



Approved: _____
Executive Director

Invoice and Payment Processing Procedure

I. Purpose:

The purpose of this procedure is to define the processes related to Agency invoice and payment processing.

II. Scope:

This procedure is for use by MTECC representatives to determine compliance with all criteria related to the review of invoices, processing of payment requests and reimbursements from MTECC Members.

III. Authority:

MTECC was created pursuant to Section 163.01, Florida Statutes, the “Florida Interlocal Cooperation Act of 1969,” that authorizes local government units to enter interlocal agreements for the mutual benefit of governmental units. The First Amended and Restated Interlocal Agreement (ILA) for the creation of MTECC was made, entered into and filed with the Clerk of Court for Broward County on January 17, 2023, by and between the Broward Metropolitan Planning Organization (BMPO); and the City of Hollywood, the City of Plantation, and the City of Pompano Beach, each a Florida municipality or local government unit of the State of Florida. All subsequent MTECC members adopted and signed the ILA to become a member.

- Chapter 218, Florida Statutes, PART VII LOCAL GOVERNMENT PROMPT PAYMENT ACT
- Section 255.071, Florida Statutes – Payment of subcontractors, sub-subcontractors, materialmen, and suppliers on construction contracts for public projects.
- Section 255.073, Florida Statutes – Timely payment for purchases of construction services. (Note this includes Sections 255.072 to 255.078, Florida Statutes, entirely related to payments of construction services)

IV. Procedure:

The MTECC Executive Director shall ensure that through Agency staff or contracted support staff the following legal requirements for the processing of MTECC Agency Payments are followed. The MTECC Executive Director and Legal Counsel shall review the Florida Statutes each year for any material changes and update this procedure based on the changes in law.



A. MTECC Payment Approvals - Payments made by MTECC shall follow the requirements below for approval prior to payment:

- Approved Project Agreements – invoices within the Project Agreement and Approved Budget are approved by the Chair/Executive Director for payment. For FDOT LAP projects the invoice shall also be approved by the MTECC Member Responsible Charge prior to payment.
- Routine administrative items – examples insurance, bank services, printing, supplies, etc. – payments under \$15,000 within budget may be approved by Chair/Executive Director
- Items with no Board approved agreement over \$15,000 – brought to Board as Consent items (may be pulled for discussion if needed) – approved by Board. Upon Board approval payment will be made after Chair/Executive Director approval.
- The Executive Director shall ensure that Approved Budget is available prior to signing off on any payment from MTECC funds.

B. Project Advance Account –

- (1) In accordance with a Project Agreement or Tri-Party Agreement a MTECC Member shall advance funds in accordance with the Agreement at the time the Agreement directs for the Project.
- (2) The funds advanced by the MTECC Member shall be accounted for by individual Project Account and deposited into the MTECC bank account.
- (3) The Project Advance may be adjusted by MTECC in consultation with the MTECC Member if more funds are needed to ensure timely payment of Project invoices in accordance with Florida Statutory Requirements for Prompt Payment.
 - a. MTECC shall notify the MTECC Member verbally if more funds are required and follow up in writing in accordance with the Project Agreement or Tri-Party Agreement to document the need for the additional funds.
 - b. The MTECC Member shall promptly advance the additional funds needed in accordance with the Project Agreement or Tri-Party Agreement and MTECC shall add to the Project Account and deposit it into the MTECC bank account.
 - c. At Project Closeout, after all Project expenses have been paid and the Project approved by MTECC, MTECC Member, and the MTECC Member Responsible Charge, any remaining Project Advance amounts in the Project Account shall be reimbursed by MTECC to the MTECC Member in accordance with the Project Agreement or Tri-Party Agreement.
- (4) The MTECC Member is responsible for the reimbursement of any grant funds that are deemed ineligible by the grant agency under a LAP Agreement.



