

OFFICE OF STATE AID ROAD CONSTRUCTION STANDARD OPERATING PROCEDURES			S.O.P. NO. SA I-2-18 Page 1 of 2
Subject: S.O.P. PAYMENT OF ALL SUMS DUE CONTRACTORS AS PROVIDED BY MISSISSIPPI CODE SECTIONS 31-5-25 & 65-9-11			Distribution A, B, C, D, E
EFFECTIVE October 9, 2006	ISSUED October 9, 2006	SUPERSEDES Page 1 of 2 S.O.P. NO. SA I-2-18 EFFECTIVE: July 1, 2005	APPROVED J. Brooks Miller, Sr. STATE AID ENGINEER

PURPOSE: To Establish Uniform Procedures and Responsibilities for Implementing the Provisions of Section 31-5-25 and Section 65-9-11, Laws of Mississippi.

1. STATE AID'S OBLIGATION FOR PAYMENTS TO CONTRACTORS

A. General

In order to comply with the provisions of Section 31-5-25 and Section 65-9-11 of the Mississippi Code, State Aid has adopted the following procedures for payment of partial and final estimates.

- (a) Partial, progress or interim payments: All partial, progress or interim payments for monies owed Contractors shall be paid when due and payable under the terms of the contract, including, but not limited to, labor questionnaires, traffic control reports and construction change requests. If they are not paid within forty-five (45) calendar days from the day they were due and payable, then they shall bear interest from the due date until paid at the rate of one percent (1%) per month until fully paid.
- (b) Final payments: The final payments of all monies owed Contractors shall be due and payable upon final acceptance of the project by the State Aid Engineer as provided in Section 65-9-11 of the Mississippi Code and the Procedural Guidelines stated in this S.O.P..

If the Contractor is not paid in full within forty-five (45) calendar days from the date of acceptance by the State Aid Engineer, then said final payment shall bear interest from the date of final acceptance at the rate of one percent (1%) per month until fully paid.

In no event shall final payment due the contractor be made until the consent of the contractor's surety has been obtained in writing and delivered to the proper contracting authority.

No Federal Aid Funds shall be utilized in the payment of the one percent (1%) per month interest.

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2. PROCEDURAL GUIDELINES

- A. At the time of the "final inspection", the County Engineer and State Aid District Engineer must have clear substantiated facts as to the Contractor's compliance with the contract. These include not only the satisfactory completion of the actual construction but also compliance with the other provisions of his contract, such as payroll and labor requirements and the submission of all required test reports and certificates.

When it is determined that all provisions of the contract have been met by the Contractor, whether it be on the final inspection or later, that date shall be the date of contract acceptance, and the forty-five (45) day period will commence with the next day.

- B. The Boards should process final acceptance documents with promptness and return to State Aid, thus avoiding unnecessary delays.

In the interest of time, the Boards may prefer to authorize, by official action, their County Engineer to execute the acceptance documents; understanding that such action would be a prerogative of each Board.

If the County Engineer is not authorized to execute the acceptance documents then State Aid will initially send acceptance documents to the County Engineer and the County Engineer will present the acceptance documents to the Board of Supervisors for their consideration and execution.

- C. The County Engineer must keep the determination of final quantities as current as the progress of construction will permit so that the final estimates can be completed promptly after all work is finished. The postponement of final estimates for an extended period of time must be avoided.
- D. State Aid will check and process the estimates and payments as quickly as practicable. There is always some delay between submittal of payment requests and actual payment to the Contractor.
- E. The payment date for State Aid and Federal Aid Estimates will be three working days following the receipt of the warrant by State Aid from the Department of Finance and Administration.
- F. During estimate review and computation of interest, if any, State Aid will compute the interest and prepare the estimate for payment of all sums due the contractor. State Aid will, upon payment of any interest, advise the Board of Supervisors of the reason for delay.