DATA CENTER CAMPUS DEVELOPMENT

Customer-Built Switchyard Drawdown and Owner Exposure Control Pack

Draw certification I Cost-to-complete I Schedule control I Future draws

VERIFY	RECONCILE	FORECAST	CONTROL

A working owner-side template for reviewing current draws, protecting title and lien position, monitoring cost and schedule, and forecasting the next three funding requests.

Prepared by Sitebraid
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1. Synopsis

A switchyard draw should not be approved because invoices add up. The owner must prove that the claimed work exists, the equipment is acceptable, title and lien exposure are controlled, the schedule remains achievable, and the undisbursed budget can finish the accepted scope.

The drawdown process should answer five questions:

1. Eligibility: Is every requested cost allowed by the approved budget, contract, change log, and TSP-approved scope?
2. Progress: Does verified physical progress support the amount billed?
3. Protection: Do invoices, waivers, title, insurance, warranties, and stored-material controls protect the owner?
4. Completion: Are remaining funds, contingency, procurement status, and schedule sufficient to reach TSP acceptance and energization?
5. Forward exposure: What must be paid in the next three draws, and what events could increase owner cash or delay service?

Owner rule

Approve only the eligible, verified amount. Carry every exception into the exposure register with an accountable owner, cure date, withheld amount, and release condition.

2. Executive summary

2.1 What the draw process controls

Customer-built switchyards concentrate owner exposure before the TSP accepts or takes ownership. The owner may fund design, long-lead equipment, civil works, construction, testing, land rights, and transfer closeout while also carrying CIAC, security, financing, and campus schedule obligations.

The control objective is not simply accurate payment. It is preservation of enough money, time, evidence, and contractual leverage to complete and transfer an acceptable facility.

2.2 Required review sequence

Application -> completeness check -> commercial reconciliation -> field verification -> engineering/TSP review -> schedule and cost-to-complete test -> exception decision -> owner certification -> payment -> ledger and forecast update.

2.3 Stop conditions

Hold or reduce the draw when:

- the request exceeds approved schedule-of-values or change authority;
- physical progress does not support billed progress;
- material is not delivered, segregated, insured, titled, preserved, or accepted;
- lien waivers, invoices, test records, or subcontractor support are missing;
- cost to complete exceeds remaining committed funding plus approved contingency;
- critical-path or long-lead variance threatens TSP acceptance or energization;
- the requested asset or design is outside the accepted TSP scope;
- a prior exception remains uncured and affects the current payment.

3. Draw request cover certificate

Project and request

- Project / switchyard: ____
- TSP / serving utility: ____
- EPC contractor: ____
- Draw number: ________ Period ending: ________ Requested payment date: ________
- Original contract value: $_____________
- Approved changes: $_____________
- Current contract value: $_____________
- Prior payments: $_____________
- Current gross request: $_____________
- Retainage / withheld amount: $_____________
- Net recommended draw: $_____________
- Remaining contract balance: $_____________
- Forecast cost to complete: $_____________
- Available contingency after this draw: $_____________

Owner certification

[ ] The request is mathematically accurate and reconciles to the current schedule of values.
[ ] Work and stored materials were independently verified to the extent stated in the monitor report.
[ ] Requested costs are eligible under executed contracts and approved changes.
[ ] Required invoices, lien waivers, title, insurance, warranties, and stored-material records are complete.
[ ] The latest schedule supports the reported progress and forecast energization date.
[ ] Remaining committed funds and approved contingency cover the forecast cost to complete.
[ ] TSP review, inspection, hold points, and acceptance dependencies are current.
[ ] Exceptions, withheld amounts, and cure conditions are listed in the attached exception register.
[ ] The next three draws and projected peak owner cash are updated.

Recommendation: Approve / Approve with withholding / Reject / Resubmit

Prepared by: ________ Independent monitor: ________ Engineering: ________ Project controls: ________ Finance: ________ Owner approval: ________

4. Draw package checklist

4.1 Core commercial documents

[ ] Signed application for payment and draw certificate
[ ] Current schedule of values with original budget, changes, prior, current, stored materials, retainage, and balance
[ ] Detailed invoice register tied to cost code, purchase order, subcontract, and schedule activity
[ ] Approved change-order log and pending-change log
[ ] Contractor and key subcontractor payment status
[ ] Conditional current waivers and unconditional prior-period waivers, in forms approved by counsel

[ ] Evidence addressing liens, notices, claims, stop-payment notices, and bonds

4.2 Physical progress and quality

[ ] Independent monitor report with site date, attendees, photographs, quantities, percent complete, and observed deficiencies
[ ] Updated construction progress report and two- or four-week look-ahead
[ ] Inspection and test plan status, hold-point releases, RFIs, submittals, nonconformances, and corrective actions
[ ] Factory and site acceptance test records applicable to the draw
[ ] TSP review comments, accepted deviations, witness records, and approvals
[ ] Safety, environmental, outage, and incident status

