

VIA METROPOLITAN TRANSIT PROMPT PAYMENT POLICY & RETAINAGE POLICY BULLETIN

To: All Prime Contractors

From: Disadvantaged Business Enterprise Liaison Officer (DBELO)
--

Subject: Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) Prompt Payments and Retainage Procedures
--

Date Initiated: 11-16-2018

Date Revised: 08-06-2021

Policy #: 001

This policy bulletin sets forth procedures to be followed for all contracts requiring DBE and SBE prompt payments.

49 CFR, Part 26.29 requires DBE and non-DBE subcontractors to be paid promptly. VIA interprets prompt payment to mean the prime contractor will pay each subcontractor for satisfactory performance of its contract no later than ten days from receipt of each payment the prime contractor receives from VIA.

The prime contractor will pay any retainage on a subcontractor's work within 30 days after satisfactory completion of all the subcontractor's work.

The prompt payment policy is referenced in all bids solicitations. The prime contractor should include in its subcontracts the same prompt payment provision.

Satisfactory completion is accomplished when:

- The subcontractor has fulfilled the contract requirements of both VIA and the subcontract for the subcontracted work, including the submittal of all information required by the contract and VIA.
- VIA has inspected and approved the subcontractor's work.

VIA may pursue actions against the prime contractor for failure to execute prompt payment requirements. The penalties imposed by VIA may include but are not limited to: withholding all or a portion of future payments, suspending work, withholding project acceptance, placing prime contractor in default for breach of contract, or other actions deemed appropriate.

After a contract record has been created in Diversity Compliance Reporting System (DCRS) and VIA begins making payments to the prime contractor, the contract is ready for auditing. Auditing is generated every month while the contract is active.

Audit process for a contract record in DCRS.

A prime contractor working on any project is responsible for the reporting of all payments to its DBE and SBE subcontractors in DCRS. DBE and SBE subcontractors are responsible for verification and confirmation of payment data received from the prime contractor in DCRS. The prime contractor will include payment entries to non-DBE subcontractors whenever there is a DBE associated with a second or multi-tiered subcontract. A DBE or a SBE prime contractor is responsible for reporting payments to all subcontractors in DCRS.

The prime contractor will report payments, after work begins, to meet the DBE or SBE goal and for DBE race-neutral participation on projects with and without DBE or SBE goals. These reports will be due within fifteen days after the end of a calendar month. These reports will be required until all DBE and/or SBE subcontracting, or material supply activity is completed.

Reporting Timeline

Date	Action
March 10 th	VIA pays prime contractor.
March 20 th	Prime contractor pays DBE/SBE subcontractors.
April 5 th	DCRS notifies prime contractor to report March subcontractor payments.
April 15 th	Prime contractor completes entering payments.
April 22 nd	DBE/SBE subcontractor(s) confirms payment received
April 30 th	VIA staff completes reporting audit