



## American Subcontractors Association, Inc. Subcontractor's Negotiating Tip Sheet Schedule of Values for Progress Payments

### Sample Language

#### ASA Recommends:

"The ATTACHED Schedule of Values shall be used to determine progress payments."

#### What You May See in the Wild:

"The Contractor shall establish and provide to the Subcontractor a Schedule of Values for the purpose of determining progress payments to the Subcontractor."

### Impact on the Subcontractor

- The Subcontractor may find that its progress payments are tied to a Schedule of Values which it has never seen or approved.
- The Subcontractor may find that a single line item in a Schedule of Values represents the combined work of several subcontractors, and thus is of limited value.
- The Subcontractor may find that a poorly-conceived Schedule of Values does not include adequate values for earlier portions of the jobsite work.

### Negotiating Tips

**When the GC Says:** "Your payment will be tied to the schedule and Schedule of Values that I prepare from time-to-time."

**The Sub Should Say:** "It's in both of our interests to agree upon a Schedule of Values as part of the subcontract, since my price is based on the schedule that I've submitted."

**When the GC Says:** "Industry practice is that I prepare the schedule of values."

**The Sub Should Say:** "All of the industry's model documents, including ConsensusDocs and AIA, say that the subcontractor should prepare a Schedule of Values and attach it to the Subcontract. Of course, the Schedule of Values should be one to which you agree."

**When the GC Says:** "Why are mobilization costs included in your Schedule of Values?"

**The Sub Should Say:** "In my experience, many general contractors encourage including a line item for mobilization and other up-front costs, such as engineering, drafting and ordering, as well as insurance and surety bond premiums, since they include mobilization as part of their own requisitions."

#### Additional Resources:

*ASA Subcontract Addendum (2011)*, ¶ 5. Available to ASA members at [www.ASAonline.com](http://www.ASAonline.com).

*Scheduling Changes and Claims (2009)*. Available to ASA members at [www.ASAonline.com](http://www.ASAonline.com).

*ConsensusDocs Form 750, Standard Agreement Between Constructor and Subcontractor (2012)*, ¶ 8.1. Available at [www.ConsensusDocs.org](http://www.ConsensusDocs.org); ASA members can get a 20 percent discount by entering ASA100.

*American Institute of Architects Form A401, Standard Form of Agreement Between Contractor and Subcontractor (2007)*, ¶ 11.5. Available at [www.aia.org/contractdocs/](http://www.aia.org/contractdocs/).