

Memorandum



Date: April 11, 2012
To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
From: Carlos A. Gimenez
Mayor
Subject: Prompt Payment Annual Report for Fiscal Year 2010-11

As required through Miami-Dade County's Prompt Payment Ordinance 94-40, which was amended by Ordinance 94-106, the County must pay its vendors in a prompt and timely manner, and allows expedited payments to small businesses. Vendor payments are due within 30 days of receipt of a proper invoice for small businesses and 45 days for all other businesses.

During FY 2010-11, the County purchased goods and services totaling approximately \$4.3 billion. The table below summarizes the volume of transactions and the total payments made. Payments to vendors are usually made using checks, wire transfers, Automatic Clearing House (ACH), purchasing card, or through a Public Health Trust (PHT) Payment Card program. Vendors are allowed to charge the County and the PHT interest on late payments at the rate of one percent per month. As required by Administrative Order 3-19, below is the interest payments made to County vendors during FY 2010-11.

Invoicing and Interest Payments FY 2010-2011

Organization	Interest Payments to Vendors	Number of Invoices Processed	Total Amount
General Segment Departments	0	499,763	\$2,235,000,000
Other Departments			
Aviation	0	27,289	\$681,000,000
Housing	0	82,102	\$84,000,000
Water and Sewer	0	61,615	\$406,000,000
Public Health Trust	<u>\$466,120</u>	<u>364,211</u>	<u>\$897,000,000</u>
Subtotal	<u>\$466,120</u>	<u>535,217</u>	<u>\$2,068,000,000</u>
Grand Total	<u>\$466,120</u>	<u>1,034,980</u>	<u>\$4,303,000,000</u>

The County's general segment departments paid 94 percent of invoices within 45 days in FY 2010-11. The table reflects interest payments made by PHT to 15 vendors totaling \$466,120. However, those interest payments were offset by \$1,197,530 in discounts and rebates generated through PHT's payment card program.

The County encourages vendors to utilize the ACH payment program. Payments to vendors processed through ACH totaled approximately \$2.266 billion in FY 2010-11, representing approximately 53 percent of total dollars for vendor payments. Participating vendors benefit from having the County deposit remittances directly to their bank accounts, therefore having funds available within 48 hours. The County also benefits as the ACH payment method reduces the number of paper checks and mailings that must be completed, and prevents lost checks and the need for stop payments.

The County continues to operate a purchasing card program for small purchases, seminars and other registrations, online purchases, travel, and some emergency purchases to improve payments to vendors and avoid payment delays.

If you have any questions, please contact Edward Marquez, Deputy Mayor/Finance Director, at 305-375-1451.

c: Harvey Ruvn, Clerk of the Courts
Robert A. Cuevas, Jr., County Attorney
Office of Mayor Senior Staff
Charles Anderson, Commission Auditor