



COUNCIL OF THE DISTRICT OF COLUMBIA
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WASHINGTON, D.C. 20004

KENYAN R. McDUFFIE
Councilmember, Ward 5
Chair Pro Tempore
Chair, Committee on Business and
Economic Development

Committee Member
Finance and Revenue
Labor and Workforce Development
Transportation and the Environment

Councilmember Kenyan R. McDuffie Introduces Bills to Speed Up Payments to D.C. Contractors and Create an Efficient and Equitable Process for Dispute Resolution Between Prime and Subcontractors

*These introductions continue Councilmember McDuffie's legislative work to
make D.C.'s contracting opportunities accessible to more small and local
businesses*

Quick Payments Amendment Act Requires D.C. to Pay Invoices in 15 days

*Government Contractor-Subcontractor Dispute Resolution Act Establishes
Dispute Resolution Process for Conflicts that Arise between Prime
Contractors and Subcontractors Working on Government Projects*

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Washington, DC – Today, Councilmember Kenyan R. McDuffie, Chair of the Committee on Business and Economic Development introduced two bills to support local and small businesses in the District of Columbia through quicker payments to contractors and the creation of a dispute resolution process between prime contractors and subcontractors.

Quick Payment Amendment Act of 2017

This legislation aims to ensure that both prime contractors and thus subcontractors receive their payments in a timely manner. The legislation requires the District to disperse payments no later than 15 days after receiving a properly submitted invoice. Currently the District has up to 30 days to make payment, which can cause a significant burden for subcontractors who may not have the

assets necessary to float payments to employees and vendors. Reducing the time in which contractors are paid will assist subcontractors in receiving their funds earlier.

Upon introduction of this legislation, Councilmember McDuffie said: *“As a result of many meetings with local business owners here in the District of Columbia, I introduced this bill to alleviate one of the most frustrating parts of contracting with the District government: prompt payment.*

This legislation would not only benefit prime contractors but greatly assist subcontractors who are often small, local, and overwhelmingly hire District residents. By reducing the time in which prime contractors are paid, this legislation would ensure subcontractors are promptly paid and bring financial stability to the residents who are employed by those businesses.”

Government Contractor-Subcontractor Dispute Resolution Act of 2017

This legislation is designed to assist the dispute resolution process for conflicts that arise between prime contractors and subcontractors working on government projects. The legislation empowers the Director of the D.C. Department of Small and Local Business Development (DSLBD) to attempt to resolve the contractual disputes through “conference and conciliation” with the parties. If “conference and conciliation” is unsuccessful, the legislation further empowers the Director to appoint an independent Hearing Officer to produce a “Counts and Allegations” document which includes all of the parties and issues to be resolved. Hearing Officers must decide the matter within 15 days of receiving the evidence and arguments from the prime and subcontractors.

With introduction of this legislation, Councilmember McDuffie said: *“Again, listening to our local businesses, many subcontractors have shared that they feel at a disadvantage when disagreements arise between prime contractors and subcontractors. Because a subcontractor is dependent on the prime contractor for payment, and has fewer resources to pursue litigation, they often feel they must acquiesce to the prime contractor.*

This bill, if enacted, would create an efficient and timely resolution to disputes that inevitably arise, and increase the number of subcontractors who want to work on D.C. Government projects.”