

NTTA Projects	Original Issue Date: 01/10/20212	CON-08
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Title: Construction Contractor Pay Estimate		

## 1.0 PURPOSE:

The purpose of this procedure is to define the process for generating and approving Construction Contractor Pay Estimates for the NTTA.

## 2.0 RESPONSIBILITIES:

**2.1 Director of Project Delivery (DPD)** – The DPD shall be responsible for:

- Reviewing and approving all Project Delivery funded Construction Contractor Pay Estimates, and signing the hard copy pay estimate and the Payment Recommendation Transmittal (PRT).

**2.2 NTTA Manager of Construction** – The NTTA Manager of Construction shall be responsible for:

- Reviewing and recommending approval of the assigned construction contractor pay estimates to the DPD. (The NTTA Manager of Construction will typically hold the Pay Estimate for approximately 24 hours in case either Construction Manager or NTTA Resident Engineer request the Pay Estimate be rejected and re-submitted. Any comments after approval shall be sent to the Office Engineer for adjustment on the next Progress Payment.)
- Forwarding approved pay estimate to DPD for payment authorization.

**2.3 NTTA Manager representing NTTA Maintenance or NTTA Information Technology (IT)** – The designated NTTA Manager shall be responsible for:

- Reviewing and recommending approval of any assigned construction contractor pay estimates.

**2.4 NTTA Procurement** – shall be responsible for:

- Reviewing the approved pay estimate hard copy and signing the (PRT) for Project Delivery funded Construction Contractor Pay Estimates.

**2.5 NTTA Resident Engineer (RE)** – The NTTA RE shall be responsible for:

- Reviewing and recommending approval of any assigned construction contractor pay estimates.
- Forwarding approved pay estimate to NTTA Manager of Construction or NTTA Manager (for Maintenance or IT pay estimates) for review and approval.

**2.6 Construction Manager** – The Construction Manager shall be responsible for:

- Reviewing and recommending approval of any assigned construction contractor pay estimates to the NTTA RE.

**2.7 Office Engineer** – The Office Engineer or equivalent working for the NTTA assigned Construction Manager or NTTA RE shall be responsible for:

- Creating the construction contractor pay estimate in EPDS and for making any adjustments required as the pay estimate is reviewed and ultimately approved.

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- Forwarding pay estimate to Construction Manager or NTTA RE for review and approval recommendation

**2.8 Chief Inspector** – The Chief Inspector is responsible for:

- Reviewing all Daily Reports, knowing what items are acceptable and can be paid that month, knowing any item in dispute or with an NCR that can't be paid that month, conveying this information to the Office Engineer or equivalent such as a bookkeeper or assigned document control specialist.

**2.9 NTTA Support Staff** – shall be responsible for:

- Obtaining signatures from the DPD and AEDI and subsequently providing an electronic copy of the original Pay Estimate package to the NTTA Accounts Payable Department via email for review and payment.
- Forwarding a copy of the approved pay estimate and monthly Contract Time Statement to the Prime Contractor.
- Placing a copy of the approved pay estimate in the project record archives.

**3.0 SCOPE/APPLICABILITY:**

This procedure shall apply to all NTTA construction contractor pay estimates.

**4.0 REFERENCES:**

NTTA Construction Manual - Section 5.15 - Pay Estimates and Computations  
CON-07 Control of Nonconforming Items during Construction

**5.0 DEFINITIONS & ACRONYMS:**

N/A

**6.0 PROCEDURES:**

**6.1 Construction Pay Estimate Rules**

- 6.1.1. Payment for construction services shall utilize the NTTA's electronic workflow application tool called "EPDS – Progress Invoices", referred to as "EPDS Pay Estimate" in this procedure (when applicable).
- 6.1.2. Construction Contractor Pay Estimates shall be created in most circumstances on a monthly basis as an estimate of all acceptably completed and measured quantities of work for a monthly progress payment.
  - 6.1.2.1. The contractor shall not be paid for unacceptable items considered "nonconforming" or "in dispute" until resolved.

