



## **Vendor Invoicing Procedure**

### **PURPOSE:**

This procedure provides guidelines for processing capital construction related invoices.

### **SCOPE:**

This procedure applies to contractor and vendor invoices for capital construction projects.

### **RESPONSIBILITIES:**

1. It is the responsibility of the Construction Business Manager to ensure that standardized invoicing procedures are developed and communicated to the PD&C leaders, VP, Executive Director and Directors.
2. It is the responsibility of the PD&C Directors and Finance Construction Analysts in each Region to ensure compliance with this procedure.
3. Also refer to approved project invoicing and contract approvals policies and thresholds.

### **ABBREVIATIONS:**

1. PM = Project Manager
2. GMP = Guaranteed Maximum Price

### **PROCEDURE:**

1. Invoice Content Requirements
  - a. Separate invoices are required for each project for which PD&C issues a project number. It is at the discretion of both the Construction Analyst and Director to separate a major project into separate projects requiring separate invoices.
  - b. For example: a new office building may require a separate project number and invoicing for 1) site & shell; 2) Tenant A; 3) Tenant B, etc.
  - c. Invoices and all correspondence must include PD&C project number in order to be processed.
  - d. Invoices shall include a contract number, PO# or activity code when applicable.
  - e. Payment terms shall be established as "Net 30 days" after receipt by Mercy
  - f. Vendor should indicate a contact name and phone number on invoices.
  - g. The contractor or vendor is responsible for including backup documentation substantiating reimbursable expenses.
  - h. Invoices are project specific; multiple projects may NOT be included on one invoice.



## 2. Invoicing Process

- a. Contractors / Vendors may not bill for changes until a change order is fully executed.
- b. Tax Status
  - i. Mercy Health includes taxable and non-taxable entities. It is the PM's responsibility to ensure the contractor is aware of the tax status of the facility for which the work is being done.
  - ii. A Project Exemption Certificate and a copy of the State exemption certificate will be sent upon receipt of a written or emailed request to the PD&C Office.
    - 1. Allow a minimum of 2 weeks for processing.
    - 2. Include project name and project number and the return address or email address where the exempt letter is to be sent.
    - 3. The Project Exemption Certificate will be mailed once and emailed once; after that it is the contractor / vendor's responsibility to pick up a duplicate copy of the Project Exemption Certificate from the PD&C Office.
- c. The Invoice should reflect the specific facility for which the project work is being done.

## 3. Specific Instructions for the Construction Manager/General Contractor

- a. Contractor Pay Applications (invoicing)
  - i. A schedule of values is to be submitted and approved by the PD&C Project Manager prior to submitting a pay application. A schedule of values for the general conditions consistent with the General Conditions Matrix (if applicable) should be included.
  - ii. Invoice monthly on AIA G702/G703 Application and Certificate for Payment forms (computer generated schedules are acceptable).
  - iii. Each pay application should be dated and numbered consecutively
  - iv. The last pay application for the Construction Manager/General Contractor and subcontractors is to be marked FINAL.
  - v. Provide minimum of one paper copy of Pay Application and back up documentation. The use of FTP sites for storage of project documents is allowable. However, it is the vendor's responsibility to submit a minimum of one original pay application with back up documentation to Mercy.
- b. For GMP and modified GMP contracts:
  - i. Full back up documentation will be required for the Construction Manager/General Contractor's Preconstruction Services, including
    - 1. Employee names



