

Payment review and recommendation

Riverside Branch Library renovation, Houston, TX (fictitious)
Gulf Coast Builders — Application No. 4, period ending September 30, 2026
Review date: October 13, 2026 | Currency: USD

The submitted \$308,430.00 should not be recommended as presented. Its arithmetic is correct, but the application includes ineligible stored materials and a pending change; its contract sum also omits a signed credit. The supplied evidence does not establish a final total for certification.

Payment bridge	USD
Submitted current payment	\$308,430.00
Remove stored-material claim, net of 10% retainage	-\$55,350.00
Remove pending CR 003, net of 10% retainage	-\$8,820.00
Conditional current amount	\$244,260.00
Additional net reduction if entire roofing line is 30% earned	-\$10,620.00
Conditional amount with roofing assumption	\$233,640.00

The \$244,260.00 calculation carries all other submitted completion amounts provisionally. The \$233,640.00 alternative additionally assumes 30% earned value for the entire roofing line, although the field report addresses membrane installation only. Neither figure resolves unverified completion, prior certification history or the earned-value effect of the bench credit.

What can be recommended

Interior construction is the one current line expressly corroborated by the field report: \$63,600.00 current gross less \$6,360.00 retainage = \$57,240.00 current net contribution. Recommend that line for the architect's consideration at the reported progress, subject to prior certificate reconciliation. It is not a complete certificate amount. [P row 8; S paragraph 6]

Contract sum correction

$\$1,248,000.00 + \$18,500.00 - \$4,200.00 = \$1,262,300.00$. The contractor's \$1,276,300.00 is overstated by \$14,000.00: the \$9,800.00 pending request plus the omitted \$4,200.00 credit. The log reports both COs signed by all required parties; obtain the signed instruments. [A page 1; C page 1; P C13 and B15]

Line-by-line recomputation

All amounts below are USD. “Conditional” retains the unverified claimed completion values for reconciliation only. Gross values are cumulative; current net is the new eligible contribution after 10% retainage. [P rows 3–13; A Art. 5.1]

Item / scope	Claimed gross	Excluded gross	Conditional gross	Retainage	Current net
1 General conditions	\$78,000.00	\$0.00	\$78,000.00	\$7,800.00	\$14,040.00
2 Demolition / abatement	\$98,000.00	\$0.00	\$98,000.00	\$9,800.00	\$0.00
3 Structural repairs	\$113,600.00	\$0.00	\$113,600.00	\$11,360.00	\$25,560.00
4 Roofing	\$47,200.00	\$0.00	\$47,200.00	\$4,720.00	\$42,480.00
5 Windows / storefront	\$61,500.00	\$61,500.00	\$0.00	\$0.00	\$0.00
6 Interior construction	\$84,800.00	\$0.00	\$84,800.00	\$8,480.00	\$57,240.00
7 Mechanical	\$83,700.00	\$0.00	\$83,700.00	\$8,370.00	\$41,850.00
8 Electrical	\$86,000.00	\$0.00	\$86,000.00	\$8,600.00	\$46,440.00
9 CO 001	\$18,500.00	\$0.00	\$18,500.00	\$1,850.00	\$16,650.00
10 CR 003	\$9,800.00	\$9,800.00	\$0.00	\$0.00	\$0.00
TOTAL	\$681,100.00	\$71,300.00	\$609,800.00	\$60,980.00	\$244,260.00

\$609,800.00 conditional gross – \$60,980.00 retainage = \$548,820.00 net earned. Less \$304,560.00 stated previous certificates = \$244,260.00 conditional current amount. The submitted totals of \$681,100.00 gross, \$68,110.00 retainage, \$612,990.00 net and \$308,430.00 current all add correctly; the exceptions concern eligibility and substantiation.

Retainage

At the corrected contract sum, 50% is \$631,150.00. Conditional eligible gross of \$609,800.00 is 48.31%, so this review retains 10%. With the roofing assumption it is \$598,000.00, or 47.37%. The submitted 53.96% ratio includes the ineligible stored and pending amounts and does not justify a rate reduction.

Article 5.1 preserves retainage already held and allows 5% only on new work after the threshold. Do not apply 5% retroactively. If later evidence establishes a threshold crossing, reconcile its date and eligible new work before changing the rate. Previous gross of \$338,400.00 implies \$33,840.00 retained at 10%, matching the stated \$304,560.00 certificates; the actual prior certificates and retainage ledger are still needed.

Signed bench credit

CO 002 reduces the contract sum by \$4,200.00, but the SOV does not identify the bench allocation. Require a revised SOV and trace any deleted amount in prior or current earned value. A contract credit is not automatically a full current-payment deduction, and its current earned-value impact cannot be assumed to be zero. [C CO 002 row; P C3:C13]

Evidence and decisions — items 1–5

1. General conditions — Conditional; completion basis missing

The application bills 50% cumulative. The field report gives no general-conditions valuation, cost support or time-based allocation. Obtain the agreed earning basis and period support. A 50% line item does not trigger the project-wide retainage reduction. [P row 3; A Art. 5.1]

2. Demolition and abatement — Prior value carried forward; no new payment

The full \$98,000.00 appears in previous applications, with \$0.00 this period. The field report does not verify this scope. Carry the submitted history only for reconciliation and check the prior certificates; do not recertify it as newly earned work. [P row 4; P B17]

3. Structural repairs — Conditional; 80% not established

The report says lintels are installed at all openings except the north entry. It gives neither opening counts nor cost weights for the entire structural scope. That observation does not prove or disprove 80% earned. Verify the remaining scope and value. RFI 014 was reported answered September 18, which does not establish installation. [P row 5; S paragraphs 7-8]

