

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

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Construction Payment Guide

In order to expedite and prevent delays when processing construction payments, the Hidalgo County Drainage District No. 1 (the “District”) created this guide to help contractors understand the payment process and provide examples of the contractor’s responsibilities throughout the project’s construction phases. This guide does not alter or amend any contract(s) of the Hidalgo County Drainage District No. 1. This is for illustration of a system of processing payments only, which may not address matters of any particular contract.

Every project has unique circumstances. Forms not covered in this guide will be addressed based on the General Conditions of the contract on an “as-needed basis”. Please ensure support documentation is included based on applicable phase.

Pre-Construction:

To expedite the project’s set up with the District’s Accounting Department, the Project Engineer needs to provide the following items on and/or prior to meeting:

1. Copy of Executed Construction Contract.
2. Copy of Sealed set of Construction Sheets (Plans).

Once Pre-Construction meeting has been held, the Project Engineer needs to provide the following items to the Financial Accounting Department of District, within 10 days following the date of the Pre-Construction meeting:

1. Minutes of the meeting.
2. Notice to proceed on letterhead. (Exh. 1)
3. List of materials to be provided by District. If none, list vendors and subcontractors to be utilized by the contractor.
4. Copy of Sign-In sheet.

Construction in Progress:

As construction progresses, the following items are required with all Application for Payment Requests:

1. Application for Payment with Project Engineer’s Certification. (Exh.2);
2. TxDOT Form 252-Contract Time Statement certified by Project Engineer per payment request. (Exh.3);
3. Estimate Quantity up-to-date worksheet (Exh. 4)
4. Schedule of values certified by Project Engineer per payment request. (Exh. 5);
5. Monthly update of new vendors and subcontractors not included on Pre-Construction Meeting list;
6. Partial Waiver(s) of Lien from all suppliers and/or subcontractors, starting from 2nd Payment Request as noted on General Conditions Ch.14.02, A (2). (Exh.6);
7. Certified Payroll Reports with approved wage classifications for billed work periods are required from date Notice to Proceed is issued to completion. If no work was done for a specific billing period, please state “No Work Done” on the Certified Payroll Reports; and

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8. Copies of Approved Change Orders (Exh.7), Notice to Suspend (Exh.8) and Notice to Resume Work (Exh.9), if applicable, certified by Project Engineer. Detailed support documentation must be attached.

Substantial Completion:

Once Project Engineer certifies the structure and has met requirements to use and/or for occupancy, the following items are required:

1. Provide Written Notice received by Project Engineer from contractor advising project is substantially complete; and
2. Provide Certificate of Substantial Completion detailing pending items on punch list. Items should be certified by Project Engineer. (Exh. 10)

Completion of Project:

Once project is complete, the following items found in the Exhibits section of the Construction Contract will be required to close out project:

1. Certificate of Completion certified by Project Engineer. (Exh. 11);
2. General Contractor's Warranty. (Exh. 12);
3. Unconditional Waiver and Release of Final Payment. (Exh. 13);
4. Final Contractor's Affidavit of Release (Waiver) of Liens from all suppliers and sub-contractors. (Exh.14);
5. Consent of Surety to Final Payment. (Exh. 15); and
6. Sealed Copy of As-Builts.

Payment Deadlines:

1. Construction Payment Requests require approval by the District Board of Directors ("Board"). Submit all the items noted on this guide two weeks before the next available Board agenda. This will provide ample time for the District's engineering staff and Accounting Department to review and audit items for the Board's agenda.
2. Payment will normally be issued on the Tuesday following the Board's meeting, if the item is approved by the Board.