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- 6.1.3. The Contractor will be paid for any incentives or specification driven bonuses earned and added to the contract by an NTTA approved Change Order during the current payment period.
- 6.1.4. In addition, the contractor will be accessed any accrued penalties during current payment period.
- 6.1.5. Construction Contractor Pay Estimates are created when a contractor is active.
- During periods of little or no activity, the payment period may cover more than one month.
  - Special circumstances, such as releasing retainage (if applicable) or paying mobilization, can have more than one pay estimate created per month, and do not have to wait until a regular monthly date, but this condition shall require coordination with and pre-approval by NTTA before processing this type of Pay Estimate.
- 6.1.6. Due date is 1<sup>st</sup> business day each month by 10:00am in EPDS to NTTA Manager of Construction assigned to review and recommend approval of Pay Estimate. In case of holiday or weekend deadline is extended to the next working day.
- Normal Pay Estimate cutoff date is 25<sup>th</sup> of each month.
  - Cutoff of 25<sup>th</sup> may be adjusted by Construction Manager or NTTA RE to fit work and Contractor's request, BUT doesn't change 1<sup>st</sup> of month deadline which MUST be met.
  - Construction Manager or NTTA RE needs to make clear to the Contractor that all Material on Hand (MOH) requests need to be submitted with full documentation in time to be reviewed and submitted to make the above deadlines or they will be considered for the next progress payment. The Pay Estimate is not to be held up but shall be submitted to NTTA by the first of the month.
  - On or about the 10<sup>th</sup> of each month, the NTTA Support Staff will forward a copy of the approved Contractor Pay Estimate and monthly Time Statement to the Contractor by email.
- 6.2 Office Engineer** - The Office Engineer shall generate an electronic EPDS Pay Estimate for completed and measured quantities of work in accordance with CON-08-A1. The following activities shall be performed by the Office Engineer:
- 6.2.1. Enter quantities from Daily Pay Item Report of all work deemed acceptable by the Construction Manager or NTTA RE and available for payment to the contractor.
- This can be done daily, as daily inspection reports are reviewed by the Chief Inspector and a draft Pay Estimate can be created.
  - These quantities can be printed as draft and shared with the Contractor as the month progresses. There is no need to wait until the end of the month to enter these items in EPDS.
  - The Contractor should be made aware of the quantities intended for payment for the cutoff period each month and given draft copies for completed work.
    - Also, the Contractor should be made aware of any NCRs or otherwise disputed quantities that are being withheld from progress payment until an outstanding issue is resolved.

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- The Contractor should be made aware if the Progress Schedule has not been approved and if the Construction Manager or NTTA RE intends to withhold 10% of the progress payment until the schedule can be re-submitted and approved.
- The Contractor should be made aware of any Liquidated Damages to be assessed in this progress payment period due to any contract milestones, substantial completion or final completion dates missed.
- The Contractor should be made aware of any contract adjustments per a spec item or bonuses or incentive payments for reaching milestone per the contract that are intended to be applied to this Pay Estimate.

6.2.2. Complete Contract Time Statement in EPDS and follow the EPDS Workflow for review and approval.

6.2.3. Complete, scan and attach Material on Hand, TxDOT worksheet Form 1914 in EPDS Progress Invoice

6.2.4. Complete, scan and attach Material on Hand, TxDOT worksheet Form 1915 in EPDS Progress Invoice

6.2.5. Scan and attach backup documentation in EPDS Progress Invoice

6.2.6. Submit the EPDS electronic Pay Estimate to the Construction Manager or NTTA Resident Engineer for review.

**6.3 Construction Manager or NTTA RE** - The Construction Manager or NTTA RE shall review the EPDS Pay Estimate for accuracy, completeness, compliance and progress status, and if issues are found, shall return it to the Office Engineer for correction and re-submittal. If recommended for approval, the Construction Manager or NTTA RE shall:

6.3.1. Prepare a written statement relating actual job progress and budget to the latest approved job progress/budget and scan the above statement and attach it to the EPDS electronic Pay Estimate