C. **Proper Invoice Approval** – MTECC Project Invoices shall be thoroughly reviewed prior to payment which shall include the following steps and include the requirements of state law are further discussed below and in accordance with any specific grant requirements. See process below by service type:

- (1) **Project Design Services** – the design services consultant shall submit timely invoices to the MTECC Project Manager in accordance with the Design Services Contract/Project Work Order Agreement and Budget.
 - a. The MTECC Project Manager will review the invoice to ensure the services are proper and have been delivered during the period of the invoice. The Project Manager will recommend payment on the MTECC Invoice Approval Form. This will be submitted to the MTECC Contracting Officer.
 - b. The MTECC Contracting Officer will review the invoice to ensure it is proper under the Design Services Contract/Project Work Order Agreement and Budget. The MTECC Contracting Officer will sign the MTECC Invoice Approval Form and submit it to the MTECC Executive Director and to the MTECC Member Responsible Charge on a FDOT LAP Project.
 - c. The MTECC Executive Director will review the invoice to ensure it is proper and approvals have been certified by all MTECC staff members and the MTECC Member Responsible Charge on FDOT LAP Project. Upon approval the MTECC Executive Director will submit to the MTECC Board Chair for final approval.
 - d. The MTECC Board Chair will review the MTECC Invoice Approval Form and overall invoice and if acceptable provide the final approval.
 - e. Upon approval and receipt of the completed MTECC Invoice Approval Form and Proper Invoice the MTECC Contracting Officer will initiate a payment request in the MTECC Electronic ACH Bank Payment System and submit a request to the MTECC Executive Director for review and approval (Note the Bank System requires an initiator and approver and will not make a payment without this two-step process).
 - f. The Executive Director will provide the final approval for the payment in the MTECC Electronic ACH Bank Payment System.
- (2) **Project Program Management Services** – The Project Program Management Services shall submit timely invoices to the MTECC Project Manager in accordance with the Project Management Contract/Project Work Order Agreement and Budget.
 - a. The MTECC Project Manager will review the invoice to ensure the services are proper and have been delivered during the period of the invoice. The Project Manager will recommend payment on the MTECC Invoice Approval Form. This will be submitted to the MTECC Contracting Officer.
 - b. The MTECC Contracting Officer will review the invoice to ensure it is proper under the Project Management Contract/Project Work Order Agreement and Budget. The MTECC Contracting Officer will sign the MTECC Invoice



Approval Form and submit it to the MTECC Executive Director and the MTECC Member Responsible Charge for FDOT LAP Projects.

- c. The MTECC Executive Director and MTECC Member Responsible Charge for FDOT LAP Projects will review the invoice to ensure it is proper and approvals have been certified by the MTECC Contracting Officer. Upon approval the MTECC Executive Director will submit to the MTECC Board Chair for final approval.
 - d. The MTECC Board Chair will review the MTECC Invoice Approval Form and overall invoice and if acceptable provide the final approval.
 - e. Upon approval and receipt of the completed MTECC Invoice Approval Form and Proper Invoice the MTECC Contracting Officer will initiate a payment request in the MTECC Electronic ACH Bank Payment System and submit a request to the MTECC Executive Director for review and approval.
 - f. The Executive Director will provide the final approval for the payment in the MTECC Electronic ACH Bank Payment System.
- (3) **Project CEI Services** – the CEI services consultant shall submit timely invoices to the MTECC Project Manager in accordance with the CEI Contract/Project Work Order Agreement and Budget.
- a. The MTECC Project Manager will review the invoice to ensure the services are proper and have been delivered during the period of the invoice. The Project Manager will recommend payment on the MTECC Invoice Approval Form. This will be submitted to the MTECC Contracting Officer.
 - b. The MTECC Contracting Officer will review the invoice to ensure it is proper under the CEI Contract/Project Work Order Agreement and Budget. The MTECC Contracting Officer will sign the MTECC Invoice Approval Form and submit it to the MTECC Executive Director and the MTECC Member Responsible Charge for FDOT LAP Projects.
 - c. The MTECC Executive Director and the MTECC Member Responsible Charge for FDOT LAP Projects will review the invoice to ensure it is proper and approvals have been certified by all MTECC staff members. Upon approval the MTECC Executive Director will submit to the MTECC Board Chair for final approval.
 - d. The MTECC Board Chair will review the MTECC Invoice Approval Form and overall invoice and if acceptable provide the final approval.
 - e. Upon approval and receipt of the completed MTECC Invoice Approval Form and Proper Invoice the MTECC Contracting Officer will initiate a payment request in the MTECC Electronic ACH Bank Payment System and submit a request to the MTECC Executive Director for review and approval.
 - f. The Executive Director will provide the final approval for the payment in the MTECC Electronic ACH Bank Payment System.



