

PAYMENT TO SUBCONTRACTORS * [APPLIES TO CONTRACTS ≤ \$5,000,000]

A. Requirements

The Contractor shall pay all Subcontractors for and on account of Work performed by such Subcontractors, not later than seven (7) days after receipt of each Progress Payment as required by the California Business and Professions Code §7108.5. Such payments to Subcontractors shall be based on the measurements and estimates made pursuant to Article PROGRESS PAYMENTS provided herein.

The Contractor shall pay to each Subcontractor all amounts it has retained from payments under the Subcontract within seven (7) days after the Subcontractor's work is satisfactorily completed. Any delay of payment beyond the seven (7) day time limit shall be only for good cause, and only upon the prior written approval of LACMTA.

B. Waiver and Release Forms

Contractor shall cause that its Subcontractors and Suppliers complete and provide Conditional and Unconditional Waiver and Release forms, attached hereto as Exhibits SA-1 and SA-2, for Contractor to submit with its Applications for Progress Payment and Request for Final Payment.

- 1. A duly executed Conditional Waiver and Release Form from each Subcontractor listed in the current Application, and;*
- 2. A duly executed Unconditional Waiver and Release Form from each Subcontractor listed in the preceding Application.*

These forms are not intended to release claims beyond the amount of the Progress Payment made and do not cover unprocessed or unresolved claims.

In the event the Contractor fails to submit the required Waiver and Release form, then any monies due for that Work performed shall not be paid and will be carried over to the next Progress Payment, or the Final Payment delayed, until such time Contractor submits the required Waiver and Release form. Any such payment withheld shall not be cause for a Contract Change, Claim, or Subject to any accrued interest.

SUBCONTRACTOR PAYMENT [APPLIES TO CONTRACTS > \$5,000,000]

- A. *The Contractor shall pay all Subcontractors for Work performed by such Subcontractors for each Subcontractor's monthly Progress Payment, prior to the final submittal of Contractor's monthly Progress Payment to LACMTA.*
1. *Such payments to Subcontractors shall be based on the Contractor's measurements and estimates that are utilized for the Contractor's Applications for Progress Payment pursuant to the Article PROGRESS PAYMENTS, which shall still be subject to LACMTA's approval of Contractor's Application for Progress Payment.*
 2. *Contractor shall include evidence (i.e. copy of check, EFT notice, B2GNow confirmation, or similar documentation as agreed by LACMTA) with its Application for Progress Payment of the payment(s) made to its Subcontractors.*
 3. *Contractor is responsible for obtaining LACMTA's concurrence and approval of the Contractor's measurements and estimates of Subcontractors' Work performed prior to making the required payments to Subcontractors.*
- B. *The Contractor shall pay to each Subcontractor all amounts it has retained from payments under the Subcontract within seven (7) days after the Subcontractors' work is satisfactorily completed, and prior to including any such amount in an Application for Progress Payment submitted to LACMTA or request to LACMTA for Final Payment or release of retention to Contractor.*
- C. *Contractor shall provide LACMTA each month a list of all Subcontractors invoices that pertain to this contract that have not been paid, with an explanation as to why payment is outstanding. Any delay in the payment to Subcontractors shall be only for good cause, and only upon the prior written concurrence of LACMTA.*
- D. *Contractor shall cause that its Subcontractors and Suppliers to complete and provide Unconditional Waiver and Release forms, attached hereto as Exhibits XXX, for Contractor to submit its Applications for Progress Payment and Request for Final Payment. [This paragraph applies to Construction Contracts only.]*
- E. *Contractor shall cause its design Subcontractors to comply with all requirements of Sections A through D above. [This paragraph applies to design build contracts only >\$5,000,000]*

We want to hear from you, please click [here](#) to share your thoughts on Metro's Subcontractor Payment Clause.