6.3.2. Submit the EPDS Pay Estimate to the designated NTTA Manager, based on the funding department:

- Director of Information Technology (IT funded projects)
- Director of Maintenance (Maintenance funded projects)

6.3.3. At the same time of submitting the EPDS Pay Estimate, the NTTA Manager of Construction or NTTA Resident Engineer shall send copies to Project Delivery Construction and the NTTA Manager of Construction in EPDS for review. The NTTA Manager of Construction will hold the Pay Estimate approval for approximately 24 hours in case either Project Delivery Construction, NTTA Manager of Construction or NTTA Resident Engineer requests the Progress Payment be rejected and re-submitted. Any comments after approval should be sent to the Office Engineer for appropriate adjustment on the next Progress Payment.

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**6.4** The designated/funding NTTA Manager shall review the EPDS Pay Estimate, and if issues are found, shall return it to the Office Engineer for correction and re-submittal. If recommended for approval, the designated/funding NTTA Manager shall submit the EPDS Pay Estimate to the designated NTTA Department Director, based on the funding department -

- Director of Information Technology
- Director of Maintenance

**6.5** The designated/funding NTTA Department Director shall review the EPDS Pay Estimate, and if issues are found, shall return to the Office Engineer for correction and re-submittal. If no issues are found, the Department Director shall approve the EPDS Pay Estimate and send an EPDS notification to the appropriate staff member for further processing.

**Project Delivery funded Construction Contracts only (6.6 – 6.9):**

**6.6** NTTA Support Staff – shall print out the Pay Estimate

- 6.6.1. Log the Pay Estimate in the Pay Estimate Tab of the Project Delivery Tracking System
- 6.6.2. Prepare the hard copy Payment Recommendation Transmittal (PRT)
- 6.6.3. Forward the original Pay Estimate package to the NTTA Contract Manager.

**6.7** NTTA Contract Manager - shall review the original Pay Estimate, initial the PRT, and return the Pay Estimate package to the NTTA Support Staff. If the PRT is rejected the NTTA Contract Manager shall return it to NTTA Support Staff.

**6.8** NTTA Support Staff - shall forward to the DPD for review and signature on the PRT, when the Pay Estimate is \$50,000 or greater it is to be forwarded to the AEDI, for review and signature on PRT

- 6.8.1. Create a receipt against the purchase order in PeopleSoft
- 6.8.2. Make a file copy of the signed original Pay Estimate Package and forward it to the AEDI Administrative Assistant
- 6.8.3. Forward the signed original Pay Estimate Package to the NTTA Accounting Department

**6.9** NTTA Support Staff - shall upload signed original Pay Estimate Package into EPDS Document Manager

**7.0 REGULATORY REQUIREMENTS:**

N/A

**8.0 RELATED BOARD POLICY:**

- NTTA Business Opportunity Program and Policy

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**9.0 COMPONENT DOCUMENTS:**

- **CON-08-F1** NTTA Contract Time Statement
- CON-08-A1 EPDS Workflow Reference Card
- TxDOT Worksheet Form 1914
- TxDOT Worksheet Form 1915