2. Dates and hours worked
  3. Description of work performed
  4. The agreed upon hourly wages.
  5. If Preconstruction services were lump sum bid, no backup documentation is required.
- ii. Full back up documentation will be required for the Construction Manager/General Contractor's General Conditions, including
    1. Employee names
    2. Dates and hours worked
    3. Description of work performed
    4. The agreed upon hourly wages as submitted on the Labor Rate Sheet (see form Labor Rate Sheet).
    5. If General Condition's were lump sum bid, back up documentation is not required.
- c. Any trade work that is competitively bid will require a copy of the subcontractor pay application with the Construction Manager/General Contractors monthly pay application and certificate for payment.
  - d. Standard Invoicing
    - i. Contractors to provide Labor Rate Sheet (see form Labor Rate Sheet) by trade, for all trades working on project.
    - ii. Contractors shall not bill for changes until a Change Order has been executed.
    - iii. Any approved change orders that are completed on a time and material basis will require full back up documentation including
      1. Signed time tickets by owner's representative having authority.
      2. Labor rates per contracted rate sheets
      3. Material invoices
      4. Yard charges.
    - iv. No documents such as change orders or any other correspondence may be attached to the pay application.
  - e. Lump Sum contracts:
    - i. Include copies of trade work contractors pay application with the Construction Manager/General Contractors monthly pay application and certificate for payment.
    - ii. Contractors shall provide a completed Labor Rate Sheet (see form Labor Rate Sheet) by trade, for all trades working on project.



iii. Change Orders

1. Contractors may not bill for changes until a Change Order has been executed.
2. Any approved change orders that are completed on a time and material basis will require full back up documentation including
  - a. Daily Signed Time tickets by owner's representative having authority
  - b. Labor rates per contracted rate sheets
  - c. Material invoices
  - d. Yard charges.
3. Do not attach change orders or any other correspondence to the pay application.

f. Lien Waivers:

- i. Construction Manager/General Contractor shall include partial lien waivers, for the current application with each pay application, as allowed by state law.
- ii. The lien waiver must be signed and witnessed.
- iii. See Sample Lien Waiver forms at end of procedure. These are samples, follow the contract language for any project specific lien requirements.
  1. Partial Lien Waiver – Contractor / Subcontractor
  2. Partial Lien Waiver – General Contractor
  3. Final Waiver, Release and Discharge Contractor / Subcontractor
  4. Final Waiver, Release and Discharge – General Contractor
- iv. Final Payment and Final Lien Waiver:
  1. Any month that a subcontractor is billing final, a separate summary list of subcontractors submitting final bills must be included with the Construction Manager/General Contractor pay application, that month. The subcontractors pay application must be marked final.
  2. Prior to any final payments being issued to the Construction Manager/General Contractor or subcontractor all testing and verification that subcontractor work has been performed in accordance with specifications and is acceptable in writing is required.
  3. Final Unconditional Lien Waivers for Construction Manager/General Contractor should be submitted with final pay application and all subcontractors are required within 30 days of final payment, as allowed by state law. This lien waiver must be signed and witnessed. All close out documents must be submitted and approved before final payment will be made.

g. Insurance:

- i. A current copy of the Construction Manager/General Contractor's General Liability and Worker's Compensation Certificate of Insurance is required by the Regional PD&C office prior to any



payment. It is the Construction Manager/General Contractor's responsibility to verify all subcontractors have appropriate General Liability and Worker's Compensation Insurance.

- ii. A current copy of the Construction Manager/General Contractor's Builder's Risk Certificate of Insurance is required by the Regional PD&C office prior to any payment
- iii. The certificate of insurance should include
  - 1. Name of the insurance company
  - 2. Policy number
  - 3. Value of coverage (equal to value of project)
  - 4. Deductible amount
  - 5. Mercy Health should be named as additional insured on the Certificate of Insurance.

#### h. Invoicing Process

- i. Contractors shall send invoices and all supporting documentation to the local PD&C Office responsible for the project.
  - ii. The Construction Analyst shall ensure the invoice is routed through the local Mercy entity and all required approvals are obtained and documented.
- i. Contractor Questions regarding Invoice process should be addressed to:
- i. Mercy PD&C East Community Office-Serves St. Louis, MO., Washington, MO., and Jefferson County, MO.

