Arizona Department of Transportation

Intermodal Transportation Division

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INFORMATION BULLETIN NO. 04-02

TO: ADOT Project Managers/Monitors, Resident Engineers And Consultant Engineering Firms

FROM: Engineering Consultants Section

SUBJECT: PROMPT PAY LEGISLATION, ARS 28-411
Consultant Submittal and Payment Requirements
(Revisions to ECS and ADOT PM Processing Times)

Information Bulletin Nos. 01-03 and 01-07 are rescinded and replaced by this Information Bulletin relating to Senate Bill 1137, which established a new Statute, ARS 28-411 – Prompt payment; consultants and contractors; sub-consultants and sub-contractors. **Revisions were made to only ADOT Project Manager and ECS process times.**

In accordance with the legislation, effective September 1, 2001 the Department began to issue payments to prime consultants within twenty-one days after receipt of invoices. The law also requires consultants to pay the subconsultants within seven days after receiving payment from ADOT, unless exceptions exist within the agreed upon consultant/subconsultant agreement.

In order to facilitate the processing of invoices, they should contain no more than 40 individual projects. If additional projects are required, separate invoices should be submitted.

The Department will administer the process in accordance with the following revised timetable:

<u>For Design Contracts:</u>

- Consultants will submit invoices on a regular monthly basis in accordance with a timetable agreed to in contract negotiations.
- Consultants will submit subconsultant invoices even though the prime consultant may not have performed work during the preceding month.
- Invoices from Consultant firms should be sent directly to ADOT Project Manager who shall document on the invoice the date it was received.
- The ADOT Project Managers will approve the invoice within ***three*** days and then forward it to the Engineering Consultants Section (ECS). After receipt of the invoice from the Project Manager, ECS will have ***seven*** days to process

and forward it to Cost Accounting. Cost Accounting will process payments within the remaining time frame.

For Construction Group Managed Contracts:

- Consultants will submit invoices on a regular monthly basis in accordance with a timetable agreed to in contract negotiations.
- Consultants will submit sub-consultant invoices even though the prime consultant may not have performed work during the preceding month.
- Invoices from Consultant firms should be sent directly to ADOT Project Monitor.
- Invoices for Supplemental Construction Personnel (Rent-A-Tech) should be sent directly to Construction Group, Consultant Contract Administrator per the above schedule.

The ADOT Project Monitor will approve within two days and then forward it to the Consultant Contract Administrator (Construction Group). After receipt of the invoice from the Project Monitor, Construction Group will have ***three*** days to process and forward it to Engineering Consultants Section (ECS). After receipt of the invoice from Construction Group, ECS will have ***seven*** days to process and forward it to Cost Accounting. Cost Accounting will process payments within the remaining time frame.

If within the seven days of receipt by the Department, incomplete or incorrect invoices are received, the submitter will be notified in writing of those items that the Department does not approve and/or certify under the terms of the agreement and return invoice to the submitter. The 21-day payment time frame will begin anew upon receipt of the corrected invoice.

All new contracts, advertised after September 1, 2001, will continue to contain the attached revised "prompt pay" contract language. In addition, this language is required on any of the subsequent sub-consultant contracts.

If you have questions regarding this bulletin, please call Susan Tellez at (602) 712-7525 or Carrie Satterlee at (602) 712-7532.

Carrie Satterlee

Carrie Satterlee
Contract Manager

4.01 CONSULTANT AND SUB-CONSULTANT PAYMENT

The CONSULTANT shall submit invoices on a regularly monthly basis in accordance with a timetable agreed to in contract negotiations. Invoices should be sent directly to ADOT Project Manager or Project Monitor.

The CONSULTANT will submit invoices for work performed by their Sub-consultants even though the prime CONSULTANT may not have performed working during the preceding month.

On or before the seventh day after the STATE makes a progress payment to the CONSULTANT, the CONSULTANT shall pay the Sub-consultants for the work performed to the extent of each Sub-consultant's contractual interest in the progress payment.