

## CHAPTER 8 - MEASUREMENT AND PAYMENT

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## 8-1 MEASUREMENT OF QUANTITIES

### 8-1.1 General

The Standard Specifications prescribe methods of measuring quantities but are not intended to be all-inclusive. Refer to the plans, special contract requirements, and to Chapter 9 of this manual for measurement details.

Each *Construction Requirements* section of the Standard Specifications contains a subsection entitled *Measurement*, stating what is to be measured and how it is to be measured. Further, the *Payment* subsection of each section states what work is covered by the payment. Work that is not specifically identified for payment is assumed to be a subsidiary obligation and no payment is required.

Occasionally, plans and special contract requirements will change the standard methods of measurement and payment, or include provisions for measurement and payment for items not in the Standard Specifications.

Before making any measurements on a project, the Project Engineer should study the plans, specifications, and special contract requirements to determine first, what is to be measured, and second, how it is to be measured.

There are three basic methods of measuring contract items. The first is *contract quantity* (or lump sum). For these items the work authorized by the contract is verified and paid for. No detailed remeasurement is required. Changes or correction of errors must be documented by a Contract Modification. Examples of contract quantity would be mobilization and structural concrete (usually).

The second method is *staked or ordered quantity*. That is, when work is staked out or ordered by the Engineer, before the work is performed, the quantity is defined, and that is what is paid for. Again, although verification that the work is done is necessary, no detailed remeasurement is required. Examples of this method would be culverts, curbing and

earthwork (usually).

The third method is *as constructed* quantity. The performance of work is authorized by the contract or the Engineer, and, subject to FLH inspection, it is performed, measured, computed [if necessary] and paid for. Examples of this method would be paving items paid by the ton, subexcavation of soft spots, and watering.

**Figure 8-1.1a, Daily Record of Miscellaneous Items**, may be used for documenting many bid items in the third category such as flagging, water, rolling hours, etc. The original ticket remains in the ticket book, or is otherwise filed in the project files; and the duplicate is issued to the Contractor after acknowledgment (signature or initials) by the Contractor or its representative and by the Project Engineer or his/her representative. The use of only one bid item per ticket book is desirable for miscellaneous items. See also **Figure 8-1.1b, Materials Receipt Form**, used for items paid by weight.

All bid items supported with tickets will be totaled on an adding machine or spreadsheet and entered in the Summary Book under the appropriate bid item. It is not necessary to enter daily totals in the Summary Book each day for miscellaneous items, but the total units for each book or the entire progress estimate period may be entered as a single entry.

Contract Quantity items will be supported by a signed and dated note preferably in a field book, stating the item of work has been completed satisfactorily and is in substantial conformity with the plans and specifications.

### 8-1.2 Quantity Significant Figures

The minimum number of significant decimal places to which quantities should be measured, computed and reported is generally dependant on the value or bid price of an individual unit; and with the degree of precision with which it is practical to measure the item.

FLH computer programs for the receiving report (progress or final estimate) generally allow up to

four figures to the right of the decimal point. However, usually not all of these figures are required to be significant.

For progress estimates the methods used to measure quantities may sometimes be faster but less accurate than methods used for final payment. For this reason progress payment quantities may be (but are not required to be) less precise than final quantities. For progress estimates the minimum reported precision for any contract item should be the quantity that has a value between \$10 and \$100. For final payment the minimum reported precision for contract item should be the quantity that has a value between \$1 and \$10.

Quantities should generally be computed to at least one significant figure more than the minimum required for reporting.

If the measurement and computational methods used yield significant figures beyond the minimum required, it is at the discretion of the Project Engineer whether or not to round the total to the minimum precision indicated. Once quantities are computed and reported on progress estimates, it is not recommended that they later be rounded arbitrarily to a lesser number of significant figures, especially for items that have been completed and subcontractors paid.

Items specified as contract quantity items should always be reported for final payment with the same precision implied in the contract.

Items measured by weigh tickets should be reported to the same precision as the ticket for both progress and final payment.

#### **Examples:**

*(1) Item 20101 Clearing and grubbing is bid at \$3,500 per hectare. One hundredth (.01) hectare is valued at \$35. Therefore report clearing and grubbing quantities for progress payments to a precision of not less than 0.01 hectare. Report the final quantity to a precision of not less than 0.001 hectare.*

*(2) Item 60103 Concrete is bid at \$18,500 lump sum. One thousandth (.001) of one percent is valued at \$18.50. Therefore report this lump sum item to a precision of not less than 0.001 percent for progress payments.*

*(3) Item 25303 Gabions is bid at \$167.00 per cubic meter. One tenth (0.1) of a cubic meter is valued at \$16.70. Therefore report gabion quantities for progress payments to a precision of not less than 0.1 cubic meter. Report final payment to a precision of not less than 0.01 cubic meter.*

*(4) Item 62902 Roving is bid at \$0.85 per square meter. One hundred (100) square meters has a value of \$85.00. Therefore report roving quantities for progress payments to a precision of at least 100 square meters Report the final quantity to a precision of at least 10 square meters.*

#### **8-1.3 Computation of Earthwork Quantities**

Electronic computation of earthwork quantities is standard procedure. It may be necessary or desirable, however, to make supplementary earthwork quantity computations on the project in connection with minor alignment, grade, or slope changes, or for other reasons. These supplementary computations may be performed on computer based software, or by manual calculations if necessary. The relationship to the main design computations should be clearly documented and checkable by others.

The Summary Book should list all of the current documentation used to pay for earthwork; i.e., the master quantity printout along with each supplement or correction to those quantities. Date or otherwise identify each document referenced. Do not leave stacks of obsolete or superseded computations mixed with current documentation.

Unless otherwise provided in the special contract requirements or otherwise approved by the Project Engineer as providing equivalent accuracy, excavation quantities for payment are

to be computed by the average end area method, with no correction for curvature. In this method, the average area of end sections (taken at right angles to the centerline) and the centerline distances between end sections are used.

In order to avoid distorted balancing of earthwork quantities in areas of sinuous alignment through heavy sidehill construction, correction for curvature may be necessary. Such correction will be for the purpose of balance only, and payment will be made for uncorrected excavation quantities unless otherwise provided in the special contract requirements. In the case of Contract Modification work, the difference between actual vs. computed excavation should be discussed with the Contractor during negotiation since this difference may impact costs and quoted prices.

The cross-section areas generally are obtained either by direct computation from slope stake notes or by plotting and computing the section. Direct computation of areas from slope stakes is preferable because it is usually less time consuming. Planimetry of plotted sections is sometimes used for design, but is not acceptable for documentation of payment because it is less accurate and cannot be checked except by repeating the process.

A number of commercial earthwork software packages are available which compute quantities using cross sections and end areas, or equivalent techniques. If commercial earthwork software is not available, there are several acceptable methods of manually computing cross-section areas.

Cross-section notes will be entered directly in a preformatted slope stake field book. Electronic data collectors may also be used if the Division procedures support them. Field books for slope staking may be duplicate (no carbon required) type. If used, the original must be retained in the book to serve as the permanent record. The second copy may be detached to facilitate computing. This permits mailing data to the Division without exposing the original to loss.

Likewise, if electronic data is collected, a copy should be retained prior to sending the diskette to the Division.

The maximum interval for cross-sectioning should usually be 20 meters with intermediate sections taken as necessary to catch all breaks in terrain. For pay purposes, the volumes must be computed and checked mathematically and all computations should be documented in field books, on computer printouts or on cross section rolls. Each document should be uniquely identified and referenced in the Summary Book. The Summary Book should contain a tabulation of the following: station to station; prism excavation and/or embankment volume; and any other quantities involved such as subexcavation, waste, channel changes, etc. Grouping may be between balance point stations, or for example, every 500 meters when balances are infrequent. Plan quantities may be entered in the Summary Book originally, whether or not they are a specified basis for payment. Measured quantities may be added to or substituted for the plan quantities after computation and checking. Whenever changes or new sections are substituted, the referencing should be clear. The old sections should be discarded or identified as "superseded".

The taking of cross-sections after completion of the grading is not normally required. Ordinarily, cross-sections will not be necessary except in areas where there is a controversy with the Contractor, where slides are involved, or in rock cuts involving overbreak or underbreak. In rock excavation where it is necessary to determine the allowable overbreak, plotting of the cross-sections may be necessary. When borrow is paid for in its original location (borrow pit), the use of unclassified excavation must be carefully monitored to be sure unnecessary waste does not occur, which would increase the need (and payment) for borrow. Typical waste problems might be fill slopes too wide, not breaking down and incorporating rock into fills, not conserving potential topping material, and wasting acceptable quality material just because it is too wet, or haul distance is excessive.

#### 8-1.4 Measurement of Materials (Weight Basis)

For materials paid for on a weight basis, a daily summary of all weighed and accepted loads should be generated. Either custom software or a spreadsheet is acceptable for this summary. The summary should be filed with the tickets indicating certified weight and acceptance which remain the original or source document. Separate ticket books and summary reports are best used for each contract item when more than one item is being produced at once.

When standard tickets are used, the weigher should fill them in completely, except for the station of placement, and shall deliver the original and duplicate to the truck driver, and retain the triplicate. If an original is lost or missing at the end of the shift and delivery on the road was accomplished, the triplicate may be used to verify the quantity provided it can be confirmed that the material was delivered.

When approved recording scales are used, the detail of checking and delivering material will vary according to the form of the tickets, but must be arranged so as to furnish both the weigher and checker with a record of each load and the Contractor with a ticket issued as each load is weighed. When the recording scales accommodate tickets in duplicate only, it will be necessary for the weigher to keep a complete tabulation showing ticket number, tare, total weight, and pay weight. Both tickets will then be given to the truck driver. The checker on the road will fill in the station of placement, initial both copies, return the duplicate to the truck driver, and retain the original.

