

ENROLLMENT(S)

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COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 12-159

"Quick Payment Temporary Amendment Act of 1998".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 12-647 on first and second readings, May 5, 1998 and June 2, 1998, respectively. Following the signature of the Mayor on June 19, 1998, pursuant to Section 404(e) of "the Act", and was assigned Act No. 12-393 and published in the July 17, 1998, edition of the D.C. Register (Vol. 45 page 4642) and transmitted to Congress on July 21, 1998 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 12-159, effective October 7, 1998.



LINDA W. CROPP
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

July 21,22,23,24,27,28,29,30,31

Sept. 8,9,10,11,14,15,16,17,18,21,22,23,24,25,28,29,30

Oct. 1,2,5,6

ENROLLED ORIGINAL

AN ACT

D.C. ACT 12-393

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUNE 19, 1998

*Codification
District of
Columbia
Code
1999 Supp.*

To amend, on a temporary basis, the District of Columbia Government Quick Payment Act to limit the time during which a claim for interest can be filed by vendors doing business with the District of Columbia, and to clarify the procedures for filing a claim under the Quick Payment Act.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Quick Payment Temporary Amendment Act of 1998".

Sec. 2. The District of Columbia Government Quick Payment Act of 1984, effective March 15, 1985 (D.C. Law 5-164, D.C. Code § 1-1171 *et seq.*), is amended as follows:

(a) Section 3(b) (D.C. Code § 1-1172(b)) is amended as follows:

*Note, Section
1-1172*

(1) Paragraph (1) is amended to read as follows:

"(1) Interest penalties on amounts due to a business concern under this act shall be due and payable to the concern for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made, except that no interest penalty shall be paid if payment for the complete delivered item of property or service concerned is made on or before: (A) the 3rd day after the required payment date, in the case of meat or a meat product, described in subsection (a)(2)(B)(i) of this section; (B) the 5th day after the required payment date, in the case of an agricultural commodity, described in subsection (a)(2)(B)(ii) of this section; or (C) the 15th day after the required payment date in the case of any other item. Interest, computed at a rate of not less than 1 percent, shall be determined by the Mayor by regulation."

(2) A new paragraph (1A) is added to read as follows:

"(1A) Each contract executed pursuant to the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code § 1-1181.1 *et seq.*), shall include in the solicitation a description of the contractor's rights and responsibilities under the act."

(b) Section 5(a) (D.C. Code § 1-1174(a)) is amended to read as follows:

"(a)(1) Claims for interest penalties which a District agency has failed to pay in

*Note, Section
1-1174*

ENROLLED ORIGINAL

accordance with the requirements of section 3 and 4 shall be filed with the contracting officer for a decision. Interest penalties under this act shall not continue to accrue:

(A) after the filing of an appeal for the penalties with the Contract Appeals Board; or

(B) for more than one year.

"(2) The contracting officer shall issue a decision within 60 days from the receipt of any claim submitted under this act.

"(3) Within 90 days from the receipt of a decision of the contracting officer, the contractor may appeal the decision to the Contract Appeals Board.

"(4) The contractor shall file a claim for interest penalties and any amendments to such claim within 90 days after the principal is paid, except that if the contractor notifies the contracting officer in writing of the contractor's intent to file a claim within the 90-day period, the contractor shall be allowed 180 days after the principal is paid to file such claim."

(2) New Subsections (c) and (d) are added to read as follows:

"(c)(1) With respect to any claim arising from a payment between March 15, 1985, and the effective date of the Quick Payment Temporary Amendment Act of 1998, the contractor shall file a claim for interest penalties and any amendments to such claim with the contracting officer within 180 days of the effective date of the Quick Payment Temporary Amendment Act of 1998.

"(2) The 180 days specified in paragraph (1) of this subsection shall be extended to 270 days to file a claim if the contractor notifies the contracting officer in writing of the contractor's intent to file a claim for interest penalties within 180 days of the effective date of the Quick Payment Temporary Amendment Act of 1998.

"(3) A claim filed by a contractor may be amended at any time prior to the issuance of a decision by the contracting officer.

"(d) Subsection (a) of this section shall apply to claims arising after the effective date of the Quick Payment Temporary Amendment Act of 1998."

Sec. 3. Fiscal impact statement.

The fiscal impact this legislation will be positive. Because current law does not include a time limit on quick payment claims, the District is liable for claims dating back to March 15, 1985, when the Quick Payment Act took effect. This bill would create deadlines for filing quick payment claims, enabling the District to cap this liability while still giving vendors sufficient time to file their claims.

The amount of the potential liability for quick payment claims is not known. In fiscal year 1997, the District paid a total of \$386,000 in interest penalties on total vendor payments approaching \$1.9 billion. Nevertheless, the District's potential liability for late payments dating back to 1985 could amount to \$1 billion or more. In its Fiscal Year 1997 "Report on Compliance and On Internal Control Over Financial Reporting," KPMG Peat Marwick LLP

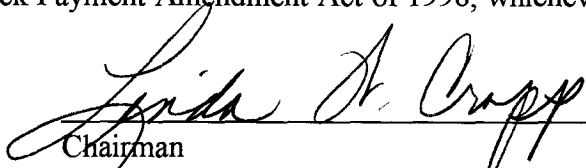
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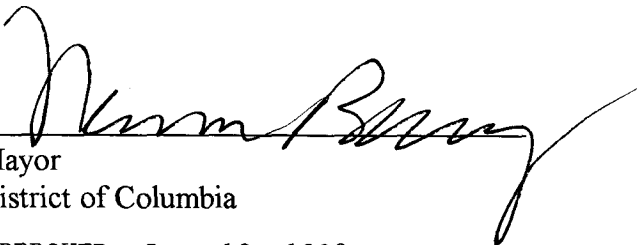
sampled 104 invoices and found that 70 were not paid on time.

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect or on the effective date of the Quick Payment Amendment Act of 1998, whichever occurs first.


Chairman
Council of the District of Columbia


Mayor
District of Columbia

APPROVED: June 19, 1998



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD TWELVE

RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B12-647

| | ITEM ON CONSENT CALENDAR

☒ ACTION & DATE

ADOPTED FIRST READING, 5-5-98

☒ VOICE VOTE
RECORDED VOTE ON REQUEST

APPROVED

EVANS

ABSENT

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp					Chavous					Schwartz				
Allen					Evans					Smith, Jr.				
Ambrose					Jarvis					Thomas, Sr.				
Brazil					Mason									
Catania					Patterson									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date

☒ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FINAL READING, 6-2-98

☒ VOICE VOTE
RECORDED VOTE ON REQUEST

APPROVED

CHAVOUS, JARVIS AND THOMAS

ABSENT

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp					Chavous					Schwartz				
Allen					Evans					Smith, Jr.				
Ambrose					Jarvis					Thomas, Sr.				
Brazil					Mason									
Catania					Patterson									

X - Indicates Vote

AB - Absent

NV - Present not voting

CERTIFICATION RECORD

Secretary to the Council

Date

| | ITEM ON CONSENT CALENDAR

| | ACTION & DATE

☒ VOICE VOTE
RECORDED VOTE ON REQUEST

ABSENT

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp					Chavous					Schwartz				
Allen					Evans					Smith, Jr.				
Ambrose					Jarvis					Thomas, Sr.				
Brazil					Mason									
Catania					Patterson									

X - Indicates Vote

AB - Absent

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CERTIFICATION RECORD

Secretary to the Council

Date