

MFH_515_514_516_PARTIAL PAYMENT APPLICATION REVIEW OWNER BUILDER METHOD

Applicant Use

Pay application requests for Owner Builder Method

Project Name:

Pay App No:

Complete Partial Payment Application to Include:
Application Form: RD 1924-18 or AIA G702 with RD concurrence attachment
Schedule of Values: AIA G703 or RD 1924-18 continuation sheet
Change Orders approved during the period of time covered by the pay application
Allowance documentation (invoices) for any payment requested out of an allowance line item
Stored Materials documentation if payment is being requested for stored materials
On Site Stored Materials: invoices and photos of materials showing they are securely stored
Off Site Stored Materials: invoices, photos of materials showing they are clearly marked with the Project Name, Transfer of Title of Ownership, Right of Owner for Entry to inspect materials, Certificate of Insurance, and Bill of Lading/Packing List
Monthly lien releases
Site Observation: Project Architect's meeting minutes and site observation report with photos documenting work completed and any stored materials.

Partial Payment Application should be reviewed for the following items:
Percentage of work complete on the Schedule of Values appears accurate:
Compare line items of work on the Schedule of Values to Site Observation Reports and photos
Compare percentage of lines for General Conditions and General Requirements to Total percentage. Total should be higher. Refer to itemized breakdown in RD 1924-13. (General requirements may be higher in the first pay application because of bonds & insurance, mobilization, and other upfront costs)
Allowances (if any): documentation matches what is shown on the Schedule of Values
Builder's profit or fee will not be released until project is 100% complete and cost certification is complete. https://www.ecfr.gov/current/title-7/part-1924/section-1924.13#p-1924.13(e)(2)(viii)
"Original Contract Sum" on the Application Form matches the "Total Construction Cost" in the RD 1924-13 Line 44.
"Net Change by Change Orders" on the Application Form matches the total amount of <u>approved</u> change orders
All change orders included in the pay app have RD concurrence
Retainage is withheld for work completed and stored materials. The amount of retainage complies with 7CFR 1924.13 (e)(2)(ix). Typically, 10% unless no surety then 40%.
All values are correctly calculated – check the math on Application Form and Schedule of Values
Application Form is signed by Owner-Builder, and Project Architect. Agency signs last.

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Applicant Use

Change order requests for all Contract Methods.

Project Name:

Change Order No.:

Complete Partial Payment Application to Include:
Contract Change Order Form: RD 1924-7 or AIA G702 with RD concurrence attachment
Narrative (non-technical) describing/including:
Why changes are needed
Statement of how cost increase will be funded (including supporting documents, if necessary) <ul style="list-style-type: none">o i.e., Hard Cost Contingency, Developers Fees, Owner Contribution, etc.
Supporting documentation:
Revised drawings or sketches, stamped and signed by the architect of record (if needed)
Detailed cost estimate:
Labor and material costs
Invoices or quotes from subcontractors and material suppliers

Change Order should be reviewed for the following items:
Invoices/quotes to support change order are attached and agree with requested changes
All values are correctly calculated – compared to supporting invoices and check the math on Order Form
Original Contract Sum is correct
Order indicates “Decrease” or “Increase” is indicated, as appropriate
Contract Total including this, and previous changes orders is correct
Contract Period adjustment is indicated, as appropriate
Change Order Form is signed by Contractor, Owner/Borrower, and Project Architect. Agency signs last.