



GENERAL SERVICES

**Department of General Services
Procurement Division**

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TO: California Certified Small Business and DVBE Firms

**CC: Procurement and Contracting Officials (PCOs)
Purchasing Authority Contacts (PACs)
Small Business and DVBE Advocates
Small Business Council
DVBE Council**

RE: Late Payments for Invoices Incurred During Fiscal Year 2009/2010

The Department of General Services (DGS) recognizes the vital role suppliers to State Government Agencies play in California's economic recovery efforts. State government must do its part to ensure suppliers are paid accordingly. Government Code (GC) Section 927 et. seq., sets forth the California Prompt Payment Act. The Prompt Payment Act requires State agencies to pay properly submitted, undisputed invoices within 45 days of initial receipt. If the requirement is not met, State agencies must automatically calculate and pay the appropriate late payment penalties.

In the event a State Agency fails to make timely payment to a supplier because no Budget Act has been enacted, penalties shall continue to accrue until the time that the invoice is paid, pursuant to GC Section 927. 11(d). Suppliers may [visit here](#) for additional information on the Prompt Payment Act.

What to do if a Supplier has not been paid in a timely manner- Prior to seeking the DGS Office of Small Business and DVBE Services (OSDS) assistance with resolution on contract payment issues, Suppliers should first contact their applicable State Agency's Accounting Office for assistance and questions regarding specific invoices submitted for payment. After doing so, if Suppliers continue to encounter difficulties receiving payment they should then consult with that State Agency's Small Business and Disabled Veterans Business Enterprise (DVBE) Advocate for additional assistance. Department Advocates serve as liaisons and provide assistance to suppliers to resolve contracting and/or invoice issues and ensure payments due are made promptly as provided for in GC Section 927 et. seq. Please [visit here](#) to view the Small Business and DVBE Advocates Directory and locate the designated State agencies' Advocate.

If you have any questions regarding this notification, please contact:

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