Weighing by an accredited public weighmaster is acceptable, provided the same basic procedures described above are used.

Tare weights of each empty truck are to be determined at least twice daily and at such other times as the Project Engineer directs. It is important that tare weights be determined at random times during the day, and that the

random selection process not be controlled by the truck driver or biased toward weighing when the fuel tanks are empty. The tare weights (and the date and time determined) should be recorded.

Where direct reading platform scales (those on which tares may be set on one beam and weight of load read directly on the other) are used the tare weight should be recorded (automatically or manually) on each ticket to give additional assurance that the correct tare weight was in fact set on the scale prior to reading the net weight. When belt scales, batch scales or other devices weigh the net weight of material without depending on gross truck weight, the ticket will be considered satisfactory when only net weight is shown. If scales of these types are used, a notation of scale type should be made in the diary.

Unless otherwise specified in the special contract requirements, no deduction will be made from aggregate weights for moisture content. When such deduction is specified, its method of determination should be specified. If a correction is required but no method specified, a deduction based on the daily average moisture content determined by heat drying no less than three representative samples taken at random intervals from each 8-hour production should suffice. Depending on contract requirements, the actual deduction will probably be for *excess* moisture, i.e., the difference between actual and optimum moisture.

The Standard Specifications provide that weighing devices shall be accurate within 0.5 percent throughout the range of use, and shall be inspected, tested, and sealed as often as the Engineer may deem necessary to assure continued accuracy. For noncommercial scales, the Engineer should request a copy of the inspection documentation for the project files. For commercial scales, the documentation may be requested if deemed necessary.

Before starting each day's weighing operations, and several times during the day, zero balancing

of the scales must be carefully checked. This consists of setting the scale indicators at zero when the scale is unloaded and checking the beam. The beam should swing freely and evenly, equidistance from the top and bottom of the trig loop. For multiple-beam scales, each beam should be balanced individually and then collectively. Any beam not actually used should be securely fastened into zero position so it cannot be mistakenly used with other beams.

Adjustments and repairs of weighing devices are the responsibility of the Contractor. FLH personnel may adjust the balance bar but must not perform other adjustments or repairs.

If the Project Engineer has reason to doubt the accuracy of a weighing device at any time, the Contractor should be required to stop weighing operations and have the weighing device tested and sealed.

The National Institute of Standards and Technology (NIST), Handbook 44 is the standard by which scales are tested and sealed. FLH Divisions will provide applicable parts of this document, and appropriate training, when its operating procedures include the routine involvement of field personnel in detailed scale inspections. Otherwise, problems which are not resolved by the Contractor to the satisfaction of the Engineer, should be referred to the COE who may engage a technical consultant.





## 8-2 ACTUAL COST WORK

### 8-2.1 General

The Standard Specifications provide for the performance of Contract Modification work on an actual cost basis when it is not possible to define the quantity of work and negotiate a price prior to the performance of the work being accomplished. Actual cost pricing should be used only when it is not practically possible to establish fixed unit prices or lump sum prices.

When actual cost work is agreed to, or when work is commenced on an actual cost basis pending negotiation of unit or lump sum prices, the Engineer or FLH inspector monitoring the work should agree with the Contractor on the exact hours for labor and equipment (as well as materials) associated with the work each shift. A preprinted form on which to tabulate such hours and costs is recommended. The form should allow signature or initials for both the Contractor and the Engineer.

See Chapter 3 for more discussion of pricing Contract Modifications **for which payment can not be agreed upon.** Actual Cost work involved in the performance of contingent sum items will be ordered by the issuance of contract modifications.

**Payment for actual cost work will be in accordance with the Standard Specifications. Strict adherence to the requirement that the cost records be maintained and signed daily as the work progresses is essential.**

### 8-2.2 Daily Records of Actual Cost Work

When actual cost work is being performed, daily records should be prepared on Form FHWA-1478A, Daily Record of Actual Cost Labor and Equipment (Figure 8-2.2a), or Form FHWA 1478B, Daily Record of Actual Cost Materials (Figure 8-2.2b). The minimum entry requirements for labor, equipment, and materials are as follows:

- **Labor** - The name and complete minimum wage schedule description, i.e., laborer unskilled; or operator, asphalt milling machine. The Project Engineer must ascertain that the daily records of hours worked do not exceed the hours shown on the Contractor's payrolls. When fringe benefits are expressed as a percent, they should be applied to the gross payroll (i.e., straight-time wages plus overtime wages).
- **Equipment** - Complete Corps of Engineers ownership and operating rate information, e.g., Dozer, Caterpillar, D-8L, 250 kW; and the Corps unit number if available, e.g., #T15CA015.
- **Material** - A description of the material and source together with certification or test data and invoices or other cost information.

**The original of Form FHWA-1478A or 1478B will be retained in the project files and a copy given to the Contractor. It is important that the daily sheets be made out and agreed to as soon as possible so that any differences may be resolved at the time the work is performed. The original copies of the signed daily sheets and the materials invoices are the minimum documentation required for actual cost work. If an inspector keeps notes on the actual cost work, these notes should be made a part of the files.**

### 8-2.3 Summary of Actual Cost Work

Monthly summaries of actual cost work should be prepared in the Project Summary Book. Separate summaries should be kept for each actual cost contract modification, and all subtotals and totals should be entered in the Summary Book. Computations supporting the subtotals and totals should be attached to the daily sheets for the period covered in the Project Summary Book. This can be done by the use of a copy of the adding machine tape or computer spread sheet, which will also facilitate checking.

Actual costs of materials may be included in the monthly progress payments if the Contractor has

**provided the Project Engineer with a copy of acceptable invoices and quality data for the material. This documentation should be attached to the daily work sheets.**

## 8-3 PROGRESS PAYMENTS

### 8-3.1 General Requirements

The processing of progress payments became a substantially more complex process with the *Prompt Payment Act of 1982*, including amendments to the Act in 1988 and additional administrative requirements by OMB in 1989. These requirements are included in *FAR Clause 52.232-5, Payments Under Fixed Price Construction Contracts, FAR Clause 52.232-27, Prompt Payment for Construction Contracts*, and Subsection 109.08, Progress Payments of the FP. These clauses appear in each contract and should be reviewed in detail. The following guidance addresses the highlights and common problems.

### 8-3.2 Prompt Payment

Some of the basic requirements of the Prompt Payment Act are:

- The Government is required to make payment to the Contractor within 14 days after a valid invoice is received at the designated billing office from the Contractor.
- The Government must advise the Contractor in writing within 7 days if the invoice is defective.
- The Government is obligated to pay the Contractor interest if payment is not made in a timely manner.
- The Contractor may invoice only subcontractor's work for which it is committed to paying the subcontractor within 7 days of payment by the Government.
- The Contractor may be obligated to pay interest to the Government and an interest penalty to the subcontractor on any amounts for subcontractor work it invoices, and is paid by the Government; and fails to pay the subcontractor within 7 days.

- The Government is not to become involved in disputes between subcontractors and contractors.

### 8-3.3 Preconstruction Conference

The payment and invoice process as well as the Contractor's obligations in this process should be emphasized at the preconstruction conference. In particular the Contractor should understand that failure to provide required materials documentation, test reports and certifications will result in nonpayment for the work in question.

Subcontractor complaints are a particular problem. While the Project Engineer should avoid getting involved in disputes between the prime and subcontractors, the interest on amounts due subcontractors sometimes makes the Government have a *stake* in the dispute. This means the Contractor should be requested to resolve such disputes and advise the Project Engineer of how they are resolved - at least to the extent we are satisfied that there were no violations of Prompt Payment. It should be made clear to the Contractor that FLH is not a policing or audit agency; and if disputes linger on, or appear to indicate improper actions of the Contractor prejudicial to the Government, we will have no choice but to request intervention of an appropriate legal authority such as the DOT Office of the Inspector General.

### 8-3.4 Government's Receiving Report (Project Engineer's Progress Estimate)

Prior to the Prompt Payment Act, the Project Engineer's Progress Estimate was the sole document used to initiate progress payments. Under the Prompt Payment Act and ensuing regulations, the Government's estimate (printout from the *Progress Estimate Program*) is defined as the *receiving report*. Its purpose is to validate the accuracy of the Contractor's invoice. See Figure 8-3.4 for an Example Project Engineer's Receiving Report. Together these items initiate payment. While it is possible to combine the Government's receiving

report and the Contractor's invoice in a single printout or document, that is generally discouraged since it undermines the Contractor's accountability and obligation to prepare the invoice.

In order for payment to be made, the Contractor's invoiced quantity and unit price for any item must not exceed the receiving report quantity and unit price for that item. Therefore, the Contractor must have access to measurement, quantity, and pay factor information that only the Project Engineer may have, at the time the receiving report is prepared. For example: allowances for partially completed work or computation of quantities based on survey notes which only the Government has access to. The Project Engineer must provide or concur in, all measurement, quantity, and pay factor information on the receiving report, in writing or in a meeting with the Contractor's representative at a mutually agreeable time within 7 days after the estimate *cutoff* date. While the Project Engineer should be reasonable in resolving disputes or differences with the Contractor on what the receiving report should include, the Project Engineer has the final say [within the terms of the Contract], and *agreement* on the content of the receiving report is not required.

The Project Engineer should not include work on the receiving report for which the Contractor has not provided the required documentation, test results or certifications.