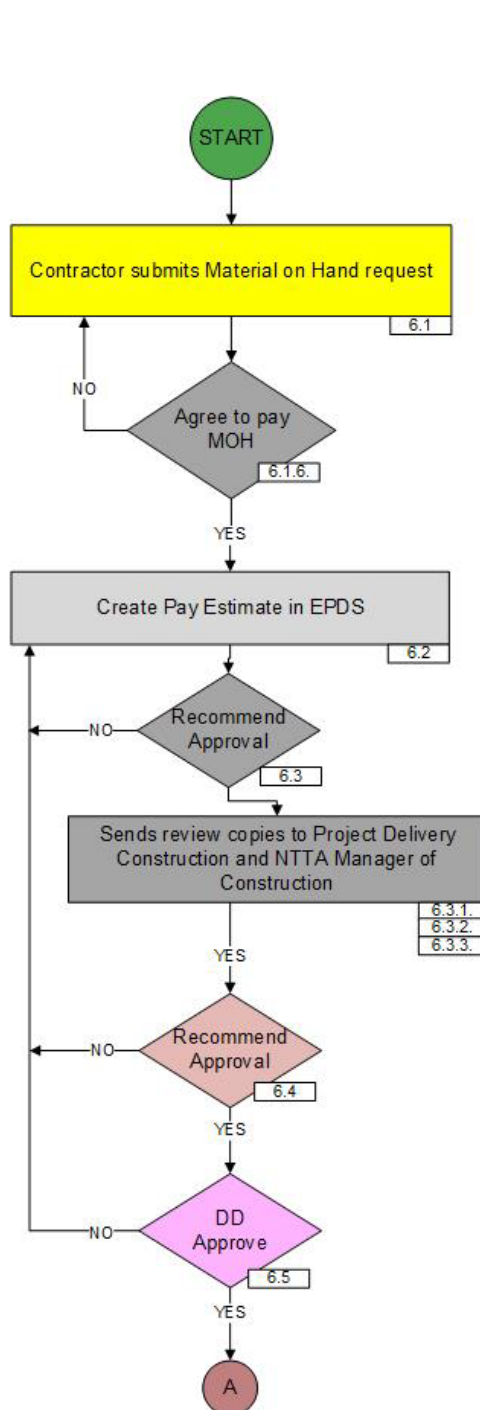
**10.0 FLOWCHARTS:**

(See next page)



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## Construction Contract Pay Estimate Workflow Process



Contractor
Office Engineer or Construction Manager
Construction Manager or NTTA Resident Engineer (RE)
NTTA Manager of Construction
NTTA Department Director (Fund Source)

### Contractor:

- Submits any requests for Material on Hand (MOH) on TxDOT Forms 1914 & 1915 with paid invoices as back-up to the Construction Manager or RE.

### Construction Manager or RE:

- Reviews MOH request and determines if it has sufficient back-up and meets Item 9.6 criteria and is located at the job site.

### Office Engineer or Construction Manager:

- Creates EPDS Pay Estimate
- Enters quantities of all complete items
- Checks to see if Contractor Progress Schedule submitted and approved or if 10% penalty will be assessed on this Pay Estimate
- Checks to see if Liquidated Damages are being assessed
- Add any bonuses or penalties accrued this Pay Estimate
- Attaches Material On Hand (MOH) documentation if applicable
- Creates Contract Time Statement in EPDS for this Pay Estimate

### Construction Manager or RE:

- Reviews Pay Estimate
- If Recommends Approval, Then sends informational copies for concurrent review to Project Delivery Construction and NTTA Manager of Construction
- Prepares written statement relating actual job progress to current approved schedule and attaches in EPDS
- Approves Contract Time Statement in EPDS for this Estimate