- (4) **Project Construction** – the Construction Contractor shall submit timely invoices (progress payments) to the MTECC CEI in accordance with the Construction Contract and Budget.
- a. The MTECC CEI shall certify the Project progress and verify against the Construction Contractor progress payment request. This shall be provided to the MTECC Project Manager.
 - b. The MTECC Project Manager will review the invoice to ensure the services are proper and have been delivered during the period of the invoice. The Project Manager will recommend payment on the MTECC Invoice Approval Form. This will be submitted to the MTECC Contracting Officer.
 - c. The MTECC Contracting Officer will review the invoice to ensure it is proper under the Construction Contract and Budget. The MTECC Contracting Officer will sign the MTECC Invoice Approval Form and submit it to the MTECC Executive Director and the MTECC Member Responsible Charge for FDOT LAP Projects.
 - d. The MTECC Executive Director and the MTECC Member Responsible Charge for FDOT LAP Projects will review the invoice to ensure it is proper and approvals have been certified by all MTECC staff members. Upon approval the MTECC Executive Director will submit to the MTECC Board Chair for final approval.
 - e. The MTECC Board Chair will review the MTECC Invoice Approval Form and overall invoice and if acceptable provide the final approval.
 - f. Upon approval and receipt of the completed MTECC Invoice Approval Form and Proper Invoice the MTECC Contracting Officer will initiate a payment request in the MTECC Electronic ACH Bank Payment System and submit a request to the MTECC Executive Director for review and approval.
 - g. The Executive Director will provide the final approval for the payment in the MTECC Electronic ACH Bank Payment System.
- (5) All payments will be process in accordance with the Florida Prompt Payment requirements as outlined in more detail below.

D. Invoice Payment Process (from Project Advance Account) -

- (1) The funds advanced by the MTECC Member will be used to pay for Project expenses in accordance with approved proper invoices as detailed in Section IV C.
- (2) A monthly official advance reconciliation will be maintained of Project advances that shows the amounts advanced, payments to Project vendors, reimbursements of prior paid expenses from the Project grant, and the balance of the Project Account.

E. Reimbursement Process (from Project Advance Account) -

- (1) On Tri-Party Agreements MTECC shall invoice the paid Project Expenses with appropriate back up to the Broward MPO or other appropriate grant agency in accordance with the grant requirements.



- a. Payment will be supported by the approved proper invoice, payment receipt and related information in accordance with the grant requirements in a format directed by the grant agency.
 - b. Reimbursements will be deposited into the Project Account and replenish the Project advance to be available to pay future approved proper invoices on the Project.
- (2) On Project Agreements for FDOT LAP Projects MTECC will invoice the MTECC Member and support the MTECC Member Responsible Charge to develop and finalize the invoice from the MTECC Member to FDOT with the backup to meet all the requirements of the LAP Manual.
- a. The Project Agreement reflecting the advanced funds and the official advance reconciliation for the Project that shows the advance (MTECC Member payment documentation), payments (MTECC payment documentation) to Project Vendors and reimbursements of prior Project payments (MTECC Member payment documentation) will be provided to the MTECC Member Responsible Charge to support the payment of Project expenses prior to the grant reimbursements
 - b. The MTECC Member will invoice FDOT for approved proper invoices paid and upon receipt of the payment from FDOT the MTECC Member will replenish the advance account from these grant reimbursements.

