

# Process for Alleged Prompt Payment Violation

**NOTES:**

- If the violation is a clear withholding the Engineer will require payment within 5 calendar days to the complainant. The Prime Contractor will propose one or a combination of the following:
  - Prime Contractor issues payment to subcontractor
  - Prime Contractor issues payment directly to the subcontractor's lower tier subcontractor or suppliers
  - Prime Contractor issues payments to subcontractor in the form of joint-checks
  - Prime Contractor requests a negative estimate to withdraw the amount confirmed in the prompt payment violation

If the Prime Contractor fails to provide a resolution and the payment is not relinquished within the 5 day time period then the Engineer will process a negative estimate in the amount of the violation.
- When the Prime Contractor requests a negative estimate the Engineer may request the Prime Contractor use third party dispute resolution. The Engineer will release the funds in accordance with the dispute resolution.
- The parties may initiate whatever dispute resolution procedure is specified in their agreement or is available under Michigan law. If dispute resolution or litigation is selected, the actions by both parties must proceed in a timely manner.

Reference:  
[https://mdotcf.state.mi.us/public/dessssp/spss\\_source/1ZSP109\(A\)v2.pdf](https://mdotcf.state.mi.us/public/dessssp/spss_source/1ZSP109(A)v2.pdf)

