

# CONSTRUCTION PROCEDURES HANDBOOK

SECTION VI	SUBSECTION R	DATE
CONSTRUCTION OPERATIONS	<b>Materials Payment and Storage</b>	03/15/2016

## **Payment for Stored Materials**

Subsection 109.06 allows for the payment of materials that have not been incorporated into the work. Payment for material is **not** required, and the RE should only do so under the following conditions:

1. The cost of the material (which may include storage costs) must have a minimum value of \$25,000.00. This value is applied to an individual Item or group of Items with similar descriptions.
2. The Contractor has submitted to the RE a copy of the paid invoice for the materials and a fully executed Release of Liens for Materials Stored for Incorporation in Department of Transportation Project Form DC-149.
3. For materials accepted on the basis of inspection (as indicated on the DC-2891), the Bureau of Materials has tested and accepted the materials. For materials accepted on the basis of Materials Certification, the Contractor has submitted an acceptable Materials Certification.
4. The Contractor has properly stored and protected materials within the Project Limits or at locations owned or leased by the Contractor or the Department. Except for structural steel, material may not be stored outside the State of New Jersey. For structural steel, the material may be stored outside the State of New Jersey with the approval of the Director of Construction.
5. For material stored on property not belonging to the Department, the Contractor must store the material in a fenced area for which access is limited only to the Department and the Contractor. Additionally, the Contractor must post a sign at the location clearly identifying, that the materials are to be used only for the Project. For materials stored outside the State or at remote locations the RE can contact the Bureau of Materials to confirm that the material is properly stored as specified. The RE will document that the material is properly stored, and maintain photographs documenting this compliance on file. The RE can ask the contractor to provide these pictures.
6. If the materials are stored on property not belonging to the Department, the Contractor must submit a copy of the lease to the RE, and the lease must provide that the lease cannot be cancelled without the written permission of the Department.
7. The materials must be for a fully manufactured component of the work (not for constituent materials) and must not be for common materials that can be used interchangeably on other projects (i.e. reinforcement steel, pipe, conduit, wire, etc...) unless approved by the Director of Construction.

If the RE authorizes payment for stored materials, the value of the payment may not be more than 85% of the value of the item at the contract bid price.

The allowance of Material Payments and Storage are handled in Site Manager in a very specific way. Failure to input the materials properly will result in estimate errors and slow the closeout of a project. The Site Manager input requirements are available at the following link:  
<https://www.nj.gov/transportation/eng/pdf/SMCManualRE.pdf>