4.3 Stored and long-lead materials

[ ] Purchase order, vendor invoice, and proof of payment obligation
[ ] Equipment description, serial number, quantity, rating, and approved manufacturer
[ ] Location, photographs, segregation, tagging, and inventory report
[ ] Title transfer or vesting evidence and no-lien confirmation
[ ] Insurance covering transit, storage, casualty, and replacement value
[ ] Storage agreement, preservation plan, inspection log, and warranty-start treatment
[ ] Delivery date, float, cancellation, reassignment, and replacement exposure

4.4 Insurance, title, and compliance

[ ] Current certificates and endorsements for required coverages
[ ] Bonds and surety notices remain valid
[ ] Owner/TSP access and property rights remain effective
[ ] Permits and required regulatory approvals remain current
[ ] Confidential and critical infrastructure records are stored with appropriate access controls

Evidence control fields

For every checklist item record: document ID, version/date, provider, reviewer, repository link, status, exception, and expiry or renewal date.

5. Schedule-of-values reconciliation

Field	Current draw control
Cost code and scope	Must match executed contract and asset responsibility matrix
Original budget	Locked baseline; changes shown separately
Approved changes	Executed authority and funding source required
Revised budget	Original plus approved changes
Prior completed work	Must reconcile to prior certified draw
Current completed work	Supported by quantities, percent complete, and monitor evidence
Stored materials	Separately verified for title, insurance, storage, and acceptance
Gross earned to date	Completed work plus eligible stored materials
Retainage	Contractual rate by work/material category and release condition
Net earned	Gross earned less retainage
Prior paid	Bank and owner ledger reconciliation
Current eligible amount	Net earned less prior paid, withholding, and offsets
Balance to finish	Revised budget less gross earned to date

Reconciliation tests

[ ] Sum of cost codes equals current contract value.
[ ] Prior certified amounts match the prior draw and payment ledger.
[ ] Current percent complete does not exceed verified physical progress.
[ ] Stored materials are not also counted as installed work.
[ ] Retainage follows the contract and is not released early.
[ ] Change orders are counted once and pending changes remain outside the approved budget.
[ ] Withholding, liquidated damages, backcharges, and offsets are visible.

6. Independent monitor review

Minimum field report

- Date, weather, site access, attendees, and areas inspected
- Overall and cost-code physical progress
- Installed quantities and material inventory sampled
- Comparison of billed progress to observed progress
- Critical-path activity status and look-ahead constraints
- Quality deficiencies, nonconformances, incomplete testing, and punch items
- TSP inspection, witness, outage, and approval status
- Photographs labeled by location, asset, date, and draw number
- Recommended draw, withholding, cure, and follow-up inspection

Monitor certification

[ ] Work observed is generally consistent with approved plans and the reported status, subject to listed exceptions.

[ ] Quantities and completion percentages reasonably support the recommended amount.

[ ] Stored-material controls were verified or specifically excluded.

[ ] No observed condition is omitted that materially affects cost, schedule, safety, acceptance, or owner exposure.

7. Cost-to-complete and owner exposure test

Required calculation

Funds available to finish = undisbursed committed funds + approved owner equity still available + supported reimbursements - restricted amounts.

Forecast cost to finish = remaining contracted work + approved unpaid changes + probable changes + escalation + testing/commissioning + TSP/utility costs + land/transfer closeout + delay exposure + required contingency.

Surplus/(shortfall) = funds available to finish - forecast cost to finish.

Exposure dashboard

Exposure	Current	Forecast at completion	Trigger / mitigation
Contract commitments	$______	$______	Buyout and change control
Pending/probable changes	$______	$______	Approve, reject, or reserve
Contingency	$______	$______	Minimum floor and replenishment
Retainage	$______	$______	Release criteria
Long-lead procurement	$______	$______	Delivery and replacement plan
TSP/utility charges	$______	$______	Latest accepted forecast
Delay and remobilization	$______	$______	Critical-path recovery plan
Land/transfer closeout	$______	$______	Recordable rights and acceptance
Peak unrecovered owner cash	$______	$______	Liquidity approval

Cost-to-complete checklist

[ ] Remaining buyout and uncommitted scope are included.

[ ] Pending and probable changes are risk-adjusted, not omitted.

[ ] Contingency remains adequate for the current project phase.

[ ] TSP testing, outage, review, energization, and transfer costs are included.

[ ] Long-lead replacement and delay cases are modeled.

[ ] Available funds exceed forecast cost to finish after this draw.

[ ] Any shortfall is funded before approval.

