

Memorandum



Date: April 14, 2014
To: Honorable Chairman Rebecca Sosa
and Members, Board of County Commissioners
From: Carlos A. Gimenez
Mayor
Subject: Prompt Payment Annual Report for Fiscal Year (FY) 2012-13

Pursuant to the County's Prompt Payment Ordinance No. 94-40, as amended by Ordinance No. 94-106, the County is to pay vendors in a prompt and timely manner, and allows expedited payments to small businesses. The vendor payments are due within 30 days of receipt of a proper invoice from small businesses and 45 days for all other businesses. Vendors are allowed to charge the County and Public Health Trust interest for late payments.

As required by Administrative Order 3-19, below is the annual report of interest payments made to County vendors during FY 2012-13. Where such interest charges apply, interest is calculated on the unpaid balance, compounded at the rate of one percent per month and accruing for a maximum of 12 months. During FY 2012-13, the County purchased goods and services totaling approximately \$3.3 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 Public Health Trust's Commercial Card payment program.

Invoicing and Interest Payments FY 2012-2013

Organization	Number of Invoices Processed	Interest Payments to Vendors	Total Amount Paid to Vendors
General Segment Departments	630,956	\$214	\$2,051,947,316
Other Departments			
Aviation	26,080	0	414,715,556
Housing	49,414	0	162,677,904
Water and Sewer	60,949	0	236,507,056
Public Health Trust	<u>241,674</u>	<u>11,705</u>	<u>439,786,393</u>
Subtotal	<u>378,117</u>	<u>\$11,919</u>	<u>\$1,253,686,909</u>
Grand Total	<u>1,009,073</u>	<u>\$11,919</u>	<u>\$3,305,634,225</u>

The County continues to encourage vendors to utilize the ACH payment process. Payments to vendors processed through ACH totaled approximately \$2.09 billion in FY 2012-13, representing approximately 63 percent of total payments to vendors. Participating vendors benefit from having the County deposit funds directly to their bank accounts. The County also benefits as the ACH payment method reduces the number of paper checks related mailings, and prevents lost checks and the need for stop payments.

In addition, 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.

Honorable Rebecca Sosa
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If you have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451.

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