All quantities shown on the receiving report must be documented in the summary book and cross referenced to an appropriate field book or file. The basis of percentage payments, and temporary items like stockpiled materials should be documented in a separate estimate book or file. Any material pay factor adjustment to Contract unit prices should be documented with a QL-Pay printout or manual computations.

All contract items and probable quantities should be shown on the receiving report so that the status of the probable contract amount can be monitored easily. Probable quantities are normally not provided to the Contractor unless they are

requested, or unless the Contractor needs to know, e.g., to order materials. This information may sometimes precipitate a request for a contract modification; but it is generally better to be forthright with the Contractor, than to obscure information. All quantities and pay items associated with Contract Modifications should be listed separately and identified as to the number of the Contract Modification. When a unit price is adjusted based on a material pay factor or other specific contract provisions, neither a new item nor a contract modification is necessary, but the pay factor should be identified as *interim* on the receiving report, if it is subject to further adjustment.

Proposed adjustments to the Contractor's invoice (see Subsection 8-3.8 below) may be shown on the receiving report; however, if their approval is not delegated to the Project Engineer, they are considered tentative until approval of the estimate payment in the Division office.

### 8-3.5 Contractor Invoices

The Contractor's invoice package must contain the items listed in Section 109 of the FP. See Figure 8-3.5 for an Example Contractor's Invoice. The Contract specifies where the invoice must be sent or delivered in order for the 14-day *clock* to start. This may be either the FLH Division, or the Project Office. It is important to stamp or note on the invoice when it was received. It is also important to know the maximum time it may be retained during processing by the billing office, and still be within the 14-day limit for payment. There are generally three major components of a Contractor invoice:

- Tabulation of quantities and unit prices. No quantity for an individual item should exceed the quantity for that item on the Government's receiving report. However, quantities for certain items may be less - for example if a subcontract provided that certain work not be paid for until complete (see below). Payment would then be based on the lower (contractor's) quantity.

- Accounting of subcontractors, with the total amounts, amounts previously paid, and amounts to be paid from this estimate.
- Signed certification conforming to FAR Clause 52.232-5(c)

FAR Clause 52.232-27 requires *interest penalties* and similar adjustments to also be included in the invoice. I.e., if the Contractor previously invoiced the Government for work that it then withheld from a subcontractor, it is required to show the interest penalty (credit to the Government) on the invoice. We expect this sort of adjustment to be very infrequent. However, if the occasion arises, and the Contractor needs the correct current interest rate, the information should be obtained from the COE.

### 8-3.6 Subcontractor Work and Payments

The term *subcontractor* as used in the payment clauses means not just onsite subcontractors, but supply, equipment rental and service subcontractors as well. There is no prohibition against a Contractor withholding payment from a subcontractor for cause - such as producing defective work (whether or not the Government considers it defective), or not completing its work on time. However, the Contractor cannot invoice the Government for work for which it is *temporarily* withholding payment from the subcontractor. *Temporarily* means the Contractor recognizes an obligation to pay the subcontractor as soon as the problem which precipitated the withholding is corrected.

If the Contractor does invoice the Government for work performed by a subcontractor it must pay the subcontractor within 7 days of receiving payment from the Government. Failure to make payment results in an interest penalty due from the Contractor to the Government. Interest continues as long as the Contractor has received payment from the Government, but failed to pay

the subcontractor. If the Contractor has violated the terms of the subcontract by failure to make payment, it may owe a second interest penalty to the subcontractor. Generally, the Government is not a party to the latter obligation, and the Project Engineer should not attempt to monitor or enforce subcontract provisions.

If the withholding from the subcontractor is permanent, that is considered a defacto reduction in the amount of the subcontract and should be reported in the invoice documentation as such. For example: A subcontractor building a box culvert is unable to obtain credit to buy ready mix concrete. The prime purchases the concrete and deducts payment from the subcontractor's payments. This transaction reduces the amount of the subcontract. The prime may invoice the Government for the full amount of the completed work, and is not obligated to pay interest to the subcontractor or to the Government.

The Prompt Payment Act takes precedence over the terms of the Contract. For example, the Contract may provide that temporary traffic control devices are paid at 50% on delivery to the site. However, the Contractor may have a subcontract which provides payment at 5% per month for the first 20 months of the Contract. In this case the Contractor may invoice the Government only for the amounts it will pay the subcontractor, plus a proportionate share of any overhead and profit markup if applicable. The Project Engineer will often not have enough information to know if there is a significant difference in subcontract payment terms and those in the contract. A comparison of the tabulation of the status of all subcontract payments required by Section 109.08 of the Contract, with the Project Engineer's knowledge of how much subcontracted work has been paid for under the Contract, will often give indications of problems which should be questioned.

Complaints from subcontractors who say they have not been paid have two implications under the Contract. The first is a possible Miller Act

claim by the subcontractor against the Contractor's surety. The second is a possible violation of the Prompt Payment Act, if the payment in question was invoiced the Government and paid to the Contractor, but not passed on to the subcontractor.

See Subsection 7-1.6 for a discussion of the Miller Act, and Figure 7-1.6, Example Miller Act - Prompt Payment Letter to a Subcontractor. Copies of such letters should be normally provided to the Contractor. However, you should discuss unusual situations, such as allegations of fraud or other criminal activity, with the COE prior to initiating correspondence.

If there is an apparent violation of the Prompt Payment Act, FLH should write to the Contractor detailing the allegations and facts as we know them, and request a written explanation from the Contractor. See Figure 8-3.6a for an Example Prompt Payment Letter. Note that the Government's only interest in underpayments to subcontractors is possible violations of the Prompt Payment Act and the interest that might therefore be due the Government. The Government should avoid becoming involved in disputes between the Contractor and its subs; and especially avoid ordering the Contractor to pay subs. Our position is simply that if the Contractor is not paying the subs, it cannot invoice the Government for the subs' work.

Figure 8-3.6b is a table with summarized Guidelines for Handling Subcontractor/Supplier Complaints of Nonpayment.

### 8-3.7 Preparatory Work and Stockpiled Materials

General mobilization and preparatory work for starting construction is included in the Mobilization pay item. See Section 151 of the Standard Specifications. Preparatory work, or the beginning stages of work on a particular item should be included in the Contractor's invoice and

paid as an agreed percentage of that item. While it is possible to pay preparatory work on an actual expenses basis, this is not recommended because it entails additional bookkeeping and control to prevent overpayment. See Figure 8-3.7 for Guidelines for Percentage Payments for Partially Complete Work.

Stockpiled materials may be included in the Contractor's invoice and paid for as one or more separate (temporary) line items, provided:

- The materials are stored onsite or otherwise under the control of the Contractor. If materials are stored offsite the Contractor must provide documentation that it has acquired title to the materials. A paid invoice from the supplier to the contractor is normally adequate. However, *title* does not necessarily mean the Contractor has paid for the materials. Under prompt payment, the obligation to pay for them does not begin until payment is received from the Government.
- The materials are designated for incorporation into the work. E.g., form lumber, explosives and diesel fuel cannot be paid as stockpiled materials. They should be included in the mobilization item.
- There are test reports, certifications or other reasonable documentation that the materials comply with Contract requirements, or that the item into which they will be incorporated will comply with those requirements.

Payment for stockpiled materials is intended to allow the Contractor to order materials sufficiently in advance of the work to avoid delivery delays. Payment does not constitute *acceptance* of the material, although the Government may argue that it legally *owns* the materials in the event of a default. It is also not intended as a means of providing advance payments. Payments must represent the reasonable value of the materials as compared to the bid prices for the work into which they will be

incorporated. Whenever there is payment for stockpiled materials, such payment is covered by the conditions of the Prompt Payment Act. I.e., the Contractor is required to make payment to the subcontractor (supplier) within 7 days of receiving payment from the Government.

As the materials previously paid for are incorporated into the work and paid under Contract items, the temporary line item created to pay for them must be reduced or *zeroed out* accordingly.

### 8-3.8 Adjustments to Contractor's Invoice

Generally any change which the Government makes to the Contractor's invoice invalidates the certification accompanying the invoice and should therefore be avoided. The principal exception to this guidance is, if an error in the Contractor's invoice is based on erroneous information which the Government provided or failed to provide at the onsite meeting before the invoice was submitted, we should try to reconcile the error administratively rather than declare the invoice to be defective. Such reconciliations or corrections can be handled by phone, with a followup confirmation in writing to the Contractor.

Certain additions or adjustments discussed in Section 109 of the Standard Specifications may be made to the Contractor's invoice. These adjustments may be documented on the receiving report or generated separately. The adjustments generally relate to retent, liquidated damages, or other liabilities to the Government, which are handled outside the normal contract items. Some of these items, like liquidated damages may be in dispute. It is awkward to ask a Contractor to certify to the correctness of liquidated damages at the same time they are being contested. It is therefore acceptable for the Government to make such adjustments administratively after the invoice is received. These adjustments do not make the certification invalid.

Any adjustments to the Contractor's invoice which are an adverse action (i.e., retent, liquidated

damages, or other liabilities to the Government) should be documented by written notice to the Contractor explaining the reason for the adjustment, and if temporary, the conditions which would cause the adjustment to be rescinded. The Division should have procedures to assign responsibility for initiating this notice.

### 8-3.9 Retainage and Liquidated Damages for Poor Progress

Retainage or retent is money withheld from progress payments. FAR Clause 52.232-5(e) permits the retent of 10 percent of any progress payment when progress is unsatisfactory. See Section 7-6 for a discussion of administration of contract time. Unsatisfactory progress means one of the following:

- Contractor is significantly behind the approved construction schedule.
- Contractor is following a construction schedule which shows completion beyond the Contract completion date [or time].
- Contractor does not have an approved construction schedule, or the originally approved schedule has been rendered obsolete and invalid, thereby making it impossible to determine if progress is satisfactory.

