

Office of Construction Prompt Payment Summary (rev 2/15)

Prompt Payment Complaints on Construction administered projects.

- Prompt payment complaints are taken seriously by the Department of Transportation (Department).
- Under the terms of Department contracts (Sections 1.03.04 and 1.08.01 (Supplemental) of the Standard Specifications) and the Connecticut General Statutes, Section 49-41a, Prime Contractors are required to make payment for accepted work to their tier 1 subcontractors/suppliers within 30 days after the Prime Contractor receives payment by the Department for the work performed by the subcontractor. This 30 day (maximum) requirement is thereafter applicable and carries forward for each subsequent tier subcontractor or supplier.

Summary of steps to be taken:

- Any time a subcontractor believes that the Prime Contractor (or a lower tier subcontractor) has been paid by Department for accepted work but they have not received their due payment for agreed upon work and 30 days have passed, the affected subcontractor shall prepare a written letter to the Prime Contractor (or a lower tier subcontractor) detailing the circumstances and provide any necessary documentation
- After 10 days, if the Prime Contractor does not respond, the subcontractor shall prepare a written letter to Department's administering district and copy the OOC and the Prime Contractor with the original letter attached.
- The Department will respond with a written letter to the Prime Contractor calling for a written response to the prompt payment complaint within 10 days and copy the subcontractor and the Prime Contractor's Bond Company. The Department will review each claim and investigate each issue with Project staff on a case by case basis.
- If there is no response by the Prime Contractor, the Department will respond with a second certified letter and copy the subcontractor and the Prime Contractor's Bond Company.
- If there is no response by the Prime Contractor, the Department may exercise one of the following options provided in the specifications, such as;
 - Call a meeting with all affected parties to discuss the issue,
 - If it is determined by the Department that the Prime is being non-responsive, hold funds equal from the disputed amount from the active project's next estimate monthly payment, or,
 - Hold funds equal to the disputed amount from another similar project administered by the Department with that Prime Contractor,
 - Require that Prime Contractor attend a non-responsibility meeting on the next contract where it is the apparent low bidder.
 - Other actions, as warranted.
- Also, for any dispute regarding prompt payment, a subcontractor also has the contractual right to use an alternative dispute resolution entity for resolution.