

## Administrative Order



**Administrative Order No.:** 3-19

**Title:** Prompt Payment

**Ordered:** 10/6/1994

**Effective:** 10/6/1994

### **AUTHORITY:**

Section 4.02 of the Metropolitan Dade County Charter, Ordinance 94-40, as amended, and Ordinance 94-106.

### **POLICY:**

This Administrative Order establishes the policy that payment for all purchases by all Metropolitan Dade County departments and agencies, including the Public Health Trust, be made in a timely manner.

### **APPLICABILITY:**

The Public Health Trust of Dade County shall establish administrative procedures consistent with this Administrative Order.

### **PURPOSE:**

It is the purpose of this Administrative Order:

To provide for prompt payments by County departments and agencies and the Public Health Trust;

To provide for expedited payment to small businesses, black, hispanic, women-owned business enterprises and disadvantaged business enterprises;

To provide for interest payments on late payments made by the County and the Public Health Trust, and

To create a dispute resolution process for payment of County and Public Health Trust obligations.

## **DEFINITIONS:**

**"Board"** means the Metropolitan Dade County Board of County Commissioners, Dade County, Florida.

**"Certification List"** means a list maintained by the Department of Business and Economic Development that contains the names and addresses of currently certified black, hispanic, women-owned business enterprises and disadvantaged business enterprises.

**"County"** means Metropolitan Dade County, Florida, a political subdivision of the State of Florida.

**"Black, hispanic, women-owned business enterprises"** means any business enterprise certified by Metropolitan Dade County in accordance with (a) Section 2-8.2 of the County Code or any other County Ordinance addressing racial, gender or ethnic discrimination against black, hispanic or women-owned businesses, or (b) the Disadvantaged Business Enterprise Program of the United States Department of Transportation.

**"Proper invoice"** means an invoice which conforms with the present requirements of the County's Finance Department, Aviation Department, Department of Housing and Urban Development and the Water and Sewer Department or the Public Health Trust, which includes the issuance of a valid purchase order or contract as well as applicable change orders or amendments, and any rules promulgated from time to time by Administrative Order of the County Manager. A proper invoice shall include a statement by the vendor waiving claims for extra direct and indirect costs or time associated with work preceding the date of the invoice, or a statement in sufficient detail containing all rights reserved for work already performed. All present requirements or future rules pertaining to the execution of a proper invoice must be made available to vendors in a timely manner.

**"Purchase"** means the purchase of goods or services, the purchase or lease of personal property, or the lease of real property authorized by a valid purchase order or contract with adequate funding.

**"Small Business"** means a small business as defined in Section 2-222 of the County Code, as presently defined as a business with annual gross sales of \$750,000 or less, regardless of the number of employees, and with its principal place of business in Dade County, Florida, and as may hereafter be amended.

**"Trust"** means the Public Health Trust of Dade County, Florida.

**"Vendor"** means any person who sells goods or services, sells or leases personal property, or leases real property to the County.

## **CONTRACTS:**

No contract between the County or the Trust and a vendor shall prohibit the vendor from invoicing for late payment interest charges allowed by County Ordinance 94-40, as amended, and as may thereafter be amended.

Where the County or the Trust intend to pay for a purchase with federal funds, the purchase shall not be made without reasonable and written assurance that federal funds will cover the cost thereof. Where payment or the time of payment is contingent on receipt of federal funds or federal approval, any contract and any solicitation to bid shall clearly state such contingency.

All County contracts and Trust contracts shall contain the provisions of Ordinance 94-40, as amended, and as may thereafter be amended. Appropriate language shall be included in all contracts to require the prime vendor to issue prompt payment and have dispute resolution procedures in place in the event of disputed payments to small businesses and black, hispanic, women-owned business enterprises. Failure of the prime vendor to issue prompt payments, or to adhere to its dispute resolution procedures, may be cause for suspension, termination, and debarment, in accordance with the terms of the County contract or Trust contract and the debarment procedures of the County.

## **CERTIFICATION:**

The Department of Business and Economic Development (DBED) shall be responsible for certifying and maintaining the Certification List for black, hispanic, women-owned business enterprises. DBED shall update, publish, and circulate to all County departments and agencies and to the Trust the Certification List at least every other week.

The black, hispanic, women-owned business enterprises are responsible for applying for certification and recertification prior to expiration of their current certification. Applicants shall provide DBED with all information that DBED reasonably requests to determine eligibility for certification.

Small businesses shall be responsible to submit annually to the County Procurement Management Division an affidavit certifying that the vendor is a small business as defined in Section 2.222 of the County Code.

## **PAYMENT DUE DATES:**

An invoice, as may be required by the County or Trust, shall be delivered to the designated section of the applicable County department to effectuate the payment process.

The time at which payment for a purchase by the County or the Trust is due shall be

calculated from:

1. The date on which a proper invoice is received by the County or the Trust, after contractual approval by the Board or the Trust; or
2. If a proper invoice is not received by the County or the Trust, the date:
  - a. On which delivery of personal property is accepted by the County or the Trust;
  - b. On which services are completed;
  - c. On which the rental period begins; or
  - d. On which the County or the Trust and the vendor agree in a contract which may provide dates relative to payment periods; whichever date is latest.