Retent is not applied to the entire amount of payments to date, but only to those payments earned since progress became unsatisfactory. Withholding of additional retent is discontinued as soon as progress and the approved schedule are demonstrated to be consistent. However, previously withheld retent will continue to be withheld until the Contractor demonstrates an ability to complete the project by the contract completion date [as modified by any CM's or incentives].

Once the Contract completion date has passed without completion, the Government is to withhold liquidated damages for each day of delay, in

accordance with Subsection 108.04 of the FP. Whereas retent is a *discretionary* condition of the Contract, liquidated damages are mandatory unless there is a CM modifying or waiving them. If substantial retent *and* liquidated damages are being withheld, it is reasonable to estimate what the final amount of liquidated damages will be, and to assess a combined amount of retent and current liquidated damages not to exceed this amount. This is done by reducing the retent to some number less than 10 percent. This situation should be discussed with the COE.

protect the Government, this should be discussed with the COE.

When contract time is in dispute, or when there is recognized entitlement to additional time which has not yet been quantified, the CO may modify the Government's assessment of retent and liquidated damages pending the resolution of the Contract time issue. If this occurs, the COE should be involved in any decision, and the Contractor should be advised in writing as to the conditions of any such arrangement.

### 8.3.10 Pre-Final Payment

The provisions of the Prompt Payment Act apply to final payments as well as progress payments, except that final payment is required in 30 days rather than 14. Pending final payment, the Government is permitted to withhold a reasonable sum pending the checking of final quantity records. Since the Contractor cannot sign an accurate final invoice/voucher or claims release until this checking process is complete, an attempt should be made to minimize retainage due solely to the checking. It is recommended that not more than one percent of the contract amount be withheld pending the checking of final quantities. If additional amounts are outstanding after the work is complete, a pre-final or additional progress payment is recommended to reduce the amount being withheld solely to protect the Government during the checking process. This does not include retainage for cause, such as liquidated damages or failure to provide certifications and other required documentation. If extenuating circumstances suggest that larger amounts be withheld to



## 8-4 FINAL PAYMENT

### 8-4.1 General

As soon as the project is accepted and all quantities are checked, the COE or designee depending on Division procedures must prepare a final receiving report together with a final voucher and claims release for the Contractor's signature. The final voucher should cover all known and acknowledged remaining payments under the contract. If there are disputes which are not resolvable at the time the final voucher is prepared, a second (or possible third) final voucher may be required at sometime in the future. Unlike progress payments, no separate invoice from the contractor is required for final payment. The SF-1034 is the final invoice as soon as it is signed by the contractor. The Prompt Payment Act requires payment within 30 days of the signed final voucher and claims release being received by the paying office. FLH procedures require that the signed final voucher be included in the final voucher assembly prior to being submitted to the Contracting Officer for approval.

### 8-4.2 Final Payment Designations

There are two basic types of final payment. The final voucher should clearly identify which type is being processed.

**FINAL PAYMENT (FINAL SETTLEMENT)** - This designation applies to contracts where there are no unresolved disputes or claims and where the payment indicated will release both parties (the Government and the Contractor) from further contractual obligations and liabilities. If there have been previous claims or disputes which are being resolved by this final payment this designation should also be used.

**FINAL PAYMENT (EXCEPTION)** - This designation applies to contracts where there are unresolved disputes or claims, or where the contract is to be kept open for a contractually valid reason - for example, if a

plant establishment warranty must elapse prior to final acceptance. The claims release must specifically list the exception(s) and the exception(s) must be summarized on the face of the voucher. The purpose of the final voucher is then to close all issues other than the one(s) for which exceptions are identified.

Note that the last progress payment could be followed by a Final Payment (Exception) designating a claim. If a Contracting Officer's decision subsequently acknowledges partial liability for the claim, but the Contractor still refuses to agree that the issue is resolved, then the payment resulting from the CO's decision should be processed as another Progress Payment. Then if settlement of the claim is ultimately negotiated, final settlement could be processed.

Two copies of the final voucher and claims release should be sent to the Contractor with instructions that one signed copy of each must be returned.

If a Final Payment (Final Settlement) voucher is not returned by the Contractor within 90 days the Division may process it as a final settlement in order to close the account. In that case, the words "Not signed/returned" should be typed in the Contractor's signature block. Legal advice should then be sought if events suggest that the Contractor subsequently wants to reopen the contract.

All payment vouchers, progress and final, should be numbered sequentially regardless of their designation. The corresponding receiving report must have the same number.

### 8-4.3 Final Receiving Report

This document is prepared after the Division has checked all notes, quantities, and the Summary Book. It is given a sequential number following the last receiving report supporting a progress (or prefinal payment), with the word "(Final)" in parentheses after the number. Example: "Receiving Report No. 21 (Final)".

After the final receiving report is prepared, the Project Engineer should contact the Contractor to find out if the Superintendent wants to go over the quantities and other issues like contract time before being sent the voucher. In addition, the Project Engineer or COE should verbally confirm that the claims release and release language on the voucher will say, to be sure they are acceptable to the Contractor.

#### 8-4.4 Final Voucher

Standard Form 1034 (Public Voucher for Purchases and Services Other Than Personal) is required for any final payment. See Figure 8-4.4a through 8-4.4e.

For an exception final voucher, pending claims or disputes must be listed on the face of the final voucher and a corresponding statement must contain a statement matching or concisely summarizing the statement on the Contractor's Release. See Subsection 8-4.5 below. If there are no claims or disputes the release language shown on Figure 8-4.4a, Final Voucher (No Exceptions) should be used. If there are claims or disputes the language shown on Figure 8-4.4b, Final Voucher (With Exception for Pending Dispute) is typical. The dollar amount of the proposed final payment must match the dollar amount indicated on the corresponding final Receiving Report. The Contractor's designated representative is required to sign the voucher and Contractor's Release, show his/her title, and enter the date of signing. All copies of the voucher and Contractor's Release shall be conformed to agree with the original.

When plant establishment warranties or similar obligations go beyond the completion of all work, a final voucher with exception should be processed to document that there are no outstanding issues, other than the warranty in question. See Figure 8-4.4d, Final Voucher (With Exception for Plant Establishment).

#### 8-4.5 Contractor's [Claims] Release

Form DOT F 4220.4 Contractor's Release is required to be executed by the Contractor as a

condition of processing any final payment. See Figure 8-4.4c. It should be completed by the COE through Item No. 1 and sent to the Contractor with the final receiving report and final voucher.

If there are no claims or outstanding disputes, simply type the word, "None" in Item No. 1. This applies also if there has been a previous claim or dispute and it is being resolved by the final payment. If there are claims or disputes they should be summarized, including dollar amount and reference to the Contractor's request letter or claim, in Item No. 1. Figure 8-4.4c, Contractor's Release (With Pending Dispute), illustrates a typical claims release with a pending dispute. Note that although the word "claim" appears on the form, any dispute should be listed if the Contractor insists that it is an impediment to final settlement.

8-4.6 Letters of Acceptance by Cooperating Agencies. Written acceptance by cooperating agencies (State, County, Forest Service, National Park Service, etc.) is desirable prior to the acceptance of the project by FLH. Obtaining acceptance may be by letter to the cooperating agency requesting acceptance by endorsement of the letter. A recommended format for such a letter is shown in Figure 8-4.6, Example Letter Requesting Acceptance by Cooperating Agency.

For contracts with a landscaping or similar warranty clause, there should be an acceptance at the conclusion of construction of all work except the warranted work; and then a second acceptance of only the warranted work at the conclusion of the warranty period.

8-4.7 Letter of Acceptance by FLH. The Contractor should be notified of the cessation of contract time charges promptly after completion of the work. A letter of final acceptance [or limited acceptance in the case of warranted work] should be issued to the Contractor as soon as concurrence in final acceptance is received from the cooperating agencies. See Figure 8-4.7, Example Letter of Final Acceptance.

If there are disputes pending, it may be appropriate to write a more somber acceptance letter, stating that, "You will have the opportunity to reserve the right to pursue specific claims and disputes by listing a brief reference to, and the associated dollar amount of each."

**8-4.8 Final Inspection Report.** The Final Inspection Report will normally be documented on Form FHWA 1446A. It will document the physical inspection of the work near the time of completion. It will also typically list all *punch list* or cleanup items remaining before acceptance by the Government. The Final Inspection should be attended by all interested cooperating agency representatives to assure that the punch list is complete.

#### **8-4.9 Final Voucher Assembly**

When the signed final voucher and claims release are returned, the COE must prepare a final voucher assembly based on Division management and fiscal needs. The assembly is submitted for signature of the Contracting Officer and [funds] certifying officer in accordance with Division procedures. As a minimum the final voucher assembly includes the following:

- Final Voucher (SF 1034) signed by the Contractor.
- Contractor's Release (DOT F 4220.4) signed by the Contractor.
- Final Receiving Report
- Copy of letter of acceptance by FLH to the Contractor
- Letters of acceptance by cooperating agencies
- Final inspection report.

This list is in reverse chronological order, i.e., the Final Inspection Report is the first to be prepared, and the voucher and release are the last. In addition to the listed items, Division procedures

may require one or more of the items detailed in Section 2-14, Final Construction Report.

#### **8-4.10 Payment of Claims**

Standard Form 1034 will be used for payment of any monies awarded to a Contractor in settlement of a claim after completion of the project, and as illustrated in Figure 8-4.4e, Example Final Voucher (Claim Settlement - No Exceptions). Acceptance of this voucher by the Contractor, and payment thereof, constitutes final and complete settlement of the contract.