Mercy Hospital Saint Louis  
Attn: Planning, Design & Construction, Kim Papenberg  
615 S. New Ballas Rd, St. Louis MO 63141  
Phone: 314-251-4829  
Fax: 314-251-4372

- ii. Mercy PD&C Central Community Office-Serves Springfield, and Joplin, MO., Arkansas and Kansas facilities

Mercy Hospital Springfield  
Attn: Planning, Design & Construction, Tara Barham  
1235 East Cherokee St., Springfield, MO, 65804  
Phone: 417-820-3300  
Fax: 417-820-7779



- iii. Mercy PD&C West Community Office – serves Oklahoma facilities, Fort Smith, Arkansas and Kansas facilities

Mercy Hospital Oklahoma  
Attn: PD&C Project Management Office, Doug Speakes  
4200 W. Memorial, Suite LL8, Oklahoma City, OK 73120  
Phone: 405-752-3149  
Fax: 405-752-3510

- iv. Mercy PD&C Joplin Community Office-Serves Joplin facilities

Mercy Hospital Joplin  
Attn: Planning, Design & Construction, Pam Rawlins  
100 Mercy Way, Joplin, MO 64804  
Phone: 417-208-6370



**PARTIAL LIEN WAIVER- GENERAL CONTRACTOR**

Owner: <b>Insert ENTITY name</b>	Date:
Project #: <b>Insert PROJECT NUMBER</b>	Project Name: <b>Insert PROJECT NAME</b>

This Partial Lien Waiver is submitted and executed by **Insert CONTRACTOR name Contractor**) relating to a relationship and contract with **Insert ENTITY name (Owner)** for the performing and/or furnishing of work, labor, services, materials and/or equipment in connection with the above-referenced "Project".

For and in consideration of the payment to Contractor of \$\_\_\_\_\_, pursuant to Contractor’s payment application dated \_\_\_\_\_ (“Payment Application”) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Contractor agrees as follows:

1. Contractor for itself, its officers, agents, successors and assigns and anyone claiming through or under it, hereby waives, releases and forever discharges Owner and all present and future owners of the Project and their respective parent companies, affiliates, subsidiaries, successors, assigns, agents, employees and sureties (hereinafter "Releasees") of and from all causes of action, suits, debts, accounts, bonds, contracts, promises, damages, liens, encumbrances, judgments, claims and demands whatsoever, in law or equity, known or unknown, accrued or unaccrued, which Contractor ever had, now has or might hereafter have against Releasees jointly or separately, in any way connected with, related to or arising out of the performing and/or furnishing of all work, labor, services, materials and/or equipment for the Project during the period covered by the Payment Application, except and only for any retention actually being held by Owner with respect to such work.

IN WITNESS WHEREOF, this Partial Lien Waiver has been executed the day noted above.

WITNESS

[CONTRACTOR]\_

\_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_



**FINAL WAIVER, RELEASE AND DISCHARGE - CONTRACTOR**

Owner: <b>Insert ENTITY name</b>	Date:
Project #: <b>Insert PROJECT NUMBER</b>	Project Name: <b>Insert PROJECT NAME</b>

This Final Waiver, Release and Discharge is submitted and executed by **Insert CONTRACTOR name** (“Contractor”) relating to a relationship and contract with **Insert ENTITY name** (“Owner”) for the performing and/or furnishing of work, labor, services, materials and/or equipment in connection with the above-referenced Project.

For and in consideration of the payment to Contractor of \$\_\_\_\_\_, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Contractor agrees as follows:

1. Contractor for itself, its officers, agents, successors and assigns and anyone claiming through or under it, hereby waives, releases and forever discharges Owner and all present and future owners of the Project and their respective parent companies, affiliates, subsidiaries, successors, assigns, agents, employees and sureties (hereinafter “Releasees”) of and from all causes of action, suits, debts, accounts, bonds, contracts, promises, damages, liens, encumbrances, judgments, claims and demands whatsoever, in law or equity, known or unknown, accrued or unaccrued, which Contractor ever had, now has or might hereafter have against Releasees jointly or separately, in any way connected with, related to or arising out of the aforesaid relationship and contract and/or the performing and/or furnishing of any work, labor, services, materials and/or equipment for the Project.

2. Contractor hereby certifies and warrants that all work, labor, services, materials, wages and/or equipment engaged, used and/or contracted for by it in connection with the Project have been paid in full and that Contractor will hold the aforesaid Releasees harmless against all Mechanics’ and/or Materialmen’s liens, claims, demands, damages, costs or other liens or encumbrances in any way connected with, related to or arising out of any claim for compensation by any other party for work, labor, services, materials, and/or equipment incorporated into, performed or furnished for the aforesaid building and premises by contractor, or any of its subcontractors, materialmen or suppliers.