4. Roofing — Unresolved valuation; do not certify 40% solely on these records

The application bills \$47,200.00, or 40% of the \$118,000.00 line. The report describes about 30% of the membrane installed and the remainder torn off and dried in. Obtain separate values for tear-off, dry-in, membrane and remaining work, and confirm September 30 progress. A 30% valuation of the entire line is a sensitivity assumption, not a measured conclusion. [P row 6; S paragraph 4]

5. Windows and storefront — Exclude \$61,500.00 stored gross

Delivery and storage in the east meeting room are reported, but neither the supplier invoice nor insurance evidence was received. Article 5.2 requires both. Exclude the full stored claim now; net reduction at 10% retainage is \$55,350.00. Reassess a resubmission with both documents and evidence that they cover the claimed goods and storage period. [P row 7; S paragraph 5; A Art. 5.2]

Evidence and decisions — items 6–10

6. Interior construction — Supported for recommendation at reported progress

The field report expressly agrees with approximately 40% overall completion, including completed level 1 framing. Cumulative gross is \$84,800.00; cumulative retainage is \$8,480.00; cumulative net is \$76,320.00. The current \$63,600.00 gross contribution less \$6,360.00 retainage is \$57,240.00. This supports the line for the architect's review, subject to the prior certificate history; it is not a complete certificate amount. [P row 8; S paragraph 6; A Art. 5.1]

7. Mechanical — Conditional; 45% not corroborated

The field report provides no mechanical observation. Confirm the \$83,700.00 cumulative earned value, including \$46,500.00 this period, using the responsible reviewer's records. The absence of a note is an evidence gap, not proof that the work is unperformed. [P row 9; S paragraphs 3-8]

8. Electrical — Conditional; 50% not corroborated

The field report provides no electrical observation. Confirm the \$86,000.00 cumulative earned value, including \$51,600.00 this period. This line's 50% does not establish project-wide 50% completion. [P row 10; S paragraphs 3-8; A Art. 5.1]

9. Change order 001 - added roof drains — Contract adjustment supported by log; completion unresolved

The log reports all-party signatures on August 14 for \$18,500.00. The full amount is billed as completed, while RFI 015 on roof drain sump depth remains open in the field report. An open RFI does not automatically disallow an executed change, and signatures do not prove installation. Check the executed instrument and actual completed scope before recommending the full line. [P row 11; C CO 001 row; S paragraph 8; A Art. 5.3]

10. Change request 003 - extra shelving blocking (pending) — Exclude \$9,800.00 pending gross

The log says pending owner review. Article 5.3 excludes pending requests from payment and requires owner, contractor and architect signatures to adjust the contract sum. Remove the \$9,800.00 from this application and its \$980.00 retainage: net reduction \$8,820.00. Resolve RFI 016 and obtain the required signed change if approved; an RFI answer alone is insufficient. [P row 12; C CR 003 row; S paragraph 8; A Art. 5.3]

CA follow-up and remaining evidence

The supplied project contains no existing CA register. The editable register consolidates three RFIs and three change entries, retains their source statuses, and records follow-up needs. No communications have been issued.

Record	Reported status / due date	Deadline assessment as of October 13
RFI 014	Answered September 18; due date absent	Not marked closed; overdue status unknown. North entry lintel still missing at visit.
RFI 015	Open since September 12; due September 22	7 days overdue at visit; 21 days overdue now IF still open.
RFI 016	Open since September 24; due October 1	Not overdue at visit; 12 days overdue now IF still open.
CO 001 / CO 002	Signed status reported in change log	No action due dates supplied. Verify executed instruments and payment treatment.
CR 003	Pending - owner review	No decision due date supplied; cannot establish overdue status.

RFI due dates come from the field report. The agreement excerpt does not establish contractual RFI response periods, so these are recorded as reported/requested dates. Calendar days are counted without assuming a business-day rule. Closure after September 29 and the responsible responders are unknown. Roof-drain and shelving subject links to CO 001 and CR 003 are coordination inferences; no formal cross-reference was supplied. [S paragraph 8; C page 1]

Before fixing the total recommendation

Obtain the roofing breakdown and September 30 completion evidence; support general conditions, structural, mechanical, electrical and CO 001 values; obtain stored-material invoice and insurance evidence if resubmitted; correct the SOV for CO 002 and remove pending CR 003; reconcile prior signed certificates and held retainage. Confirm RFI closure and obtain the owner payment ledger.

Actual owner payments are unknown. The new certificate calculation subtracts previous certificates, not cash paid. Any previously certified but unpaid balance is a separate unresolved amount and must not be silently added to Application No. 4.

Source index

A — Contract/Agreement excerpt - payment terms.pdf, page 1: original sum and Arts. 5.1–5.3 (undated excerpt).

P — Pay application/Pay App 04 - Gulf Coast Builders.xlsx, sheet 'Schedule of values', A1:I18; period ending September 30, 2026. Row references are worksheet rows.

C — Pay application/Change order log.pdf, page 1: CO 001, CO 002 and CR 003 rows (undated log).

S — Site/Site observation notes 09-29.docx, body paragraphs 1–8; report dated September 29, 2026.

All source documents identify themselves as fictitious test documents. This is a draft contract arithmetic and evidence review for Juniper Street Architects, Inc.; it does not certify, authorize or release payment. No statutory payment or code conclusion is made. The original sources remain unchanged.