

**DIRECT PAYMENT PROCESS
THE DIVISION OF CAPITAL ASSET MANAGEMENT**

WHO QUALIFIES FOR DIRECT PAYMENT? G.L. c. 30, sec. 39F

Generally, a subcontractor may submit a claim for direct payment from DCAM for payments not being made by the General Contractor. There is a “substantial completion” direct payment claim which allows a subcontractor to seek the final subcontract balance, provided the subcontract work is substantially complete. There is also a periodic payment direct payment claim that allows a subcontractor to seek payment of a periodic payment if the general contractor has been paid, but has not paid the subcontractor.

For C. 149, s. 44A-44H Projects:

A subcontractor who files a sub-bid and receives a subcontract as a result of that filed sub-bid or who is approved in writing as a person performing labor or both performing labor and furnishing materials pursuant to a contract with the general contractor is eligible to file a direct payment claim.

For C. 30, s. 39M Projects:

A subcontractor approved in writing as a person performing labor or both performing labor and furnishing materials pursuant to a contract with the general contractor or a person contracting with the general contractor to supply materials used or employed in a public works project for a price in excess of five thousand dollars is eligible to file a direct payment claim.

For CM at Risk Projects under G.L. c. 149A:

A trade contractor who submits a bid in response to a request for bids (RFB) and enters into a subcontract as a result; or a non-trade subcontractor who is approved in writing as a person performing labor or both performing labor and furnishing materials pursuant to a contract with the CM at Risk contractor is eligible to file a direct payment claim.

ARE ALL CLAIMS PAID?

Claims are paid either directly to the trade contractor/subcontractor or deposited in escrow if properly disputed. Claims are paid out of funds which would otherwise be due the general contractor. Claims will be rejected if they fail to meet the statutory requirements and/or if DCAM's project manager confirms that the claimant's alleged work has not been performed.

HOW DO YOU FILE FOR DIRECT PAYMENT?

It is the responsibility of each claimant to ensure compliance with the statutory requirements of a claim under G.L. c. 30, sec. 39F. Please see the attached forms for guidance on formatting a direct payment claim.