



125 EAST 11TH STREET, AUSTIN, TEXAS 78701-2483 | 512.463.8588 | WWW.TXDOT.GOV

Date

Address

Re: County: _____
Project: _____
CSJ: _____

Dear Mr. or Ms. _____:

We are in receipt of your letter dated _____, 20xx concerning the nonpayment issue you are experiencing with _____ on the above captioned project. By statute the Texas Department of Transportation (TxDOT) requires contractors to file a payment bond on all projects in excess of \$25,000. This payment bond is for the sole financial protection of all subcontractors supplying labor and/or materials. Therefore, before we can proceed with your claim, you must provide written evidence that you have filed your claim with the prime contractor and their bonding company. In addition to providing the written evidence, the claim should identify specifics regarding the subcontract language and items of work in question, and your attempts to obtain payment from the prime contractor. Below is the name and address of the prime contractor and their payment bond surety along with the payment bond No.

Nonetheless, once you have provided the written evidence it is TxDOT's policy that in the event a notification of nonpayment is received from a subcontractor TxDOT will notify the contractor that a nonpayment claim has been made. The contractor will be reminded of their obligations under the contract, specifically under Article 9.6, Section B. Payment Provisions for Subcontractors, which states in part, "Pay the subcontractor for work performed within 10 days after receiving payment for the work performed by the subcontractor. Also, pay any retainage on a subcontractor's work within 10 days after satisfactory completion of all of the subcontractor's work...." The prime contractor will be given the opportunity to respond to the allegation(s) and provide documentation demonstrating compliance.

If the contractor fails to comply with the contract payment requirements we may withhold all estimates due and/or suspend work. However, if the Area Engineer makes a determination that a bona fide dispute exists, between your company and the contractor, payment will not be withheld.

Sincerely,

TxDOT

cc: Construction Division, Field Representative
Payment Bond Surety (Include address and payment bond No.)
Prime Contractor (Include address)

OUR VALUES: *People • Accountability • Trust • Honesty*

OUR MISSION: *Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods.*

An Equal Opportunity Employer