8. Schedule and overrun control

Schedule submission requirements

[ ] Approved baseline and current update use the same work breakdown and calendars.

[ ] Actual starts/finishes and remaining durations are statused to the draw-period data date.

[ ] Procurement includes submittal, approval, fabrication, factory test, shipping, storage, installation, and commissioning.

[ ] TSP design reviews, hold points, outages, witness tests, acceptance, and energization are logic-linked.
[ ] Land, easement, access, permitting, telecom, SCADA, and protection dependencies are logic-linked.
[ ] Critical and near-critical paths, total float, and negative float are reported.
[ ] Recovery actions identify accountable party, cost, due date, and approval.

Variance thresholds

Escalate when any project-specific threshold is exceeded, including critical milestone slip, material float erosion, late submittal, long-lead delivery movement, contingency draw, cost-to-complete shortfall, or TSP acceptance delay.

Owner schedule certificate

- Current energization forecast: ________
- Variance to contractual milestone: ________ days
- Current critical path: ____________________________
- Top three constraints: ____________________________
- Recovery cost included in forecast: Yes / No
- TSP-confirmed dates versus owner assumptions: ____________________________

9. Future draw forecast

Maintain a rolling three-draw forecast after every approval.

Forecast	Period	Gross request	Retainage/with holding	Net draw	Major scope	Required evidence	Key risk
Next draw	______	$______	$______	$______	______	______	______
Draw +2	______	$______	$______	$______	______	______	______
Draw +3	______	$______	$______	$______	______	______	______

Forecast controls

[ ] Forecast reconciles to procurement commitments and construction schedule.
[ ] Deposits, stored materials, delivery payments, installation, and final acceptance are separated.
[ ] Owner funding notices and approval dates precede required payment dates.
[ ] Expected TSP/utility invoices and security events are included.
[ ] Forecast identifies cash peaks, contingency use, and potential shortfalls.
[ ] Next-draw missing documents have owners and due dates.

10. Exception and withholding register

ID	Requirement / exception	Amount at risk or withheld	Cost/schedule/ acceptance impact	Accountable owner	Cure evidence	Due date	Status
____	____	$____	____	____	____	____	____

Decision rules

- Withhold the unsupported amount, not an arbitrary percentage.
- Do not release prior withholding until cure evidence is reviewed and accepted.
- Carry unresolved exceptions into cost-to-complete and schedule forecasts.
- Escalate exceptions that threaten TSP acceptance, energization, title, liens, safety, or liquidity.

11. Final draw and closeout checklist

[ ] Final work, stored materials, testing, and punch-list closure verified
[ ] Final lien waivers/releases and claim resolution accepted by counsel
[ ] As-builts, calculations, settings, software/configuration baselines, manuals, training, spares, and warranties delivered
[ ] TSP witness, acceptance, energization, and operating-control records complete
[ ] Bills of sale, deeds/easements, title transfer, warranty assignment, insurance transfer, and lien releases complete
[ ] Final CIAC, utility/TSP, contract, change, retainage, and tax accounting reconciled
[ ] Security release, refund, or continuing obligations recorded
[ ] Remaining owner/TSP O&M;, access, drainage, outage, and indemnity duties assigned
[ ] Record-retention index and litigation-hold instructions issued
[ ] Final cost and schedule variance lessons captured

12. Sitebraid drawdown monitoring service

Sitebraid can administer the owner-side draw process through:

- draw calendar and submission protocol;
- completeness and eligibility review;
- schedule-of-values, invoice, change, retainage, and payment reconciliation;
- coordination with independent field monitors, engineers, counsel, finance, and TSP interfaces;
- cost-to-complete, contingency, liquidity, and owner-exposure reporting;
- critical-path, procurement, milestone, and recovery monitoring;
- exception, withholding, cure, and approval tracking;
- rolling three-draw forecast and future funding notices;
- audit-ready evidence indexing and final closeout.

The engagement scope should identify who performs regulated engineering, legal review, title work, lien review, field inspection, payment authorization, and TSP acceptance. Sitebraid coordinates owner controls and evidence; it does not replace licensed professionals or the owner's approval authority.

13. Primary sources and use notes

- PUCT Project 58481, Filing 206
- ERCOT Large Load Integration
- TxDOT construction recordkeeping and auditing resources
- TxDOT alternative-delivery draw request resources
- TxDOT payment-procedure specification example

- PUCT tariff example addressing CIAC, customer design, access rights, and actual cost

Public construction draw practices are used as control analogies only. The executed switchyard agreements, financing documents, EPC contract, Texas lien advice, TSP requirements, and project-specific acceptance plan govern the actual draw.

Prepared by Sitebraid for owner-side data center campus capital, infrastructure, and acceptance decisions.