



<p>To:</p> <p style="text-align: center;"><b>SUPERSEDED BY</b>  <u>EB 06-057</u>  <b>EFFECTIVE</b> <u>5/3/07</u></p>		<p><i>New York State  Department of  Transportation</i></p> <p><b>ENGINEERING  INSTRUCTION</b></p>	<p><b>EI</b></p> <p><b>02-029</b></p>
<p>Title: <b>PROGRESS PAYMENT FOR FABRICATED STRUCTURAL STEEL</b></p>			
<p>Distribution:</p> <p><input type="checkbox"/> Manufacturers (18)      <input type="checkbox"/> Surveyors (33)</p> <p><input checked="" type="checkbox"/> Main Office (30)      <input checked="" type="checkbox"/> Consultants (34)</p> <p><input type="checkbox"/> Local Govt. (31)      <input type="checkbox"/> Contractors (39)</p> <p><input checked="" type="checkbox"/> Regions/Agencies (32)      <input type="checkbox"/> _____ ( )</p>	<p>Approved:</p> <p style="text-align: center;">   George A. Christian  Acting Deputy Chief Engineer (Structures) </p> <p style="text-align: right;"> <u>9/10/02</u>  Date </p>		

**ADMINISTRATIVE INFORMATION:**

- **Effective Date:** This EI is effective with projects submitted for the letting of 05/08/03.
- **Superseded Issuances:** None
- **Disposition of Issued Materials:** The revision to Section 564 will be incorporated in the next edition of the Standard Specifications.

**PURPOSE:** To ensure Contractors are paid for structural steel in the time frame that their costs are occurring.

**TECHNICAL INFORMATION:**

- **Interim Guidance:** Engineers in Charge should process payments for fabricated structural steel meeting the requirements of § 564-5.03.A. when the documentation required by § 564-5.03.B. has been received.
- **Cost Impact:** Possible slight reduction in bid prices due to more timely payments.

**IMPLEMENTATION:**

- Design Quality Assurance Bureau will insert the shelf note in projects starting with the 05/08/2003 letting.

**TRANSMITTED MATERIALS:** Shelf note revising § 564-5.

**BACKGROUND:** Structural steel is often fabricated well in advance of actual erection time because of the availability of time and scheduling in the fabrication shop. Also, a bridge that is being erected in stages is often completely fabricated with half being stored until the second stage is needed. Fabricators often do not paint steel that will be stored because of damage that occurs with the extra handling and during storage. Because the steel has not been painted, it is not eligible for partial payment in accordance with Section 109-04.

Also, payment under Section 109-04 is not automatic, it is at the discretion of the Region and is not applied uniformly across the State. These changes will clarify to the contracting community when they can expect progress payments for fabricated steel.

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Make the following changes to the Standard Specifications of January 2, 2002

**Page 5-99**

delete lines 35 and 36.

**Page 5-100**

delete line 1 and replace with:

“shop drawings, prints, reproducible prints and microfilm required by the specifications or the Steel Construction Manual shall be included in the”

**Page 5-101**

after line 16, add the following:

“564-5.03 Progress Payments for Fabricated Steel. Upon application by the contractor, payments for some of the cost of fabricated steel will be made to the contractor prior to shipping and incorporation of such material in the permanent work, subject to the following:

- A. To be eligible for progress payment, the steel must meet all of the following conditions:
  - 1. Include all the structural steel required for one or more spans of the bridge. If stage construction of the bridge is required by the Contract this will be interpreted as all the steel required for one or more stages of one or more spans of the bridge. The mass of steel extending beyond the end of the span to a splice point will be included for payment.
  - 2. Have a minimum mass of 10,000 kg.
  - 3. Be materials which will be incorporated into permanent work.
  - 4.
    - A. For unpainted (weathering) steel, be in a condition which is ready for on-site installation without further fabrication.
    - B. For steel that will be coated or painted, be completely fabricated, inspected and ready for shipment to a coating shop.
- B. With application for progress payments, the contractor shall provide documentation as follows:
  - 1. Bill of sale or vouchers indicating the actual dollar value paid by the contractor for the materials as stored;
  - 2. Certification of Title showing that title to the materials, without encumbrances, is in the name of the contractor and that title is warranted to the Department of Transportation;
  - 3. Documented evidence of acceptability of the materials;
  - 4. A release and waiver covering such materials, and providing

access to the storage site, which release and waiver shall be executed by the property owner in favor of the New York State Department of Transportation or its agents.

- C. For rolled beam and plate girder bridges, the amount of progress payments shall not exceed the total invoice amount for stored materials, nor shall the partial payment exceed eighty five percent (85%) of the pro rata value of the lump sum bid. The pro rata values shall be calculated by multiplying the lump sum price bid by the ratio which represents the structural steel members fabricated and stored during the payment period in question. The ratio will be computed by dividing the mass of the steel by the Total Mass for Progress Payments for the appropriate item. See §564-5.04.
- D. For truss bridges, arches, or other construction identified in the Contract Documents, the amount of progress payments shall not exceed the total invoice amount for stored materials, nor shall the partial payment exceed seventy five percent (75%) of the pro rata value of the lump sum bid. The pro rata values shall be calculated by multiplying the lump sum price bid by the ratio which represents the structural steel members fabricated and stored during the payment period in question. The ratio will be computed by dividing the mass of the steel by the Total Mass for Progress Payments for the appropriate item. See §564-5.04.
- E. When progress payments are made in accordance with this subsection, no application for payment in accordance with §109-04 PARTIAL PAYMENTS will be considered by the Department.

The making of progress payments shall not be deemed to be a final acceptance of materials, nor shall it relieve the contractor of responsibility for such materials. The contractor shall be responsible for assuring that only those materials which comply with the specifications are incorporated into the project.”

on line 17, change “564-5.03” to “564-5.04”

on line 19 after “question” add “and then subtracting any partial and progress payments made according to §109-04 and §564-5.03.”

on line 27, change “564-5.04” to “564-5.05”