Vouchers covering this type of payment will be accompanied by copies of all Contracting Officer's Decisions, justifications and other pertinent documents in support of the payment. The documents accompanying the voucher to the Division Office must include a revised final receiving report supporting the revised final contract amount.

If there is a Contracting Officer's Decision acknowledging entitlement, but the issue remains outstanding as a claim, the amounts acknowledged should be paid as a progress payment, with the claim referenced as the invoice. See Subsection 8-4.2 above.



U.S. DEPARTMENT OF TRANSPORTATION  
Federal Highway Administration  
Region Eight - Denver, Colorado

DAILY RECORD OF MISCELLANEOUS ITEMS

Project \_\_\_\_\_ Date \_\_\_\_\_

Item No. \_\_\_\_\_

DESCRIPTION, LOCATION, ETC.	QUANTITY
<b>TOTAL ►</b>	

I certify that the above quantity was performed  
and/or used in the construction of this project.

\_\_\_\_\_  
Contractor Project Engineer

ORIGINAL TO PROJECT ENGINEER

U.S. DEPARTMENT OF TRANSPORTATION  
Federal Highway Administration  
Region Eight - Denver, Colorado

DAILY RECORD OF MISCELLANEOUS ITEMS

Project \_\_\_\_\_ Date \_\_\_\_\_

Item No. \_\_\_\_\_

DESCRIPTION, LOCATION, ETC.	QUANTITY
<b>TOTAL ►</b>	

I certify that the above quantity was performed  
and/or used in the construction of this project.

\_\_\_\_\_  
Contractor Project Engineer

DUPLICATE TO CONTRACTOR

Daily Record of Miscellaneous Items  
Figure 8-1.1a

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
**MATERIALS RECEIPT**

**A 161844**

Date ..... Truck No. ....  
Time ..... Load No. ....

Project .....

Station: ..... (From) ..... (To) .....

ITEM { Gross .....  
Tare .....  
Net .....  
Other .....

Weighed By .....

Received By .....  
Form FHWA-1418 ORIGINAL (For FHWA Records)  
(Rev. 6-72)

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
**MATERIALS RECEIPT**

**A 161844**

Date ..... Truck No. ....  
Time ..... Load No. ....

Project .....

Station: ..... (From) ..... (To) .....

ITEM { Gross .....  
Tare .....  
Net .....  
Other .....

Weighed By .....

Received By .....  
Form FHWA-1418 DUPLICATE TO CONTRACTOR (Truck Driver)  
(Rev. 6-72)

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
**MATERIALS RECEIPT**

**A 161844**

Date ..... Truck No. ....  
Time ..... Load No. ....

Project .....

Station: ..... (From) ..... (To) .....

ITEM { Gross .....  
Tare .....  
Net .....  
Other .....

Weighed By .....

Received By .....  
Form FHWA-1418 TRIPLICATE (For FHWA Records)  
(Rev. 6-72)

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
**MATERIALS RECEIPT**

**A 161843**

Date ..... Truck No. ....  
Time ..... Load No. ....

Project .....

Station: ..... (From) ..... (To) .....

ITEM { Gross .....  
Tare .....  
Net .....  
Other .....

Weighed By .....

Received By .....  
Form FHWA-1418 ORIGINAL (For FHWA Records)  
(Rev. 6-72)

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
**MATERIALS RECEIPT**

**A 161843**

Date ..... Truck No. ....  
Time ..... Load No. ....

Project .....

Station: ..... (From) ..... (To) .....

ITEM { Gross .....  
Tare .....  
Net .....  
Other .....

Weighed By .....

Received By .....  
Form FHWA-1418 DUPLICATE TO CONTRACTOR (Truck Driver)  
(Rev. 6-72)

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
**MATERIALS RECEIPT**

**A 161843**

Date ..... Truck No. ....  
Time ..... Load No. ....

Project .....

Station: ..... (From) ..... (To) .....

ITEM { Gross .....  
Tare .....  
Net .....  
Other .....

Weighed By .....

Received By .....  
Form FHWA-1418 TRIPLICATE (For FHWA Records)  
(Rev. 6-72)

**Materials Receipt Form  
Figure 8-1.1b**

12/96

8-23

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION											
DAILY RECORD OF ACTUAL COST LABOR AND EQUIPMENT											
Project _____			Date: _____		Contract Modification No.: _____			Contractor/Subcontractor _____			
Work Description: _____			Station: _____					Sheet _____ of _____			
Line No.	LABOR (Classification, Code No., Group No.)	HOURS		RATES(\$)				TOTAL AMOUNT(\$)			
		S.T.	O.T.	S.T.	O.T.	F.B.	TRVL/SUB	WAGES	F.B.	TRVL/SUB	
1											
2											
3											
4											
5											
6											
7											
8											
9											
TOTAL DIRECT LABOR											
LABOR BURDEN RATE ____% APPLY TO TOTAL WAGES							LABOR BURDEN		/ / / / / / / / / /		
TOTAL LABOR											
Line No.	EQUIPMENT (Description)	CODE NO.	HOURS		RATES			TOTAL AMOUNT(\$)			
			OPER.	S.B.	A/S*	OPR.	S.B.				
10											
11											
12											
13											
14											
TOTAL EQUIPMENT											
* A = Average, S = Severe											
It is agreed that the above listed labor and equipment costs were expended in the performance of the work indicated.											
_____					_____						
Project Engineer					Contractor						
							Int. _____		Date _____		
							Comp. By _____		Checked By _____		
							Ent. Summ. Bk. _____				

Form FHWA 1478A (7-96)

**Daily Record of Actual Cost Labor and Equipment  
Figure 8-2.2a**

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION								
DAILY RECORD OF ACTUAL COST MATERIALS								
Project _____			Date: _____		Contract Modification No.: _____		Contractor/Subcontractor _____	
Work Description: _____								
Station: _____						Sheet _____ of _____		
Line No.	DESCRIPTION OF MATERIAL	QUANTITY	UNIT	UNIT PRICE	AMOUNT	SALES TAX	FREIGHT	TOTAL AMOUNT
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
<b>TOTAL MATERIALS</b>								
It is agreed that the above materials were used in the performance of the work indicated.								
_____			_____			_____		
Project Engineer			Contractor			Int. _____ Date _____		
						Comp. By _____		
						Checked By _____		
						Ent. Summ. Bk. _____		

Form FHWA 1478B (7-96)

**Daily Record of Actual Cost Materials**  
**Figure 8-2.2b**



Project:  
 NE PLH 34-1(4)  
 Prairie Road  
 Contract No. DTFH68-91-C-00053

Contractor:  
 Malcom Contracting, Inc.  
 661 Fourth St.  
 North Platte, NE 67901

Project Engineer's  
 Receiving Report  
 No. 11  
 July 25, 1992

Amount Previously Earned	\$ 1,547,969.10
Amount Earned this Report	108,908.76
Amount Earned to Date	1,656,877.86
Recommended Adjustments	
10% Retent Reports No. 10 & No. 11	(26,751.26)
Not Invoiced by Contractor	(5,000.00)
Subtotal Payments to Date	1,625,126.60
Previous Payments	(1,532,108.80)
Net Recommended Payment	\$ 93,017.88

Recommended:

Wyland R. Rimrock, Jr.  
 Wyland R. Rimrock, Jr., Project Engineer

7/27/92  
 Date

Concurred:

Ralph Jumpers  
 Ralph Jumpers, COE

7/30/92  
 Date

Approved:

B. C. Wadsworth  
 B. C. Wadsworth, Construction Engineer

8/6/92  
 Date

**Example Project Engineer's Receiving Report  
 Figure 8-3.4**

Project Engineer's Receiving Report No. 11 Closing Date: July 25, 1992  
 Set 2 of 2

Project: NE PLH 34-1(4), Prairie Road  
 Contractor: Malcom Contracting, Inc.; 661 Fourth St.; North Platte, NE 67901

