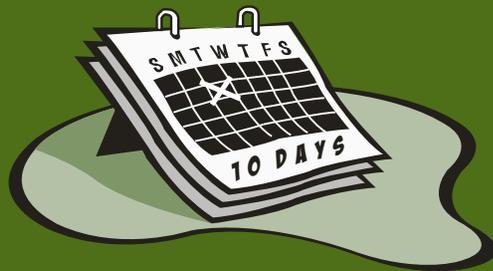


Subcontractors must be paid in full for their work no later than 10 days from the date the prime is paid.

- “Subcontractor” means construction or consulting subcontractors, truckers, materials suppliers and other vendors working for the prime at any level, including lower tier subcontractors working for “parent” subcontractors.
- Primes are responsible for ensuring that all subcontractors are paid in full and promptly, regardless of tier.
- The prompt payment requirement shall be included in all subcontracts and agreements.

Prompt payment is a U.S. Department of Transportation requirement.



For more information

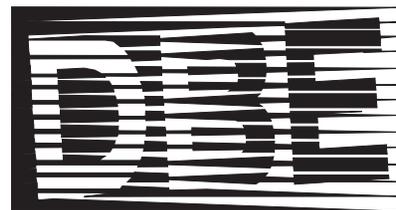
Call Jeanne Day-Labo at the
Office of Business Development

Lansing: 866-323-1264

Oak Park: 866-323-4009

Fax: 517-335-6859

Michigan Department of Transportation
Office of Business Development
P.O. Box 30050
Lansing, Michigan 48909



*MDOT: Providing the highest quality
integrated transportation services for economic
benefit and improved quality of life.*



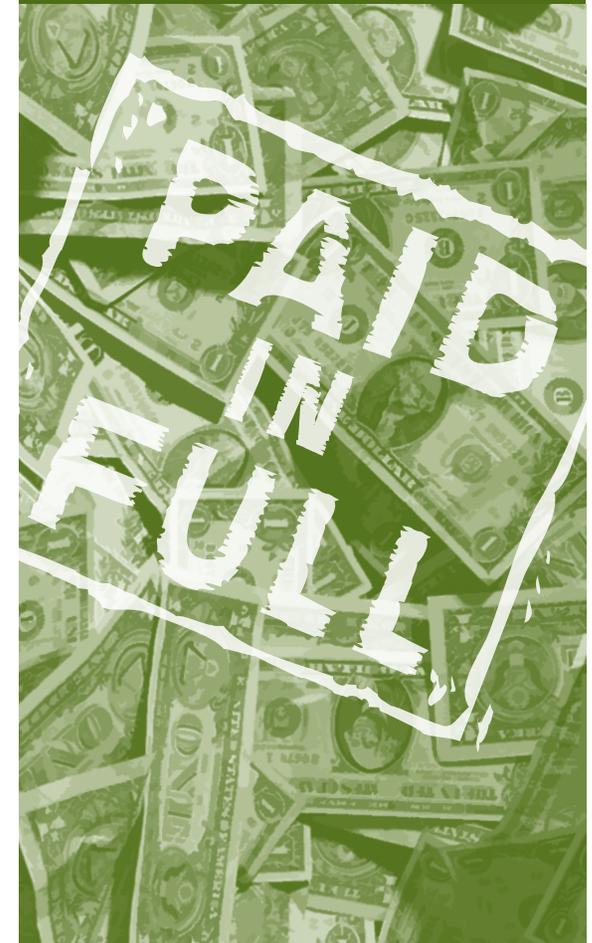
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Michigan Department of Transportation

Office of Business Development

PAYMENT STATEMENT REQUIREMENTS FOR PRIMES

Disadvantaged Business Enterprise



Primes must certify that subs are being paid promptly.

- “Prime Contractor Statement of DBE Subcontractor Payments” (MDOT Form 0164) or “Prime Contractor Bi-Weekly Statement of DBE Subcontractor Payments” (MDOT Form 2124) must be submitted to the MDOT project manager throughout the life of each federally assisted construction project.
 - Refer to “Requirements for DBE/WBE” in the contract to determine which form should be used.
- Prime Consultants with service consulting contracts shall submit the “Prime Consultant Statement of DBE Sub-Consultant Payments” (MDOT Form 0165) to the MDOT project manager.
 - Refer to “Attachment G” of the consultant contract for a copy of the form.
- Prime payment statements must include payment data for all DBEs working on the contract – including DBEs working as lower tier subcontractors to parent subcontractors.

The MDOT project manager must review, sign, and submit payment statements to the MDOT Office of Business Development within seven days of receipt from the prime.

- MDOT project managers: fax payment statements to 517 335-0945 or e-mail scanned copies to:
mdot-paymentstatements@michigan.gov
- MDOT’S Special Provision for Prompt Payment 03SP109(A) is available on the Web at *www.michigan.gov/mdot*. Click the Supplemental Specifications/ Special Provisions link on the right side of the screen, then Special Provisions – Frequently Used (2003), and finally, 03SP109(A).
- Failure to comply with prompt payment provisions can result in penalties such as withholding of estimates; reduction of pre-qualification ratings; and/or withdrawal of bidding privileges.

To maintain federal funding, MDOT and its local agency grantees, transit agencies, and airports must enforce prompt payment requirements. Prime vendors who fail to pay subcontractors in a timely manner are subject to disciplinary action as outlined in MDOT’s Administrative Rules for Pre-qualification.

Primes shall not withhold payment or make partial payment to any subcontractor without written approval by the MDOT project manager.

- A Prime with concerns about satisfactory completion of work by a specific subcontractor must notify the MDOT project manager of his or her concerns before payment is released to the Prime.
- Any delay or postponement of payment by the Prime to a subcontractor, or any partial payment to a subcontractor, may occur only upon receipt of written approval from the MDOT project manager.
- This provision also applies to parent subcontractors and their lower-tier subs.

