

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2020 Legislative Session

Bill No. CB-77-2020

Chapter No. 70

Proposed and Presented by Council Member Franklin

Introduced by Council Members Franklin, Turner, Davis, Streeter, Harrison, Taveras,
Dernoga, Glaros, Ivey and Anderson-Walker

Date of Introduction October 20, 2020

BILL

1 AN ACT concerning

2 Prompt Payment Procurement Standard

3 For the purpose of strengthening the prompt payment standards for the delivery of goods or
4 services in public procurement with Prince George's County.

5 BY repealing and reenacting with amendments:

6 SUBTITLE 10A. PURCHASING.

7 Sections 10A-153,

8 The Prince George's County Code

9 (2019 Edition).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
11 Maryland, that Sections 10A-153 of the Prince George's County Code be and the same is hereby
12 repealed and reenacted with the following amendments:

13 **SUBTITLE 10A. PURCHASING.**

14 **DIVISION 6. SPECIAL PROVISIONS.**

15 **SUBDIVISION 10. CONTRACT ADMINISTRATION.**

16 **Sec. 10A-153. - Prompt payment.**

17 (a) As used in this Section, the following words shall have the following meanings unless the
18 context in which they are used in this Section clearly requires a different meaning or a different
19 definition is prescribed for a particular provision.

20 (1) **Contract document** means any written agreement or change order for the purchase
21 or disposal of supplies, services, construction, insurance, or any other item. This Section does not

1 | pertain to collective bargaining agreements with an employee organization, an agreement that
 2 | creates an employer-employee relationship, or grants or similar contributions provided in support
 3 | of an activity, project, or program. It includes, but is not limited to, contracts of a fixed price,
 4 | cost reimbursement, cost plus a fixed fee, or incentive type; contracts providing for the issuance
 5 | of job or task orders; letter contracts; and purchase orders. It also includes supplemental
 6 | agreements with respect to any of the foregoing.

7 | (2) **Designated payment office** means the person or place indicated in contract
 8 | document(s) for delivery of invoice for payment or, in certain instances, for approval. Otherwise,
 9 | it is the Accounts Payable Section of the Office of Finance.

10 | (3) **Due date** means thirty (30) calendar days after receipt date.

11 | (4) **Payment date** means the date of County check, electronic transfer, or other mutually
 12 | agreeable payment vehicle.

13 | (5) **Proper invoice** means a contractor's written invoice submitted in accordance with the
 14 | contract document(s) requesting payment from the County for satisfactory performance in
 15 | accordance with contract provisions that includes, but is not limited to, the following items:

16 | (A) Contractor name and remittance address;

17 | (B) Contractor tax identification number;

18 | (C) Reference to contract number;

19 | (D) Description, price, quantity of delivered goods or services;

20 | (E) Shipping and payment terms; and

21 | (F) Other substantiating documentation in the form and content that may be required
 22 | by law, regulation, or contract document(s).

23 | No authorized representative of a unit of County government shall make a request for the
 24 | delivery of goods or services from a contractor without first obtaining a purchase order or other
 25 | invoiceable procurement authorization.

26 | (6) **Receipt date** means the later of the recorded date on which proper invoice is received
 27 | by the designated payment office or delivery of acceptable goods or services in accordance with
 28 | the contract document(s). If the receipt of a proper invoice is not recorded by the designated
 29 | payment office, then the receipt date shall be the later of the issue date indicated on the proper
 30 | invoice or delivery of acceptable goods or services in accordance with the contract document(s).

1 (b) It is the policy of the County to make a payment under a procurement contract within
2 thirty (30) calendar days after the receipt date. The County has an aspirational goal of making
3 such a payment within fifteen (15) calendar days after the receipt date.

4 (c) Interest penalties shall accrue daily beginning thirty-one (31) calendar days after the
5 receipt date and ending on, but excluding, the payment date, using the rate established in
6 Subsection (e) calculated on a 30-day basis. Interest penalties shall not continue to accrue for
7 more than one year after the due date.

8 (d) Interest penalties under this Section shall be automatically added to any payment made to
9 a contractor for an invoice(s) which remains unpaid more than thirty (30) [forty-five (45)]
10 calendar days after the receipt date, unless the County is not liable to pay interest because of one
11 of the exclusions provided for by Subsection (g).

12 (e) The rate of interest penalty shall be one percent (1%) per month on a pro rata basis.

13 (f) Written claims for interest penalties which the County has failed to pay in accordance
14 with the requirements of Subsection (d) [must be received by the Director of Finance within
15 thirty (30) calendar days after the payment date and] shall be time and date stamped by the
16 Office of Finance when received.

17 (g) The County is not liable under this Section for an interest penalty under any of the
18 following circumstances:

19 (1) Invoice payments made in advance or within thirty (30) [forty-five (45)] calendar
20 days after the receipt date;

21 (2) Contractor's written claim(s) for any unpaid interest penalty amounts owed not
22 received by the Director of Finance prior to full payment being made by the County to the
23 contractor for the proper invoice [within thirty (30) calendar days after the County payment
24 date];

25 * * * * *

26 SECTION 2. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
27 calendar days after it becomes law.

Adopted this 17th day of November, 2020.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Todd M. Turner
Council Chair

ATTEST:

Donna Brown
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Angela D. Alsobrooks
County Executive

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions that remain unchanged.