
Vermont Agency of Transportation Prompt Pay Compliance Information

In order to meet all federal and state prompt payment requirements, the Vermont Agency of Transportation (VTrans) has developed a comprehensive plan for providing educational outreach, monitoring and enforcement on all VTrans contracts.

Applicable Statutes and Regulations:

- **Vermont's Prompt Pay Statute requires payment from primes to subs within 7 days of primes receiving payment:** Vermont State Statutes, Commerce and Trade, T.9 §4003 (c), provides: “Notwithstanding any contrary agreement, when a subcontractor has performed in accordance with the provisions of its contract, **a contractor shall pay to the subcontractor, and each subcontractor shall in turn pay to its subcontractors**, the full or proportional amount received for each such subcontractor’s work and materials based on work completed or service provided under the subcontract, **seven days after receipt of each progress or final payment or seven days after receipt of the subcontractor’s invoice, whichever is later.**”
- **USDOT's DBE Regulations require monitoring and enforcement by State DOTs:** United States Department of Transportation Regulations, Section 26.37 of 49 CFR Part 26, requires VTrans to implement appropriate mechanisms to ensure compliance with Part 26 requirements, including prompt payment. To do so, **VTrans must use legal and contract remedies available under Federal, state, and local law.**

All VTrans Contracts Require Monthly Reporting:

- **Type and Form of Information Required from Prime Contractors:** To enable VTrans to monitor compliance with the prompt payment requirements, on all contracts, our prime contractors are contractually required to submit certain documentation on a monthly basis to the VTrans Office of Civil Rights. Specifically, **prime contractors must submit by the 10th day of each month a list of all payments to all subcontractors during the preceding month.** For each payment, the **required information** includes: **The project name and number, the name of the subcontractor, the date and amount paid, and whether the payment is the “final payment” to the subcontractor.**
- **Electronic reporting format:** For convenience and efficiency, VTrans has created a user friendly web-based reporting system. All required information should be submitted online, at our secure site, using a contractor password and PIN (contractor Identification Number). Instructions and the reporting form are available at <http://www.aot.state.vt.us/dbe/login.asp>. First time users should contact Sonya Boisvert (828-2644; sonya.boisvert@state.vt.us) to obtain their contractor ID number prior to commencement of the project.

- **Alternate reporting format:** Contractors without access to the internet may obtain and submit manual reports to the VTrans Office of Civil Rights. Forms and information can be requested by calling: (802) 828-2644.

Enforcement:

- **Sanctions for Noncompliance:** Any payments made to subcontractors more than seven days after receipt of a corresponding progress payment by VTrans to the Contractor, or seven days after receipt of the subcontractor's invoice, whichever is later, is a violation of contract and state and federal law.
- **Interest Penalties:** In accordance with 9 V. S. A. Section 4003 and 12 V. S. A. Section 2903, **interest accrues on the unpaid balance at the statutory rate of 12 percent per year.**
- **Progressive Enforcement:** Any late payments or other violations should be reported to the VTrans Office of Civil Rights, Sonya Boisvert, at: sonya.boisvert@state.vt.us , or (802) 828-2644.
- A prompt investigation of all allegations of noncompliance will be initiated. Failure to promptly resolve all disputes may result in a complaint made to the VTrans Pre-qualification Committee. In this event, **failure to comply may result in suspension, reduction or revocation of the contractor's pre-qualification rating.**
- **Claims Procedure:** Subcontractors may be protected by the surety bond required of all prime contractors, if they comply with all statutory requirements of 19 V. S. A. Section 10(9). **In order to obtain the protection of the statute, claims must be filed within 90 days after acceptance of the project and must be notarized.** In addition to the statutory remedy, VTrans is authorized, but not required, to withhold payment to a contractor until any claim of any type is settled to the satisfaction of the subcontractor, pursuant to the Standard Specifications for Construction which are incorporated in all construction contracts. (See Sections 107.16, 109.03 and 109.08). **Claim forms can be obtained by contacting the VTrans Financial Operations Section or the VTrans Construction Section.**

For More Information and Assistance:

- For additional information and useful links on prompt payment requirements, please visit the VTrans DBE website at: <http://www.aot.state.vt.us/CivilRights/dbe.htm>
- Please contact Sonya Boisvert with any additional questions and comments, as follows:

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Vermont Agency of Transportation, One National Life Drive, Montpelier, VT 05633-5001;
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