



This checklist has been created to help contractors improve their cash flow. It offers a list of important questions you should ask about payment clauses to help you gain control of your company's cash flow.

1. Have all the project plans and specifications been reviewed? Including all Addendums?
2. Have additional contract terms been incorporated by reference (Flow down provisions)? Are they included in your estimate? Has the estimate been double checked?
3. Has the scope of the bid been confirmed in writing on a proposal form that states what is included and what is not included?
4. Is the bond premium excluded or included in the estimate?
5. Is it clear who will furnish and pay for any temporary facilities?
6. Has the source of funds been verified? Have you received copies of any upstream payment bonds?
7. Have the insurance requirements been verified?
8. Are progress payments being paid monthly on a date certain of _____ which include payment for materials stored on site? What about materials stored off site?
9. What is the retention in the prime contract? _____ What is the retention in the subcontract? _____ Has it been proposed to eliminate retention?
10. Is final payment at substantial completion?
11. Is there an opportunity for advance or mobilization payment?
12. Does the schedule of values include in the first progress payment amounts for the entire bond premiums? Stored materials? Shop drawings? And mobilization?
13. What is the maximum cash flow to carry the work? _____ For how long, according to the proposed schedules of values? _____ Does your bank line of credit have enough availability to support it?
14. Are there warranty clauses which go beyond the normal warranties of a construction contract? What are you guaranteeing?
15. Is the scope of work incorporated in the contract exactly as it was in the proposal?
16. Is the scope of the work defined precisely or cross indexed to the appropriate section of the specifications?
17. What is the procedure for changes in the scope of work and how will the contractor be paid for changes?
18. If unit prices are applicable, is there a quantity variation clause?
19. If underground work is involved, is there a changed condition clause? Is a rock clause included?
20. Is there a no-damage-for-delay clause that would waive the contractor's right to damages for delays?
21. Are liquidated damages imposed on the contractor for delays caused by the contractor? How much? _____
22. Does the contract contain a broad form hold harmless provision?
23. What is the time of performance of the contractor's work? _____
24. Is there a provision for time extensions?
25. Is there an excusable delay clause?
26. Have you waived any lien rights in the contract?
27. Is a procedure provided for the resolution of disputes?
28. Has a neutral contract form been proposed to be substituted on negotiated jobs?