### NTTA Manager of Construction:

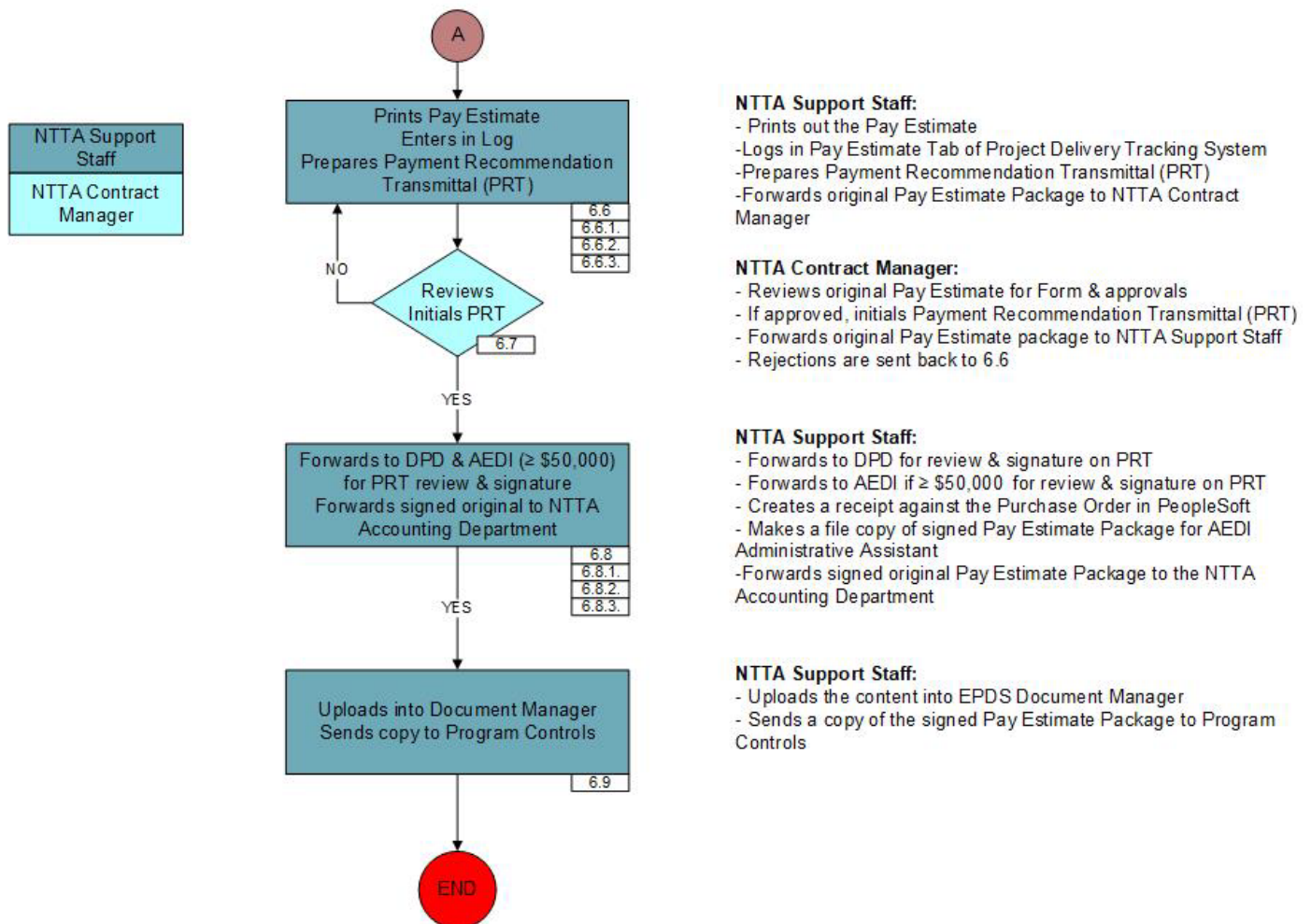
- Reviews Pay Estimate & Material on Hand (MOH) Attachments
- Reviews Contract Time Statement
- Checks Schedule Progress Attachment Statement from Construction Manager or NTTA Resident Engineer
- Determines if NTTA is to withhold 10% of Progress Pay Estimate for this month if schedule update is not approved
- Checks Liquidated Damages & Contract Adjustments

### NTTA Department Director:

- Reviews Pay Estimates
- Approves or Rejects Pay Estimate

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### Construction Contract Pay Estimate Workflow Process (for Project Delivery funded NTTA Projects Only)





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## 11.0 REVISION HISTORY:

Revision	Revised by:	Date Issued	DRN	Reason for Revision
0	David Kastendick	01/10/2012	<b>10371</b>	Original Issue - This procedure is being created for Construction Contract Pay Estimates. Previously referenced in CA-02.
1	Enrique Guillen	02/28/2019	<b>10765</b>	Revision of CON-08 to address NTTA Internal Audit finding. Clarifies the delivery of approved Contractor Pay Estimate and Time Statement by email.
2	Bryan Dennis	07/23/2025	<b>11141</b>	Revisions to match software change in EPDS and adjust titles/procedure to current practice