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Progress payments during construction

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Under most standard building contracts the contractor is paid progressively throughout the project and is required to submit progress claims to the architect on a regular basis. The architect assesses each claim on the basis of work undertaken, the labour and materials used, and any other construction costs in accordance with the construction contract, and then issues a progress certificate which states the amount calculated by the architect to be due to the contractor at the time of issue.

Under this system, your architect is able to protect you from being charged for work not completed, or not in accordance with the requirements of the construction documents.

At the time of letting the building contract the contractor should be asked to provide a schedule for expected monthly (or other agreed period) progress payments. The actual payments will depend on the amount of work the contractor has completed and will be likely to vary from this schedule.

However, a schedule can be a useful guide for your budgeting.

Under most building contracts the architect's responsibility to prepare and issue progress certificates is as an independent professional assessor upon whose assessment and valuation both you and the contractor have agreed to abide. It is one of the few instances under the contract that the architect does not act as your agent and you must not do anything which prevents your architect from carrying out that role of assessor and certifier independently of you.

The following is the usual process and your obligations for progress payments:

1. The contractor presents a progress claim to the architect.
2. The architect assesses the claim, determines the monetary amount which the contractor is entitled to under the contract and issues a progress certificate to the contractor.
3. The contractor presents the progress certificate and a tax invoice to you for payment.
4. The building contract usually states a limited time within which you must make the payment.

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