



Submitted Testimony of Erika Wadlington
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Before the Committee of the Whole on Wednesday, November 1, 2017

on

Bill 22-439, Quick Payment Amendment Act of 2017

Good Morning Chairman Mendelson and members of the Committee of the Whole. I am Erika Wadlington, Director of Public Policy & Programs at the DC Chamber. On behalf of the member-companies of the Chamber, the nearly hundreds of thousands of individuals they employ, and the millions of dollars in District tax revenue they provide yearly to the District's coffers, I am submitting to you this testimony to share with you comments regarding the Bill 22-439, Quick Payment Amendment Act of 2017.

Many of our members who do business with the District, have over the years, raised concerns about receiving timely payment even though there exists a Quick Payment Act. As a chamber of commerce that supports advocating for business-friendly policies, it is essential we highlight to you today the concerns of the business community, and support the Committee of the Whole as it seeks to ensure prompt payment is delivered to those private sector contractors who provide goods and services to the District government.

As you may know, the DC Chamber of Commerce, much like the Committee and the Mayor, supports a procurement process that is efficient, and fair to all businesses that qualify and wish to participate in these opportunities. For us, when the District has a competitive procurement process that concludes with a timely payment after services are rendered and the appropriate financial information is transmitted, it is significant for businesses. Our members, like all businesses, need to be paid on time. It is part of the DC Chamber's policy goals to work to secure better performance from the District and, specifically, to see laws like the DC Quick Payment Act enforced and enhanced to ensure local vendors are receiving payment as soon as possible. As such we support B22-439.

The government of the District of Columbia awards over \$500 million dollars in contracts to certified firms, and remitting money quickly would help those companies through tough times and with cash flow. Small business cashflow depends on prompt payment. Our members have expressed on several occasions, even with the current quick payment act, that payment from the District takes time and in some scenarios, can take more than 90 days to receive. Bill 22-439 is a step towards ensuring payment is made twice as fast. This will put more money in the pockets of small businesses quicker, which means they can hire employees and residents quicker and contribute to the local economy.

The District of Columbia is not the only jurisdiction with a quick payment policy. Other jurisdictions have established prompt payment timelines that are less than the District's current requirements. Most notably several states have statutes that require payment within 15 days after receipt of invoice. A brief scan of other jurisdictions has illustrated that Arizona, Arkansas, Georgia and Hawaii are among those jurisdictions. Over five years ago, the President's Office of Management and Budget (OMB) implemented a policy to require federal agencies to pay prime contractors as soon as possible with the goal of paying within 15 days of receiving a proper invoice. Even in the private sector, several businesses are switching to a Net-15 day payment periods following the leadership of the previously mentioned OMB policy and the changing business environment. Most small businesses do it now and expectations are changing. We strongly encourage the Council of the District of Columbia to follow those policies and pass legislation requiring government to pay its contractors as soon as possible. As such, the DC Chamber of Commerce encourages the Council to consider favorably and pass Bill 22-439, Quick Payment Amendment Act of 2017.