

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2020 Legislative Session

Reference No.: CB-077-2020

Draft No.: 2

Committee: COMMITTEE OF THE WHOLE

Date: 10/15/2020

Action: FAV (A)

REPORT: Favorable as amended 11-0: Council Members Turner, Anderson-Walker, Davis, Dernoga, Franklin, Glaros, Harrison, Hawkins, Ivey, Streeter and Taveras

The Prince George's County Council convened as the Committee of the Whole on October 13, 2020 and October 15, 2020 to consider CB-077-2020. As originally proposed, CB-077-2020 would establish a net 15-day standard of prompt payment of 15 days after receipt of a proper invoice for the delivery of goods and services as part of the procurement process of the County.

Based on operational comments received by the Office of Central Services and the Office of Finance, it was agreed that the net 15 days was not workable at this time, hence Draft 2B of the bill was the subject of the Committee's discussion. Basically, Draft 2B keeps the 30-day payment requirement but substantially tightens the procedures for the net 30-day standard. The bill also removes the 15-day grace period for the County to pay proper invoices.

During the Committee session both Jonathan Butler, Director of Central Services and Stephen McGibbon, Director of Finance, expressed support for CB-077-2020 Draft 2B. Each Director lauded the net 15-day as a goal for which to strive. CB-077-2020 Draft 2B also contains a 45-day effective date.

The Office of Law finds CB-077-2020 Draft 2B to be in proper legislative form with no legal impediments to its enactment.

The Policy Analyst group reports that the enactment of CB-077-2020 will most likely have a negative fiscal impact on the County in the form of additional penalties and interest cost.

After discussion, the Prince George's County Council, sitting as the Committee of the Whole, reported CB-077-2020 Draft 2B out favorable as amended, 11-0.