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Information Exchange

**THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
NATIONAL INSTITUTE OF BUILDING SCIENCES**

agcXML

**APPLICATION FOR PAYMENT
USE CASE**

**VERSION 1.0
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The agcXML Project

The Associated General Contractors of America

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agcXML Use Case: Submit and Distribute Application for Payment

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1. Name

Submit and Distribute Application for Payment

2. About This Use Case

This use case describes the electronic exchange of an application for progress payment. The use case is intended to be used by the claimant to submit the progress application, or can be used by the client to distribute the application to consultants for approval.

This use case covers the following types of payment applications:

1. General Contractor-to-Owner Application for Payment (the prototypical case)
2. Subcontractor-to-General Contractor Application for Payment.
3. General Contractor-to-Owner Application for Payment, in which both a Construction Manager-Adviser and an Architect are involved in the project.
4. Construction-Manager-to-Owner Application for Payment, in which there are multiple contractors but no single general contractor.

The transaction can include a schedule of values (payment application), which is a breakdown of cost components, which are intended to match the previously determined component breakdown described in a schedule of values (owner/contractor agreement).

This transaction implements the generic document distribution use case.

3. Desired Outcomes

The standardization of electronic, structured data for a payment application will support a fully electronic progress payment process.

4. Summary Classifications

4.1. Type of transaction

Submittal or approval of application for payment.

4.2. Stage of project

Construction

4.3. Disciplines

Contractor, Owner, Consultants

4.4. Data content

Reference to project, contract, and participants; summary and detailed schedule of progress and payment claim information; Claim approval information.

5. Purpose

5.1. Description of the business processes (context)

Having entered into a construction contract and completed some portion of the work, the contractor will submit an application for partial payment to the owner (according to the process and timing defined in the agreement). Corresponding applications will be made from subcontractors to the general contractors.

The payment application will define the scope of work completed during the claim period, using the same breakdown of components defined in the schedule of values (owner/contractor agreement).

Upon receiving the payment application, the owner may distribute the application to one or more consultants for review and approval.

Possible variations include construction management agreements, for example, where the construction manager plays the role of submitting sub-contractor's applications for payment to the owner.

5.2. Purpose of the transaction

This transaction covers the submission of the application for payment, and the distribution of the application for approval. It does not cover a reply from the owner conveying the approval or payment details.

6. Actors and Roles

The submission transaction involves a sender of the application and a receiver of the application. The sender may be a general contractor, subcontractor, or construction manager. The receiver may be an owner or (in the case of an application from a subcontractor) a general contractor.

In the approval transaction, the party that receives the application sends it to a consultant for approval.

7. Preconditions and Start point

Prior to this use case, an owner/contractor agreement has been established, including any corresponding schedule of values.

Furthermore, the payment application information has been fully assembled (i.e., the transaction is not intended to support the exchange or partial or incomplete applications for payment).

At the beginning of the submission, however, the application will not include all approval information – this will be added during the completion of the use case.

8. End point

The transaction is complete once the application for payment has been received, acknowledged, distributed for approval, and returned with approval. It does not include a reply indicating the acceptance to the contractor, or payment details.

9. Measurable Result

Completion of this transaction should electronically convey all of the information required to process the payment claim.

10. Flow of Events/Activity Descriptions

1. A contractor submits the application for payment to the owner.
2. The owner acknowledges the receipt of the application.
3. The owner distributes the application for payment to one or more consultants for information or for approval (receipts acknowledged).
4. One of more consultants return the application to the owner with approvals included (receipts acknowledged).

11. Alternative Flow of Events

The Owner may not seek approval from consultants.

The same pattern may be carried out with different actors (e.g., from sub-contractor to contractor).

Some value in the application may be disputed by the owner or a consultant (not handled within the scope of this use case).

12. Use Case Relationships: Inclusion and Extension

This use case extends the Generic Information/Document Distribution use case.

This use cases follows from a specific owner/contractor agreement use case and corresponding schedule of values use case.

The use case should be followed by an application for payment reply use case (currently out of scope for agcXML).

13. Controls

The application for payment has high economic and legal significance for the parties, and should have appropriate transaction controls to support data security, confidentiality, non-repudiation, acknowledgement of receipt, etc.

14. Data

The transaction contains data referencing the project, the owner/contractor agreement and its corresponding schedule of values, relevant change orders, all of the relevant actors, and the actors' approval information.

It contains information describing the work quantity and cost information for the total project, total completed to date, and amount completed during this payment period. This information is provided at the project summary level and at the schedule-of-values breakdown level.

The detailed data requirements are described in the comparative analysis document.

15. Outstanding Issues

Should the transaction allow the schedule of values to be organized hierarchically?

Should the transaction include a reply from the owner to the contractor? How should the case be handled if there is a disputed value from the owner or a consultant?

Should a single schema be used for the schedule of values (owner/contractor agreement) and progress payment?