



Construction & Materials Tips

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Proper Payment for Item 100 “Preparing Right of Way”

For contracts having one or several items under Item 100, “Preparing Right of Way,” there is a special limitation of how this Item will be paid in accordance to the specifications.

2004 Standard Specification Payment Policy

Article 100.4., “Payment,” of the 2004 Standard Specifications states:

Total payment of this Item will not exceed 10% of the original contract amount until final acceptance or the initial release of retainage. The remainder will be paid on the estimate after the partial release of retainage.

1993 and 1995 Standard Specification Payment Policy

Article 100.4., “Payment,” of the 1993 and 1995 Standard Specifications states:

The total payment for this Item will not exceed 10 percent of the original contract amount until after the completion of the entire contract work to the satisfaction of the Engineer. That portion of the contract amount for this Item in excess of 10 percent of the total contract amount will then be paid on the next estimate after the work is accepted and after the partial release of retainage.

Contract Payments with More Than One Item

The requirement for the total payment under Item 100, “Preparing Right of Way” also applies to contracts that contain more than one item [e.g., 100 PREP ROW (TREE), PREP ROW (CHANNEL), PREP ROW (HAND CLEAR), etc.]. In this case, payments for each individual item should be added together to verify that the sum does not exceed 10 percent of the original contract amount. For projects that have exceeded the authorized payment, deductions should be made for the next estimate cycle.

As an example, we offer the following:

Item:	Description:	Unit:	Quantity:	Unit Price:	Amount:
100 0501	PREP ROW	AC	12.40	\$ 4,000.00	\$ 49,600.00
100 0502	PREP ROW	STA	1,024.88	\$ 50,000.00	\$ 51,244.00
100 0504	PREP ROW (TREE)	EA	77.00	\$ 450.75	\$ 34,707.75
Total:					\$ 135,551.75

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If the contract is for \$1,000,000, the total payment for the above items can not exceed 10 percent or \$100,000. In this case, \$35,551.75 will be paid after the retainage estimate.

Contact Information

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