IN WITNESS WHEREOF, this Final Waiver, Release and Discharge has been executed the day noted above

WITNESS

[CONTRACTOR]

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_





**PARTIAL LIEN WAIVER**

Owner: <b>Insert ENTITY name</b>	Date: <b>Insert DATE</b>
Project #: <b>Insert PROJECT NUMBER</b>	Project Name: <b>Insert PROJECT NAME</b>

This Partial Lien Waiver is submitted and executed by \_\_\_\_\_ (“Subcontractor”) a subcontractor/supplier to \_\_\_\_\_ (“Contractor”) relating to a relationship and contract with Contractor for the performing and/or furnishing of work, labor, services, materials and/or equipment in connection with the above-referenced Project.

For and in consideration of the payment to Subcontractor of \$ \_\_\_\_\_, pursuant to Contractor’s payment application dated \_\_\_\_\_, (“Payment Application”) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Subcontractor agrees as follows:

1. Subcontractor for itself, its officers, agents, successors and assigns and anyone claiming through or under it, hereby waives, releases and forever discharges the above-referenced Owner and all present and future owners of the Project and their respective parent companies, affiliates, subsidiaries, successors, assigns, agents, employees and sureties (hereinafter "Releasees") of and from all causes of action, suits, debts, accounts, bonds, contracts, promises, damages, liens, encumbrances, judgments, claims and demands whatsoever, in law or equity, known or unknown, accrued or unaccrued, which Subcontractor ever had, now has or might hereafter have against Releasees jointly or separately, in any way connected with, related to or arising out of the performing and/or furnishing of all work, labor, services, materials and/or equipment for the Project during the period covered by the Payment Application, except and only for any retention actually being held by Owner with respect to such work. Provided, however, that this release shall not become effective until all checks given as part of the above-noted consideration have been honored and paid.

IN WITNESS WHEREOF, this Partial Lien Waiver has been executed the day noted above.

WITNESS

[SUBCONTRACTOR]

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



**FINAL WAIVER, RELEASE AND DISCHARGE**

Owner:	Date:
Project #:	Project Name:

This Final Waiver, Release and Discharge is submitted and executed by \_\_\_\_\_ ("Subcontractor") a subcontractor/supplier to \_\_\_\_\_, ("Contractor"), relating to a relationship and contract with Contractor for the performing and/or furnishing of work, labor, services, materials and/or equipment in connection with the above-referenced Project.

For and in consideration of the payment to Subcontractor of \$\_\_\_\_\_, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Subcontractor agrees as follows:

1. Subcontractor for itself, its officers, agents, successors and assigns and anyone claiming through or under it, hereby waives, releases and forever discharges Owner and all present and future owners of the Project and their respective parent companies, affiliates, subsidiaries, successors, assigns, agents, employees and sureties (hereinafter "Releasees") of and from all causes of action, suits, debts, accounts, bonds, contracts, promises, damages, liens, encumbrances, judgments, claims and demands whatsoever, in law or equity, known or unknown, accrued or unaccrued, which Subcontractor ever had, now has or might hereafter have against Releasees jointly or separately, in any way connected with, related to or arising out of the aforesaid relationship and contract and/or the performing and/or furnishing of any work, labor, services, materials and/or equipment for the Project.

2. Subcontractor hereby certifies and warrants that all work, labor, services, materials, wages and/or equipment engaged, used and/or contracted for by it in connection with the Project have been paid in full and that Subcontractor will hold the aforesaid Releasees harmless against all Mechanics' and/or Materialmen's liens, claims, demands, damages, costs or other liens or encumbrances in any way connected with, related to or arising out of any claim for compensation by any other party for work, labor, services, materials, and/or equipment incorporated into, performed or furnished for the aforesaid building and premises by Subcontractor, or any of its sub-subcontractors, materialmen or suppliers.

IN WITNESS WHEREOF, this Final Waiver, Release and Discharge has been executed the day noted above.

WITNESS

[SUBCONTRACTOR]

\_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_