*Date*

*Contractors Contact Name*

*Title*

*Contractors Name*

*Contractors Address*

*Contractors Phone Number*

*Contractors Contact Email Address*

Re: Prompt Payment Violation per Proposal Note 031 (PN031)

*Project PID, County/Route/Section, District*

Dear *Mr./Ms. Contractors Contact Last Name*:

*LPAs Name* records indicate that *Contractors Name* has failed to pay their sub-contractors(s) within the State ten (10) day requirement for work performed and paid by the Agency. Below is a list of payments due to the sub-contractor(s).

|  |  |  |  |
| --- | --- | --- | --- |
| Sub-Contractor Name | Work Items | Estimate | Warrant Date |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

As required in PN 031 and in accordance with ORC 4113.61, contractors are required to make payment to each subcontractor and supplier within 10 calendar days after receipt of payment for work performed or materials delivered or incorporated into the project—this requirement includes non-DBE/EDGE suppliers and trucking firms. If a contractor does not comply with this requirement, penalties in accordance with ORC 4113.61 may apply.

Failure by the prime contractor to follow Prompt Payment requirements may result in the issuance of sanctions as follows:

* 1st Level Occurrence: The *LPAs Name* will issue a Letter of Reprimand to the contractor;
* 2nd Level Occurrence: The *LPAs Name* may withhold an estimate in the amount due to the subcontractor(s) that was not reported or paid;
* 3rd Level Occurrence: If a contractor remains non-compliant with prompt payment requirements (or shows a pattern of non-compliance), they will be held in breach of contract. The *LPAs Name* may take the following actions: withholding payments, notification to the bonding company, suspension, revocation, and/or debarment.
* The contractor may also be required to pay interest in the amount of 18% per annum of the payment due, beginning on the eleventh day following the receipt of payment from the owner and ending on the date of full payment of the payment due plus interest (applies if a pattern of not paying subcontractor(s) persists or the Contractor has falsified, misrepresented or withheld information, *LPAs Name* can pursue other remedies available by law including suspension, revocation, and/or debarment).

After a review of all applicable information, *LPAs Name* has determined that *Contractors Name* has failed to meet the prompt payment requirement on the above referenced project. *Contractors Name* did not submit any documentation to negate *LPAs Name* determination of failure to promptly pay the subcontractor(s) listed on page 1.

As it relates to the above-referenced project, *LPAs Name* **is officially issuing this Letter of Reprimand**. *Contractors Name* is hereby placed on notice that failure to comply with the prompt payment requirements outlined in PN031 on this, and other future projects will result in further punitive sanctions as listed above.

*Contractors Name* will need to remedy the outlined issue and/or submit to *LPAs Name* its plan to remedy the issue outlined above within 3 business days (*date)*. Failure to remedy this issue by this date will result in the withholding of payment in the amount due to the subcontractor(s).

Attached is a summary of outstanding payments and the efforts made to bring *Contractors Name* into compliance with PN 031prior to issuance of this letter. If you have any questions regarding this issue, please contact *Name, Title, Phone Number, Email.*

Respectfully,

*Name* (*LPAs Person in Responsible Charge)*

*Title*

*LPAs Name*

Attachment: Summary of outstanding payments and prior communication with *Contractors Name*