Item No	Item	Con Unit Pr	Con Quan	Unit	Pay Fac Adj Unit Pr	Prev Quan	Curr Quan	Quan to Date	Prev Earn	Curr Earn	Earn to Date	Prob Quant	Prob Earn
Contract Items													
5101	Mobilization	\$89,000.00	1.00	LS	1.00 \$89,000.00	1.00	0.00	1.00	\$89,000.00	\$0.00	\$89,000.00	1.00	\$89,000.00
5201	Constr survey and staking	\$24,000.00	1.00	LS	1.00 \$24,000.00	0.90	0.05	0.95	\$21,600.00	\$1,200.00	\$22,800.00	1.00	\$24,000.00
5401	Contractor testing	\$36,000.00	1.00	LS	1.00 \$36,000.00	0.90	0.05	0.95	\$32,400.00	\$1,800.00	\$34,200.00	1.00	\$36,000.00
5703	Silt fence	\$6.00	2,400.00	m	1.00 \$6.00	2,341.10	768.20	3,109.30	\$14,046.60	\$4,609.20	\$18,655.80	3,109.30	\$18,655.80
5711	Sediment traps	\$350.00	6.00	EA	1.00 \$350.00	5.00	0.00	5.00	\$1,750.00	\$0.00	\$1,750.00	5.00	\$1,750.00
5716	Equip for eros control	\$41.50	250.00	HR	1.00 \$41.50	138.00	17.00	155.00	\$5,727.00	\$705.50	\$6,432.50	175.00	\$7,262.00
5101	Clearing & grubbing	\$10,800.00	17.40	ha	1.00 \$10,800.00	17.40	0.00	17.40	\$187,920.00	\$0.00	\$187,920.00	17.40	\$187,920.00
5204	Rem of indiv trees	\$10.50	200.00	m2	1.00 \$10.50	181.20	0.00	181.20	\$1,902.60	\$0.00	\$1,902.60	181.20	\$1,902.60
5401	Roadway excavation	\$3.10	182,000.00	m3	1.00 \$3.10	191,000.30	384.90	191,385.20	\$592,100.93	\$1,193.19	\$593,294.12	192,000.00	\$595,200.00
5101	Agg base, grading C	\$7.50	38,000.00	t	0.99 \$7.43	37,456.90	871.20	38,328.10	\$278,117.48	\$6,468.66	\$284,586.14	38,400.00	\$285,120.00
5101	Hot AC pav, cl B, grdg D	\$27.50	17,500.00	t	0.95 \$26.13 *	9,456.32	3,265.10	12,721.42	\$247,046.36	\$85,300.74	\$332,347.10	17,500.00	\$457,187.00
5102	Prime ct, grd MC-70	\$1.55	480.00	l	1.00 \$1.55	320.20	81.40	401.60	\$496.31	\$126.17	\$622.48	480.00	\$744.00
5201	600 mm pipe culvert	\$7.50	1,240.00	m	1.00 \$7.50	1,180.00	0.00	1,180.00	\$8,850.00	\$0.00	\$8,850.00	1,180.00	\$8,850.00
5206	End section for 600 mm cul	\$57.75	8.00	EA	1.00 \$57.75	8.00	0.00	8.00	\$462.00	\$0.00	\$462.00	8.00	\$462.00
5901	PCC curb & gutter, 400 mm	\$12.50	860.00	m	1.00 \$12.50	Deleted by CM #3		0.00	\$0.00	\$0.00	\$0.00	0.00	\$0.00
5701	Grdrl G4, type II, cl B	\$9.80	2,200.00	m	1.00 \$9.80	1,080.40	422.50	1,502.90	\$10,587.92	\$4,140.50	\$14,728.42	2,200.00	\$21,560.00
5702	Term section, typ A	\$248.00	6.00	EA	1.00 \$248.00	2.00	1.00	3.00	\$496.00	\$248.00	\$744.00	6.00	\$1,488.00
5406	Placing con topsoil	\$2.50	2,500.00	m3	1.00 \$2.50	2,684.00	0.00	2,684.00	\$6,710.00	\$0.00	\$6,710.00	2,684.00	\$6,710.00
5501	Seeding, hyd meth	\$300.00	18.00	ha	1.00 \$300.00	6.60	0.00	6.60	\$1,980.00	\$0.00	\$1,980.00	18.00	\$5,400.00
5507	Constr sign	\$40.00	280.00	m2	1.00 \$40.00	244.00	43.00	287.00	\$9,760.00	\$1,720.00	\$11,480.00	287.00	\$11,480.00
5508	Drum	\$65.00	50.00	EA	1.00 \$65.00	40.00	0.00	40.00	\$2,600.00	\$0.00	\$2,600.00	40.00	\$2,600.00
5509	Flagger	\$28.00	580.00	HR	1.00 \$28.00	310.00	168.00	478.00	\$8,680.00	\$4,704.00	\$13,384.00	580.00	\$16,240.00
Contract Modifications													
5801	CM #1, DBE/WBE incentive	\$12,500.00	1.00	LS	1.00 \$12,500.00	0.50	0.00	0.50	\$6,250.00	\$0.00	\$6,250.00	1.00	\$12,500.00
5901A	CM #2, Rdwy excavation	\$3.50	900.00	m3	1.00 \$3.50	887.40	0.00	887.40	\$3,105.90	\$0.00	\$3,105.90	887.40	\$3,105.90
5901A	CM #3, PCC curb & gutter, 400 mm	\$10.00	860.00	m	1.00 \$10.00	780.00	0.00	780.00	\$7,800.00	\$0.00	\$7,800.00	780.00	\$7,800.00
Temporary Items													
5901T	Stkpld 600 mm culvert	\$4.25	1,180.00	m	1.00 \$4.25	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00	0.00	\$0.00
5901A	Stkpld grdrl, G4	\$7.80	2,140.00	m	1.00 \$7.80	1,100.00	(424.00)	676.00	\$8,580.00	(\$3,307.20)	\$5,272.80	0.00	\$0.00
Interim pay factor, subject to further adjustment.									Totals				
									\$1,547,969.10	\$108,908.76	\$1,656,877.86		\$1,802,938.00

Example Project Engineer's Receiving Report (Continued)

Figure 8-3.4

**Malcom Contracting, Inc.**  
 661 Fourth Street  
 North Platte, NE 67901

Mr. Wyland R. Rimrock, Project Engineer  
 P. O. Box 735  
 Winsome, NE 67747

Dear Mr. Rimrock:

I. Invoice Quantities

The following is our invoice for NE PLH 34-1(4), Prairie Road, Contract No. DTFH68-91-00053. The items listed are those on which there was work or changes during this invoice period.

Item	Description	Unit Price	Quantity to Date	Note
15201	Construction survey & staking	\$24,000.00	0.85	(1)
15401	Contractor testing	36,000.00	0.95	
15703	Silt fence	6.00	3,109.30	
15716	Equip for eros control	41.50	155.00	
20401	Roadway excavation	3.10	191,385.20	
30101	Agg base, grdg C	7.43	38,328.10	(2)
40101	Hot AC pav, cl B, grdg D	26.13	12,721.42	(3)
41102	Prime ct, grd MC-70	1.55	401.60	
61701	Grdrl G4, type II, cl B	9.80	1,502.90	
61702	Term section, type A	248.00	3.00	
63507	Construction sign	40.00	287.00	
63509	Flagger	28.00	478.00	
61701A	Stockpiled grdrl, G4	7.80	676.00	

Notes:

- (1) Quantity reflects 10% (\$2,400) being withheld from subcontractor as a condition of subcontract.
- (2) Unit price reflects reduced pay factor (0.99) per Subsection 106.05.
- (3) Unit price reflects reduced pay factor (0.95) per Subsection 106.05.

II. Status of Subcontractors

Name	Total	Previous	This Period	Note
1. A-1 Testing Service	\$ 24,000	\$ 20,400	\$ 1,200	(1)
2. Blacktop Paving, Inc.	\$450,000	247,542.67	85,426.91	(2), (3)
3. Quality Guardrail	\$ 23,048	11,083.92	4,388.50	(3)

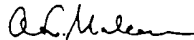
Notes:

- (1) Condition of subcontract is 10 retent until acceptance by Government of all work.
- (2) Subcontract amount has been reduced to reflect reduced pay factor in accordance with Subsection 106.05.
- (3) Payment will be reduced to reflect subcontractors share of any retent assessed by the Government.

III. Certification (FAR Clause 52.232-5)

I certify, to the best of my knowledge and belief, that -

- (1) The amounts requested are only for performance in accordance with specification, terms, and conditions of the contract;
- (2) Payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payment covered by this certification, in accordance with subcontract agreements and the requirements of chapter 39 of Title 31, United States Code; and
- (3) This request for progress payments does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of the subcontract.



Arnold L. Malcom  
 Vice President  
 Malcom Contracting

**Example Contractor's Invoice**  
**Figure 8-3.5**



Big Shovel Construction Co.  
4153 West Apple Way  
North Fork, VA 22567

January 16, 1994

Re: VA Tobacco Road Parkway, TOBA 17-1(4)

Gentlemen:

We have been advised by your subcontractor Acme Steel Supply, that payment for structural steel furnished on the above referenced project is past due. According to Acme, \$25,000 on the \$219,000 subcontract was paid on October 14, 1993, and no further payments have been received. Your invoice dated December 1, 1993 billed the Government for 90% (\$315,000) of the \$350,000 bid for Item 55501. The Government paid you this amount on December 12, 1993.

Acme has been advised of their rights under the Miller Act. In addition, Acme's allegation indicates a possible violation of the Prompt Payment Act, which obligates the prime contractor to pay subcontractor's within 7 days of receipt of payment by the Government, any amounts, associated with the subcontractor's work, which have been invoiced by the contractor and paid by the Government. You are therefore requested to provide within 30 days, a written response to Acme's allegation.

If Acme has been underpaid as indicated by the allegations you must make payment in full, including any interest due the subcontractor, prior to your next invoice to the Government, and provide the Government with documentation to that effect. If you choose not to make payment to Acme, the amounts of all overpayments by the Government must be rescinded and credited to the Government on your next invoice.

In addition, if Acme's allegation is valid, you are obligated to credit the Government with interest on the amount of all overpayments for the period of time from when they were due to be paid the subcontractor (December 19), until they were paid, or until they were rescinded and credited to the Government. The Treasury Department interest rate for the six months ending December 31, 1993 was 6.52%, and the rate for the first six months of 1994 is 6.34%.

Your failure to resolve this apparent violation of the Prompt Payment by the due date of your next invoice and progress payment may result in the invoice being deemed defective and returned to you for correction. If the Government cannot determine from your response, whether a violation of the Prompt Payment Act has occurred, the issue may be referred to the Department of Transportation, Office of Inspector General for investigation.