F. Payments Other than Project Payments

- (1) Contract Payments – Contract payment other than Project payments shall be made in accordance with the Contract and available MTECC budget and invoices shall be submitted to the MTECC Project Manager for processing as follows.
- a. The MTECC Project Manager will review the invoice to ensure it is proper under the Contract and Budget. The MTECC Project Manager will sign the MTECC Invoice Approval Form and submit it to the MTECC Contracting Officer.
 - b. The MTECC Contracting Officer will review the invoice to ensure it is proper under the Contract. The MTECC Contracting Officer will sign the MTECC Invoice Approval Form and submit it to the MTECC Executive Director. Upon approval the MTECC Contracting Officer will submit it to the MTECC Executive Director for approval.
 - c. The MTECC Executive Director will review the invoice to ensure it is proper and approvals have been certified by all MTECC staff members. Upon approval the MTECC Executive Director will submit to the MTECC Board Chair for final approval.
 - d. The MTECC Board Chair will review the MTECC Invoice Approval Form and overall invoice and if acceptable provide the final approval.
 - e. Upon approval and receipt of the completed MTECC Invoice Approval Form and Proper Invoice the MTECC Contracting Officer will initiate a payment



request in the MTECC Electronic ACH Bank Payment System and submit a request to the MTECC Executive Director for review and approval.

- f. The Executive Director will provide the final approval for the payment in the MTECC Electronic ACH Bank Payment System.

(2) Miscellaneous Payments. All payments without a contract shall have a purchase order to support prior approval of the payment. Any purchases over \$15,000 shall require prior Board approval prior to issuing the purchase order. The invoice shall be submitted to the MTECC Contracting Officer for further processing as follows:

- a. The MTECC Contracting Officer will review the invoice to ensure it is proper under the purchase order and budget. The MTECC Contracting Officer will sign the MTECC Invoice Approval Form and submit it to the MTECC Executive Director.
- b. The MTECC Executive Director will review the invoice to ensure it is proper and approvals are executed by MTECC staff members. Upon approval the MTECC Executive Director will submit to the MTECC Board Chair for final approval.
- c. The MTECC Board Chair will review the MTECC Invoice Approval Form and overall invoice and if acceptable provide the final approval.
- d. Upon approval and receipt of the completed MTECC Invoice Approval Form and Proper Invoice the MTECC Contracting Officer will initiate a payment request in the MTECC Electronic ACH Bank Payment System and submit a request to the MTECC Executive Director for review and approval.
- e. The Executive Director will provide the final approval for the payment in the MTECC Electronic ACH Bank Payment System.

G. Exhibits

Definitions – Page 8

Prompt Payment Law – Page 11

H. Forms and Checklists – See www.mteccfl.org Forms for the latest version

- (1) MTECC Invoice Routing and Payment Approval Form**
- (2) MTECC Project Advance Reconciliation**
- (3) MTECC Sample Project Invoice Form**



Exhibit A - Definitions

Definitions. —As used in this part, the term:

(1) **”Advance”** means funds advanced from an MTECC member city in accordance with an established Project Agreement or Tri-Party Agreement for a Project.

(2) **”Agent”** means the project architect, project engineer, or other agency or person acting on behalf of the local governmental entity. The agent who is required to review invoices or payment requests must be identified in accordance with s. 218.735(1).

(3) **”Construction services”** means all labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or other improvements to real property.