The time at which payment shall be due from the County or Trust shall be forty-five (45) days from the date specified in (1) or (2) above.

**Example:**

Proper invoice date March 1

Property invoice receipt date March 10

Due date April 24

Interest shall commence on May 24

The time at which payment shall be due to small businesses and black, hispanic, women-owned business enterprises shall be thirty (30) days from the date specified in (1) or (2) above.

**Example: Small Businesses**

Proper invoice date March 1

Property invoice receipt date March 10

Due date April 9

Interest shall commence on May 9

If the terms under which a purchase is made allow for partial deliveries and a proper invoice is submitted for such a partial delivery, then the time for payment for such partial delivery shall be calculated from the time of such partial delivery and

submission of such invoice in the same manner as provided above.

### **PAYMENT DATE:**

The payment date shall be the date of the County warrant issued to pay a proper invoice.

### **IMPROPER INVOICE:**

If an invoice submitted by a vendor is improper, the County or the Trust shall, within ten (10) days after the improper invoice is received, notify the vendor that the invoice is improper and indicate what corrective action by the vendor is required to make it a proper invoice.

### **INTEREST:**

All payments due from the County or the Trust, and are not made by the appropriate due date as described above, shall bear interest **from thirty (30) days after the appropriate due date** at the rate of one (1) percent per month on the unpaid balance. One (1) month shall constitute a period beginning on any day of a month and ending on the same day of the following month. Any overdue period of less than one (1) month shall be considered as one (1) month in computing interest. Unpaid interest shall compound monthly.

The vendor shall be responsible for preparing and delivering an invoice to the County or the Trust for any interest accrued in order to receive the interest payment. The invoice shall include the following:

- Date proper invoice received by County, its applicable invoice number and amount.
- Date goods or services received by County.
- Date and corresponding reference number of applicable purchase order, requisition or contract.
- Payment due date.
- Date interest commences.
- Interest due at one percent per month on unpaid balance.

### **ANNUAL REPORT OF INTEREST:**

During the month of December of each year, the County's Finance Department, Aviation Department, Department of Housing and Urban Development, Water and Sewer Department and the Public Health Trust shall report to their respective Board or Trust the number and total amount of interest payments made during the preceding fiscal year pursuant to County Ordinance 94-40, as amended and as may thereafter be amended. The report shall include an explanation for each interest

payment made.

Except for the Aviation Department, Department of Housing and Urban Development, Water and Sewer Department and the Public Health Trust, each County department and agency shall compile the required information for the Annual Report of Interest to be submitted to the Finance Department no later than October 31 of each year.

### **DISPUTES:**

The department and agency directors shall be responsible for establishing internal procedures to expeditiously resolve disputed invoices. The Trust shall establish procedures consistent with this section.

In the event a disputed invoice cannot be resolved by the department, the County Procurement Management Division (PMD) shall be responsible to hear the dispute between the County and the vendor concerning the payment of an invoice. Proceedings to resolve the dispute shall commence by PMD no later than forty-five (45) days after the date on which the proper invoice was received by the County. The proceeding shall be recorded or transcribed, at the expense of the County, and shall be conducted on an informal basis, with hearsay evidence being admissible.

No later than five (5) working days from the proceeding, the director of PMD shall issue a written report to the County Manager detailing the dispute with recommendation for resolution. The County Manager, or his/her designee(s), shall issue a final written decision no later than sixty (60) days after the date on which the proper invoice was received by the County.

If the dispute is resolved in favor of the County, interest charges shall begin to accrue on the resolved sum fifteen (15) days after the Manager or his/her designee's final decision.

If the dispute is resolved in favor of the vendor, then interest shall begin to accrue as of the original date the payment became due.

### **INVOICE PROCEDURES:**

The following responsibilities and procedures shall apply to all County departments and agencies submitting approved proper invoices to the Finance Department, Accounts Payable Section, to issue and mail County check for payment. The Aviation Department, Department of Housing and Urban Development, Water and Sewer Department and the Trust shall establish procedures consistent with this section.

### **VENDOR:**

Deliver a proper invoice to the designated section of the applicable County department initiating the purchase authorized by a purchase order, requisition or

contract with adequate funding.

**RECEIVING DEPARTMENT:**

Date stamp receipt of invoice at time of delivery by vendor to applicable County department.

Promptly review all invoices received to identify improper invoices. Report all improper invoices to vendor within ten (10) days from receipt of invoice and indicate corrective action required to make it a proper invoice. Date stamp receipt of proper invoice.

Submit to the Finance Department approved **interest invoice** with appropriate charge code for late interest expense for payment.

**FINANCE DEPARTMENT:**

Review for completeness and accuracy of the interest charge with respect to compliance with the provisions of County Ordinance 94-40, as amended, and as may thereafter be amended, and the Florida Prompt Payment Act.

Promptly notify department of any discrepancies for resolution.

Issue and mail interest payment to vendor within ten (10) days of receipt of completed approved interest invoice.

This administrative order is hereby submitted to the Board of County Commissioners of Dade County, Florida.

Joaquin G. Aviñó, P.E., P.L.S.  
County Manager