R. McEntyre  
Project Engineer

**Example Prompt Payment Letter**  
**Figure 8-3.6a**

## Guidelines for Handling Subcontractor/Supplier Complaints of Nonpayment

Action	FLH Response
Verbal complaint from subcontractor or supplier of nonpayment.	Verbally advise subcontractor/supplier that no action can be taken unless a written complaint is provided.
	Verbally advise subcontractor/supplier that in order to ascertain a violation of the Prompt Payment Act, the Government needs a detailed statement of payments under the subcontract, dates payments made, and amounts subcontractor/supplier believes were due on those dates.
	Verbally advise contractor superintendent of complaint and remind him/her of Prompt Payment Act requirements.
	Document all exchanges in diary. No further action in absence of written statement/complaint.
Written complaint from subcontractor/supplier of nonpayment, but without detailed accounting of amounts paid and dates.	Furnish copy of bond and Miller Act information to subcontractor/supplier. See Section 7-1.6.
	Request a statement of payments under the subcontract, dates payments made, and amounts subcontractor/supplier believes were due on those dates.
	No further action unless statement of payments is provided.
Written complaint from subcontractor/supplier of nonpayment, including detailed accounting of amounts paid and dates.	Furnish copy of bond and Miller Act information to subcontractor/supplier. See Section 7-1.6.
	Compare subcontractor/supplier's detailed statement of payments, Contractor accounting of subcontractor payments, and Government's payments for contract items known to be part of the subcontract.
Subcontractor statement of payments generally agrees with Contractor's accounting and amounts paid by Government for subcontracted work.	No further action. Subcontractor may have recourse under Miller Act, but no apparent Prompt Payment Act violation.
Subcontractor statement indicates payments less than corresponding invoiced percentages of contract items associated with the subcontract.	Write letter to Contractor requesting resolution of payment discrepancies. See Section 8-3.6.
Contractor fails to respond to letter requesting resolution of alleged underpayment.	Notify Contractor in writing that without an adequate response to nonpayment allegations, further invoices including the payment in question must be presumed to be defective.
	Refer file to Regional Counsel for possible referral to DOT Office of Inspector General as false claim.
Contractor responds that payment information provided by subcontractor/supplier is in error and that all payments have been made in accordance with the Prompt Payment Act, but does not provide credible evidence that this is the case.	Refer file to Regional Counsel for advice on possible nonpayment of invoices and referral to DOT Office of Inspector General as false claim.
Contractor responds in a way that confirms that payments made to subcontractor/supplier have been less than those invoiced the Government for the contract items associated with the subcontract.	On next invoice, require Contractor to debit appropriate interest from next progress payment. Require debit of overpayment unless Contractor pays subcontractor/supplier by then.

**Figure 8-3.6b**

**Guidelines for Percentage  
Payments for Partially Complete Work**

<b>Description</b>	<b>Allowance (Cumulative)</b>	
<b>Clearing and Grubbing</b>		
Felled and slashed	35	
Bucked and piled (slashings, brush and logs)	60	
Grubbed	75	
Burned or chipped and removed	98	
Substantially complete including cleanup	100	
<b>Excavation and Embankment</b>		
Pioneered	5	
Drilled	20	
Blasted	35	
Roughed out to grade	85	
Roadbed finished to grade	90	
Slopes seeded	98	
Substantially complete including cleanup	100	
<b>Structural Excavation</b>		
Excavation complete	85	
Backfill complete	98	<b>8</b>
Substantially complete including cleanup	100	
<b>Aggregate Courses</b>		
Crushed and stockpiled onsite	50	
Placed on roadway	80	
Spread, compacted and tested	98	
Substantially complete including cleanup	100	
<b>Asphalt Pavements</b>		
Aggregates crushed and stockpiled onsite	50	
Placed, compacted and tested	98	
Substantially complete including cleanup	100	
<b>PCC Pavement</b>		
Forms set	35	
Concrete in place	90	
Forms removed and testing complete	98	
Substantially complete including cleanup	100	

**Figure 8-3.7**

**Guidelines for Percentage  
Payments for Partially Complete Work**

<b>Description</b>	<b>Allowance (Cumulative)</b>
<b>Concrete Structures</b>	
Falsework erected	10
Forming complete	20
Concrete in place	80
Forms removed	90
Concrete tested and finished	98
Substantially complete including cleanup	100
<b>Steel Structures</b>	
Falsework erected	10
Steel in place	80
Bolting and welding complete	90
Painting complete	98
Substantially complete including cleanup	100

**Notes:**

(1) These percentages are typical. They may be adjusted based on a detailed analysis of circumstances on a given project.

(2) Whenever partially complete work entails continuing maintenance, an appropriate percentage should be retained to cover those costs.

**Figure 8-3.7 (Continued)**

Standard Form 1034 Revised October 1987 Department of the Treasury 1 TFM 4-2000 1034-122						PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL						VOUCHER NO.			
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION						DATE VOUCHER PREPARED				SCHEDULE NO.					
U.S. Department of Transportation Federal Highway Administration Central Federal Lands Highway Division 555 Zang Street Lakewood, CO 80228						September 12, 1985				PAID BY					
						CONTRACT NUMBER AND DATE									
						DTFH68-83-C-90004 1/6/83									
PAYEE'S NAME AND ADDRESS  Crystal Creek Construction, Inc. P.O. Box 3699 Redding, CA 96049						REQUISITION NUMBER AND DATE				DATE INVOICE RECEIVED					
						DISCOUNT TERMS									
						PAYEE'S ACCOUNT NUMBER									
SHIPPED FROM						TO				WEIGHT				GOVERNMENT B/L NUMBER	
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <small>(Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)</small>	QUANTITY	UNIT PRICE		AMOUNT									
				COST	PER										
	COMPLETED 8/13/85	PAYMENT No. 10 -- FINAL PAYMENT (FINAL SETTLEMENT) In final settlement, for construction of California Forest Highway Project 111-1(1), Ridge Road. Payment of the amount provided herein is specifically conditioned upon the execution of the Contractor's Release attached hereto and incorporated herein. Agreed: <i>Morgan Whipple</i> Title: <i>V. Pres</i> Date: <i>8/16/85</i>													
(Use continuation sheet(s) if necessary)						(Payee must NOT use the space below)				TOTAL		\$47,921.79*			
PAYMENT:		APPROVED FOR	EXCHANGE RATE	DIFFERENCES											
<input type="checkbox"/> PROVISIONAL		= \$	= \$1.00												
<input type="checkbox"/> COMPLETE	BY 2			Amount verified, correct for											
<input type="checkbox"/> PARTIAL				(Signature or initials)											
<input type="checkbox"/> FINAL	TITLE	Construction Engineer													
<input type="checkbox"/> PROGRESS															
<input type="checkbox"/> ADVANCE															
Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.															
(Date)		(Authorized Certifying Officer) 2				(Title)									
ACCOUNTING CLASSIFICATION															
* Amount from attached receiving report. 19A-16-06-54-1111-001															
PAID BY:	CHECK NUMBER	ON ACCOUNT OF U.S. TREASURY	CHECK NUMBER	ON (Name of bank)											
	CASH	DATE	PAYEE 3												
	\$														
1 When stated in foreign currency, insert name of currency						PER									
2 If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title.						TITLE									
3 When a voucher is receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.															

Previous edition usable

**PRIVACY ACT STATEMENT**  
The information requested on this form is required under the provisions of 31 U.S.C. 32b and 32c, for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.

**Example Final Voucher (No Exceptions)  
Figure 8-4.4a**



Standard Form 1034 Revised October 1987 Department of the Treasury 1 TFM 4-2000 1034-122		PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL			VOUCHER NO.		
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION  U.S. Department of Transportation Federal Highway Administration Central Federal Lands Highway Division 555 Zang Street Lakewood, CO 80228			DATE VOUCHER PREPARED October 12, 1985		SCHEDULE NO.		
			CONTRACT NUMBER AND DATE DTFH68-83-C-90004 1/6/83		PAID BY		
PAYEE'S NAME AND ADDRESS  Crystal Creek Construction, Inc. P.O. Box 3699 Redding, CA 96049			REQUISITION NUMBER AND DATE		DATE INVOICE RECEIVED		
					DISCOUNT TERMS		
					PAYEE'S ACCOUNT NUMBER		
SHIPPED FROM			TO		WEIGHT		
NUMBER AND DATE OF ORDER		DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <i>(Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)</i>		QUAN- TITY	UNIT PRICE COST PER	
		COMPLETED 8/13/85	PAYMENT No. 10 -- FINAL PAYMENT (EXCEPTION) For construction of California Forest Highway Project 111-1(1), Ridge Road. Payment of the amount provided herein will completely discharge all obligations of the Government under the contract with the following exception: Request for equitable adjustment of \$17,095.42 and 28 days of additional contract time as set forth in the Contractor's letter dated September 29, 1985. Agreed: <i>Mary G. Wiggles</i> Title: <i>U. A.</i> Date: <i>8/16/85</i>				
					TOTAL	\$47,921.79*	
<i>(Use continuation sheet(s) if necessary)</i> (Payee must NOT use the space below)							
PAYMENT: <input type="checkbox"/> PROVISIONAL <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/> PROGRESS <input type="checkbox"/> ADVANCE		APPROVED FOR BY <sup>2</sup>		EXCHANGE RATE = \$1.00	DIFFERENCES		
		TITLE Construction Engineer		Amount verified; correct for <i>(Signature or initials)</i>			
Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.							
ACCOUNTING CLASSIFICATION							
*Amount from attached receiving report. 19A-16-06-54-1111-001							
CHECK NUMBER		ON ACCOUNT OF U.S. TREASURY		CHECK NUMBER		ON (Name of bank)	
PAID BY CASH		DATE		PAYEE <sup>3</sup>			
\$						PER	
					TITLE		
<sup>1</sup> When stated in foreign currency, insert name of currency. <sup>2</sup> If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title. <sup>3</sup> When a voucher is received in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.							

Previous edition usable

PRIVACY ACT STATEMENT

The information requested on this form is required under the provisions of 31 U.S.C. 32b and 82c, for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.