(4) **”CSC”** means a “Continuing Services Contract.” A continuing services contract is a contract for any of the following:

(a) Professional services entered into in accordance with all the procedures of this act between an agency and a firm whereby the firm provides professional services to the agency for projects in which the estimated construction cost of each individual project under the contract does not exceed \$7.5 million. Beginning July 1, 2025, and each July 1 thereafter, the department shall adjust the maximum amount allowed on the preceding June 30 for each individual project in a continuing contract by using the change in the June-to-June Consumer Price Index for All Urban Consumers issued by the Bureau of Labor Statistics of the United States Department of Labor. The department shall publish the adjusted amount on its website.

(b) Study activity if the fee for professional services for each individual study under the contract does not exceed \$500,000; or

(c) Work of a specified nature as outlined in the contract required by the agency, with the contract being for a fixed term or with no time limit except that the contract must provide a termination clause.

(d) For LAP projects the amount allocated to each Library member may not exceed \$1.5 million for the term of the contract.

(5) **”Contractor”** or **”provider of construction services”** means the person who contracts directly with a local governmental entity to provide consultant or construction services.

(6) **”County”** means a political subdivision of the state established pursuant to s. 1, Art. VIII of the State Constitution.



(7) **“FDOT”** means and refers to the Florida Department of Transportation, an agency of the State of Florida created pursuant to Section 20.23, Florida Statutes. Responsible for the oversight and administration of LAP funded projects.

(8) **“FDOT LAP Project”** refers to an approved local agency (MTECC Member) project that may be eligible to receive Federal Aid reimbursement under a LAP Agreement.

(9) **“First Amended and Restated Interlocal Agreement for the Creation of the Metro Transportation Engineering and Construction Cooperative (MTECC)”** refers to the instrument executed by the Broward MPO and the cities of Hollywood, Plantation, Pompano Beach and subsequent MTECC Members for the creation of MTECC. The purpose of the Agreement is to consent and authorize the creation of MTECC, to facilitate the planning, design and construction of transportation related projects throughout Broward County. All subsequent MTECC members adopted and signed the ILA to become a member.

(10) **“Locally Funded Projects (LAP)”** means and refers to any transportation related project that does not utilize federal funding and/or is not undertaken pursuant to a LAP Agreement. Projects funded exclusively by the local government.

(11) **“Local governmental entity”** means a county or municipal government, school board, school district, authority, special taxing district, other political subdivision, or any office, board, bureau, commission, department, branch, division, or institution thereof.

(12) **“MTECC”** means and refers to Metro Transportation Engineering and Construction Cooperative.

(13) **“MTECC Board”** means the governing board consisting of the initial membership of three Board Members, comprised of one eligible, voter-elected representative from each of the founding member cities of Hollywood, Plantation and Pompano Beach.

(14) **“MTECC Contracting Officer”** means the Chief Procurement Officer for MTECC.

(15) **“MTECC Executive Director”** means the chief executive officer of MTECC that is appointed by and responsible to the MTECC Board.

(16) **“MTECC General Counsel”** means the legal counsel to the MTECC Board and MTECC staff.

(17) **“MTECC Members”** means the Municipal Members that have entered the First Amended and Restated Interlocal Agreement for the creation of MTECC.

(18) **“Municipality”** means a municipality created pursuant to general or special law and metropolitan and consolidated governments as provided in s. 6(e) and (f), Art. VIII of the State Constitution.

(19) **“Payment request”** means a request for payment for consultant or construction services which conforms with all statutory requirements and all requirements specified by the



local governmental entity to which the payment request is submitted. Such requirements must be included in the contract for the project for which payment is requested.

(20) “**Professional Service Contract**” means and refers to a contract awarded pursuant to a Request for Qualifications or Request for Proposals, in compliance with Chapter 287.055 Florida Statutes and the Federal Brooks Act.

(21) “**Project Agreement**” means the agreement between MTECC and the MTECC Member for the delivery of the Project for a LAP project. FDOT is not a party to the Project Agreement but a party to a LAP Agreement as defined above.

(22) “**Project Advance Account**” means the accounting for project advances from MTECC Members in accordance with the Project Agreement or Tri-Party Agreement for each MTECC project.

