

POLICY	Document Number:	Version Number:	Date:
	500.031	1	08/13/2020

1.0 Purpose:

To establish VTA’s Policy for payments made to certified Small Business Enterprises (SBEs) when they are self-performing as prime contractors.

2.0 Scope:

This Policy applies to all existing and new awards made as of the effective day of this Policy adoption for all VTA departments. The Policy applies to SBEs serving as prime contractors to VTA but does not apply to SBEs when they are performing as subcontractors. Non-SBE prime contractors will be encouraged to follow VTA’s leadership in terms of favorable payment terms to SBEs.

3.0 Responsibilities:

It is the responsibility of the Deputy Director, Procurement, Contracts & Materials Management to ensure VTA’s organizational understanding of and compliance with this Policy.

4.0 Policy:

- 4.1 VTA shall make payments under the terms of this Policy to SBE prime contractors that are properly registered and certified through the Office of Business Diversity Programs (OBDP). No additional discount will be taken against the invoiced amount except as proposed by the SBE or negotiated as part of the contract. However, invoices may be “short-paid” if there are documented issues associated with any submitted costs. Thereafter, payment will be made on a Net 15 basis after Accounts Payable’s receipt of a fully approved invoice. All invoices will follow VTA’s currently established approval process.
- 4.2 Upon vendor set up in the SAP system, PCMM will identify the certified SBE prime contractors.
- 4.3 On a monthly basis, OBDP will provide Accounts Payable a complete list of certified SBE prime contractors, highlighting newly certified firms, and firms that no longer qualify for certification. Accounts Payable will reasonably ensure that the payment terms in the SAP vendor file are set at Net 15 for those contractors appearing on the most recent list of certified SBE prime contractors. OBDP will report SBE’s that have changed status and are no longer eligible for certification. Accounts Payable, after receipt of such updates, will then revert to VTA’s standard payment terms for contractors that are no longer eligible.

5.0 Summary of Changes:

Policy reflects new requirements.