Example Final Voucher (With Exception for Pending Dispute)  
Figure 8-4.4b

DEPARTMENT OF TRANSPORTATION <b>CONTRACTOR'S RELEASE</b>		CONTRACT NO. DTFH68-83-C-90004
CONTRACTOR (Name and address)  Crystal Creek Construction, Inc. P.O. Box 3699 Redding, CA 96049	SUM OF Forty seven thousand, nine hundred twenty one dollars and seventy-nine cents	
	DOLLARS (\$)      47,921.79	

In consideration of the sum stated above, which has been paid or is to be paid to the Contractor, or his assignees, the Contractor, upon payment of the said sum by the UNITED STATES OF AMERICA (hereinafter called the Government), does remise, release, and discharge the Government, its officers, agents, and employees, of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the said contract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor, as follows:

Request for equitable adjustment of \$17,095.42 and 28 days of additional contract time as set forth in Contractor's letter dated September 29, 1985

2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of this contract, which are not known to the Contractor on the date of the execution of this release and of which the Contractor gives notice in writing to the Contracting Officer within the period specified in the said contract; and

3. Claims for reimbursement of costs (other than expenses of the Contractor by reason of his indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under any provisions of the said contract relating to patents.

The Contractor agrees, in connection with patent matters and with claims which are not released as set forth above, that he will comply with all provisions of the said contract, including without limitation those provisions relating to notification to the Contracting Officer and relating to the defense or prosecution of litigation.

IN WITNESS WHEREOF, this release has been executed this 21st day of October, 19 85.

WITNESSES

\_\_\_\_\_  
\_\_\_\_\_

Crystal Creek Construction, Inc.  
(Contractor)  
BY Myron Whipple  
TITLE Vice President

NOTE: In the case of a corporation, witnesses are not required, but the certification below must be completed.

**CERTIFICATE**

I, Leon Sniggle, certify that I am the official secretary of the corporation named as Contractor in the foregoing release; that Myron Whipple who signed said release on behalf of the Contractor was then Vice President of said corporation; that said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(CORPORATE SEAL)

Leon Sniggle

Form DOT F 4220.4 (2-71)

**Example Contractor's Release (With Pending Dispute)  
Figure 8-4.4c**

Standard Form 1034 Revised October 1987 Department of the Treasury 1. TFM 4-2000 1034-122						PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL						VOUCHER NO.							
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION						DATE VOUCHER PREPARED						SCHEDULE NO.							
U.S. Department of Transportation Federal Highway Administration Central Federal Lands Highway Division 555 Zang Street Lakewood, CO 80228						October 12, 1985						PAID BY							
														CONTRACT NUMBER AND DATE					
														DTFH68-83-C-90004 1/6/83					
PAYEE'S NAME AND ADDRESS  Crystal Creek Construction, Inc. P.O. Box 3699 Redding, CA 96049						REQUISITION NUMBER AND DATE						DATE INVOICE RECEIVED							
												DISCOUNT TERMS							
												PAYEE'S ACCOUNT NUMBER							
						SHIPPED FROM						TO						WEIGHT	
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <small>(Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)</small>				QUANTITY	UNIT PRICE		AMOUNT										
		COST		PER															
	COMPLETED 8/13/85	PAYMENT No. 10 -- FINAL PAYMENT (EXCEPTION) For construction of California Forest Highway Project 111-1(1), Ridge Road. Payment of the amount provided herein will completely discharge all obligations of the Government under the contract with the following exception: In accordance with Subsection 626.16 payment of \$3,240.70 is withheld pending completion of the plant establishment period. This payment and any other issues related to the plant establishment period will be addressed at final settlement.  Agreed: <u>Mayer Wajjic</u> Title: <u>U. Res</u> Date: <u>8/16/85</u>																	
(Use continuation sheet(s) if necessary)						(Payee must NOT use the space below)				TOTAL	\$47,921.79*								
PAYMENT:		APPROVED FOR	= \$	EXCHANGE RATE	= \$1.00	DIFFERENCES													
<input type="checkbox"/> PROVISIONAL	<input type="checkbox"/> COMPLETE	BY 2					Amount verified; correct for												
<input type="checkbox"/> PARTIAL	<input type="checkbox"/> FINAL	TITLE	Construction Engineer				(Signature or initials)												
<input type="checkbox"/> PROGRESS	<input type="checkbox"/> ADVANCE	Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.																	
(Date)		(Authorized Certifying Officer) 2				(Title)													
ACCOUNTING CLASSIFICATION																			
*Amount from attached receiving report. 19A-16-06-54-1111-001																			
PAID BY	CHECK NUMBER	ON ACCOUNT OF U.S. TREASURY				CHECK NUMBER	ON (Name of bank)												
	CASH	DATE	PAYEE 3																
\$						PER		TITLE											
1 When stated in foreign currency, insert name of currency.						PER		TITLE											
2 If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title.																			
3 When a voucher is receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer", as the case may be.																			

Previous edition usable.

**PRIVACY ACT STATEMENT**

The information requested on this form is required under the provisions of 31 U.S.C. 82b and 82c for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.

**Example Final Voucher (With Exception for Plant Establishment)  
Figure 8-4.4d**

Standard Form 1034 Revised October 1987 Department of the Treasury 1 TFM 4-2000 1034-122		PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL			VOUCHER NO.	
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION  U.S. Department of Transportation Federal Highway Administration Central Federal Lands Highway Division 555 Zang Street Lakewood, CO 80228		DATE VOUCHER PREPARED <b>October 12, 1986</b>		SCHEDULE NO.		
PAYEE'S NAME AND ADDRESS  Crystal Creek Construction, Inc. P.O. Box 3699 Redding, CA 96049		CONTRACT NUMBER AND DATE <b>DTFH68-83-C-90004 1/6/83</b>		PAID BY		
		REQUISITION NUMBER AND DATE		DATE INVOICE RECEIVED		
				DISCOUNT TERMS		
				PAYEE'S ACCOUNT NUMBER		
SHIPPED FROM		TO		WEIGHT		
				GOVERNMENT B/L NUMBER		
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <small>(Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)</small>	QUAN- TITY	UNIT PRICE		AMOUNT
	COMPLETED 8/13/85	<b>PAYMENT No. 11 -- FINAL PAYMENT (FINAL SETTLEMENT)</b> In final settlement for construction of California Forest Highway Project 111-1(1), Ridge Road. Agreement to the amount provided also indicates agreement to consideration provided by Contract Modification No.23 [attached] in settlement of Contractor's claim dated February 14, 1986. Payment of the amount provided herein is specifically conditioned upon execution of the attached Contractor's Release and will completely discharge all obligations of the Government under the contract.  Agreed: <i>Morgan Whipple</i> Title: <i>V. AGS</i> Date: <i>8/14/85</i>				
(Use continuation sheet(s) if necessary) (Payee must NOT use the space below)					TOTAL	\$47,921.79*
PAYMENT:		APPROVED FOR	EXCHANGE RATE	DIFFERENCES		
<input type="checkbox"/> PROVISIONAL		= \$	= \$1.00			
<input type="checkbox"/> COMPLETE		BY 2				
<input type="checkbox"/> PARTIAL						
<input type="checkbox"/> FINAL				Amount verified; correct for		
<input type="checkbox"/> PROGRESS		TITLE		(Signature or initials)		
<input type="checkbox"/> ADVANCE		Construction Engineer				
Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.						
(Date)		(Authorized Certifying Officer)		(Title)		
ACCOUNTING CLASSIFICATION						
* Amount from attached receiving report. 19A-16-06-54-1111-001						
PAID BY	CHECK NUMBER	ON ACCOUNT OF U.S. TREASURY	CHECK NUMBER	ON (Name of bank)		
	CASH	DATE	PAYEE 3			
\$				PER		
1 When stated in foreign currency, insert name of currency.				TITLE		
2 If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title.						
3 When a voucher is received in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.						
Previous edition usable						
PRIVACY ACT STATEMENT The information requested on this form is required under the provisions of 5 U.S.C. 552a and 52e, for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.						

**Example Final Voucher (Claim Settlement - No Exceptions)**  
**Figure 8-4.4e**



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

July 12, 1985

Humbolt County Commission  
2386 Utopia Street  
Mountain View, CA 97854

Gentlemen:

On July 10, 1985, the final inspection of California Forest Highway Project 111-1(1), Ridge Road, was made with Mr. R.L. Lattimore of your organization in attendance. Several minor punchlist items were identified at the inspection. All work including the punchlist work was completed on July 11, 1985.

Final acceptance of the project is contingent upon the concurrence of the maintaining agency, Humbolt County California. Please indicate your approval and acceptance of the project by signing and returning the original of this letter. Your prompt attention to this matter will facilitate final payment and closeout of this contract.

Sincerely yours,

S. Twain  
Project Engineer

Project Accepted:

Humbolt County California

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Example Letter Requesting Final Acceptance by Cooperating Agency  
Figure 8-4.6**



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

July 22, 1985

Crystal Lake Construction, Inc.  
P.O. Box 3699  
Redding, CA 96049

Gentlemen:

We are pleased to advise you that the work performed on California Forest Highway Project 111-1(1), Ridge Road, has been satisfactorily completed in substantial conformity with plans and specifications. Final acceptance is effective on July 11, 1985; and as of that date you are relieved of further maintenance obligations.

The final payment voucher in final settlement of the contract will be forwarded to you as soon as final quantities are verified.

Sincerely yours,

A handwritten signature in cursive script that reads "C. X. Homer".

Charles X. Homer  
Construction Engineer

cc: Humbolt County Commission

**Example Letter of Final Acceptance  
Figure 8-4.7**