



Construction Company, LLC
Subcontractor & Material Supplier Policies & Procedures

All subcontractors and material and equipment suppliers shall follow these policies and procedures to comply with the Ratcliff Construction Company (Ratcliff) Subcontract agreement and necessary payment procedures. All requests for payment shall be submitted in accordance with these policies and procedures.

1. Payment applications from subcontractors and major material suppliers
 - a. All subcontractor applications for payment or labor, materials or contract reimbursable funds must be submitted on the attached Ratcliff Payment Application Form. Any pay application not submitted on this form, or without any required supporting information or documentation, may in the sole opinion of Ratcliff be rejected and returned to the subcontractor for re-submittal. This may result in a delay in the processing of the pay application.
 - b. The form must include the required information, including the project name and the your pay application number.
2. Schedule of Values
 - a. A contract schedule of values must be submitted to the Ratcliff project manager immediately upon award of subcontract or Purchase Order and approved prior to any subcontractor applications for payment.
 - b. The agreed upon Schedule of Values provided with the Ratcliff Application for payment shall be used and provided with all subcontractor pay applications.
 - c. The Schedule of Values shall provide a full breakdown with scheduled amounts for each category of the work and must be presented in sufficient detail to allow the Ratcliff project manager to evaluate the payment application. Applicant shall include such additional documents, including material cost and identity of material supplier to verify reimbursements. Applicant shall submit additional schedules to document itemization of cost and related matters.
 - d. The contract schedule of values can only be modified for approved change orders as they are approved by the Ratcliff project manager.
3. Billing Dates
 - a. The Subcontractor pay application, along with all of the required forms and documentation must be submitted to the Ratcliff Construction Company office no later than the 20th day of the month to be processed, unless otherwise indicated in the Owner's Contract. Where the 20th falls on a weekend or holiday, the pay applications must be submitted the following business day.
 - b. Any pay applications received after the dates outlined above or not containing all required documentation shall not be processed until the following month.
4. Insurance Requirements
 - a. The subcontractor shall be responsible to comply with all insurance requirements for the project as provided in the Ratcliff subcontractor agreement.
 - b. A valid and fully compliant insurance certificate shall be submitted to Ratcliff prior to commencement of any work on the project by the subcontractor and such insurance shall be maintained as further provided in the Ratcliff subcontractor agreement.
 - c. No funds requested by a payment application will be released by Ratcliff without compliant insurance certificate in full force and effect at time of payment.
5. Contracts
 - a. No payment applications will be received or considered by Ratcliff without the receipt of an executed subcontractor agreement.
6. Change Orders
 - a. A fully executed change order must be received by Ratcliff prior to or with the payment application for the subcontractor to bill for the work.

7. Stored Material Documentation

- a. All pay applications for stored material must be approved in advance by the Ratcliff project manager and pay applications for off-site stored material will be allowed only if permitted by the Owner's Contract.
- b. Billings for off-site stored materials must include the following:
 - i. Valid off-site stored material insurance certificate, policy value to meet or exceed the value of stored materials included in the pay application, with additional insured to match the project insurance requirements.
 - ii. Bill of sale executed by subcontractor or material supplier.
 - iii. Digital photographs of off-site stored material labeled for the project.
 - iv. The location of the stored materials, site contract, and inspection hours of the facility.

8. Lien Waivers

- a. The attached Interim Conditional Lien Waiver form is to be used for all interim payment applications.
- b. The subcontractor that Ratcliff Construction Company is contracted with shall include a conditional interim or final lien waiver through the period of the accompanying application for payment.
- c. All second tier subcontractors, material suppliers and other vendors providing goods or services to you on the project, shall provide interim conditional lien waiver forms for the previous pay application period to you for inclusion with your pay application to Ratcliff.
 - i. For example, if the subcontractor is billing through the period ending January 31st, the conditional interim lien waivers provided by the Ratcliff subcontractor with the payment application shall provide for waiver of claims made on materials and labor furnished through January 31st. All second tier subcontractor and supplier lien waivers provided would waive claims on materials and labor furnished through December 31st.

9. Retention Billings

- a. All retention billings must be submitted on a separate application for payment.
- b. All final operation and maintenance manual documentation, warranties, as-built drawings, and closeout documents as required by the project specifications and owner contract must be received prior to release of any retention payments.

10. Payment timeline

- a. Payment is made to all subcontractors in accordance with Ratcliff Construction Company subcontract agreement.
- b. Release of payment is subject to final approval by the Ratcliff Construction Company project manager based on the quality and completeness of work and receipt of complete documentation.

If you have any questions relating to the policies and procedures for payment applications, please contact the Ratcliff Construction Company project manager assigned to your project.