etc.; mailboxes; and any other items necessary for the satisfaction of the City and property owner. Grading and drainage patterns shall conform to pre-construction slopes and directions unless approved by the City. Landscape installation shall conform to City specifications. Contractor is responsible for ensuring adequate irrigation of trees, bushes, shrubs, and grass during establishment. Road restoration shall conform to City specifications. Concrete sidewalk and driveway shall be replaced between joints and elevations shall match existing. Otherwise, concrete and sidewalk driveway restoration shall match the materials, construction, and elevation prior to construction. Restoration shall be to a standard equal to or better than existing prior to construction.

21. **ABANDON EXISTING VALVE VAULT AND REMOVE OR FILL WITH CONCRETE**

[Section 2 – Item 4b.] [Section 3 – Item 4b.] [Section 4 – Item 4b.] [Section 5 – Item 4b.] [Section 7 – Item 4b.]: Payment for abandoning the existing valve vault will be made at the Contract lump sum price in accordance with City specifications. All materials and work shall conform to City specifications. The Contractor shall provide all labor, equipment, materials, and incidentals required to abandon the existing valve vault, including (but not limited to): clearing and disposal of trees and bushes; dewatering; excavation of all unsuitable materials, including rock; imported fill; grading; compaction; backfilling; sheeting; concrete; and cleanup and disposal of excess / discarded materials, including the valve vault if removed. VALVE VAULT MAY HAVE TO BE REMOVED TO ACCOMMODATE ABOVE-GROUND PIPING. Concrete fill, if used, shall conform to the City’s specification for unreinforced concrete.

- B. Prior to submitting first monthly Application for Payment, Contractor shall submit to Engineer, for review and approval, a schedule of values based upon the Contract Price, listing the major elements of the Work and the dollar value for each element. After its approval by the Engineer, this schedule of values shall be used as the basis for the Contractor’s monthly Applications for Payment.
- C. Prior to submitting first monthly Application for Payment, Contractor shall submit to The City a complete list of all its proposed subcontractors and materialmen, showing the work and materials involved and the dollar amount of each proposed subcontract and purchase order. The first Application for Payment shall be submitted no earlier than thirty (30) days after the Commencement Date.
- D. If payment is requested on the basis of materials and equipment not incorporated into the Project, but delivered and suitably stored at the site or at another location agreed to by the City in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice or other documentation warranting that the City has received the materials and equipment free and clear of all liens, charges, security interests and encumbrances, together with evidence that the materials

and equipment are covered by appropriate property insurance and other arrangements to protect the City's interest therein, all of which shall be subject to the City's satisfaction.

- E. Contractor shall submit six (6) copies of its monthly Application for Payment to the Engineer on or before the 25th day of each month for work performed during the previous month. Invoices received after the 25th day of each month shall be considered for payment as part of the next month's application. Within ten (10) calendar days after receipt of each Application for Payment, the Engineer shall either:
1. indicate his approval of the requested payment;
 2. indicate his approval of only a portion of the requested payment, stating in writing his reasons therefore; or
 3. return the Application for Payment to the Contractor indicating, in writing, the reason for refusing to approve payment.

In the event of a total denial and return of the Application for Payment by the Engineer, the Contractor may make the necessary corrections and resubmit the Application for Payment. The City shall, within thirty (30) calendar days after the Engineer's approval of an Application for Payment, pay the Contractor the amounts so approved. Provided, however, in no event shall the City be obligated to pay any amount greater than that portion of the Application for Payment approved by the Engineer.

- F. The City shall retain ten (10%) of the gross amount of each monthly payment request or ten percent (10%) of the portion thereof approved by the Engineer for payment, whichever is less. Such sum shall be accumulated and not released to the Contractor until final payment is due.
- G. Monthly payments to Contractor shall in no way imply approval or acceptance of Contractor's work.
- H. Contractor agrees and understands that funding limitations exist and that the expenditure of funds must be spread over the duration of the Project at regular intervals based on the Contract Amount and Progress Schedule. Accordingly, prior to submitting its first monthly Application for Payment, Contractor shall prepare and submit for the Engineers review and approval, a detailed Project Funding Schedule, which shall be updated as necessary and approved by the City to reflect approved adjustments to the Contract Amount and Contract Time. No voluntary acceleration or early completion of the Work shall modify the time of payments to Contractor as set forth in the approved Project Funding Schedule.

3.2 PAYMENTS WITHHELD

- A. The Engineer may decline to approve any Application for Payment, or portions thereof, because of subsequently discovered evidence or subsequent inspections. The Engineer may nullify the whole or any part of any approval for payment previously issued and the City may withhold any agreement between the City and Contractor, to such an extent as may be necessary in the City's opinion to protect it from loss because of:
 - 1. Defective Work not remedied;
 - 2. Third party claims filed or reasonable evidence indicating probable filing of such claims
 - 3. Failure of Contractor to make payment properly to subcontractors or for labor, materials or equipment;
 - 4. Reasonable doubt that the Work can be completed for the unpaid balance of the Contract Amount;
 - 5. Reasonable indication that the Work will not be completed within the Contract Time;
 - 6. Unsatisfactory prosecution of the Work by the Contractor; or
 - 7. Any other material breach of the Contract Documents.

- B. If these conditions in Subsection 5.1 are not remedied or removed, the City may, after three (3) days written notice, rectify the same at Contractor's expense. The City also may offset against any sums due Contractor the amount of any liquidated or unliquidated obligations of Contractor whether relating to or arising out of this Agreement or any other agreement between Contractor and the Engineer.

3.3 FINAL PAYMENT

- A. The City shall make final payment to Contractor within thirty (30) calendar days after the Work is finally inspected and accepted by both the City and the Engineer in accordance with Section 20.1 herein provided that Contractor first, and as an explicit condition precedent to the accrual of Contractor's right to final payment, shall have furnished the City with any and all documentation that may be required by the Contract Documents and the City.

- B. Contractor's acceptance of final payment shall constitute a full waiver of any and all claims by Contractor against the City arising out of this Agreement or otherwise relating to the Project, except those previously made in writing and identified by Contractor as unsettled at the time of the final Application for Payment. Neither the

acceptance of the Work nor payment by the City shall be deemed to be a waiver of the City's right to enforce any obligations of Contractor hereunder or to the recovery of damages for defective Work not discovered by the Engineer at the time of final inspection.

END OF SECTION