(23) “**Proper invoice**” means an invoice that conforms with all statutory requirements and all requirements specified by the local governmental entity to which the invoice is submitted. Such requirements must be included in the contract for the project for which the invoice is submitted.

(24) “**Purchase**” means the purchase of goods, services, or construction services; the purchase or lease of personal property; or the lease of real property by a local governmental entity.

(25) “**Responsible Charge**” means the MTECC Member’s full-time employee who is the primary point of contact for the LAP Project. The Responsible Charge is expected to perform the duties identified in the FHWA Memorandum dated August 4, 2011 [Responsible Charge - Federal-aid Program Administration - Federal Highway Administration \(dot.gov\)](#). For non-LAP projects the Responsible Charge may be an MTECC employee or the MTECC Member as defined in the Tri-Party Agreement or in writing between the Tri-Party Agreement members.

(26) “**Tri-Party Agreement**” means an agreement between the MTECC, MTECC Member and the agency providing the grant.

(27) “**Vendor**” means any person who sells goods or services, sells or leases personal property, or leases real property directly to a local governmental entity. The term includes any person who provides waste hauling services to residents or businesses located within the boundaries of a local government pursuant to a contract or local ordinance.

(28) “**Work Order**” means an agreement between MTECC and the consultant for a specific Federally Funded Project or Locally Funded Project under a continuing services contract. The Work Order will be issued for LAP projects only after the Responsible Charge has received approval from FDOT and the Responsible Charge provides authorization for MTECC to execute the Work Order.



**Exhibit – Relevant Prompt Payment
Statutes:**

2025 Version – This should be reviewed to note changes in prior legislative sessions.

218.71 Purpose and policy.—

- (1) The purpose of this part is:
 - (a) To provide for prompt payments by local governmental entities and their institutions and agencies.
 - (b) To provide for interest payments on late payments made by local governmental entities and their institutions and agencies.
 - (c) To provide for a dispute resolution process for payment of obligations.
- (2) It is the policy of this state that payment for all purchases by local governmental entities be made in a timely manner.

History.—s. 4, ch. 89-297.

218.73 Timely payment for nonconstruction services.—The time at which payment is due for a purchase other than construction services by a local governmental entity must be calculated from:

- (1) The date on which a proper invoice is received by the chief disbursement officer of the local governmental entity after approval by the governing body, if required; or
- (2) If a proper invoice is not received by the local governmental entity, the date:
 - (a) On which delivery of personal property is accepted by the local governmental entity;
 - (b) On which services are completed;
 - (c) On which the rental period begins; or
 - (d) On which the local governmental entity and vendor agree in a contract that provides dates relative to payment periods;whichever date is latest.

History.—s. 4, ch. 89-297; s. 2, ch. 95-331; s. 2, ch. 2001-169

218.735 Timely payment for purchases of construction services.—

- (1) The due date for payment for the purchase of construction services by a local governmental entity is determined as follows:
 - (a) If an agent must approve the payment request or invoice before the payment request or invoice is submitted to the local governmental entity, payment is due 25 business days after the date on which the payment request or invoice is stamped as received as provided in s. [218.74](#) (1). The contractor may send the local government an overdue notice. If the payment request or invoice is not rejected within 4 business days after delivery of the overdue notice, the payment request or



invoice shall be deemed accepted, except for any portion of the payment request or invoice that is fraudulent or misleading.

(b) If an agent need not approve the payment request or invoice submitted by the contractor, payment is due 20 business days after the date on which the payment request or invoice is stamped as received as provided in s. [218.74\(1\)](#).

A local governmental entity shall identify the agent or employee of the local governmental entity, or the facility or office, to which the contractor may submit its payment request or invoice. This requirement shall be included in the contract between the local governmental entity and contractor, or shall be provided by the local governmental entity through a separate written notice, as required under the contract, no later than 10 days after the contract award or notice to proceed. A contractor's submission of a payment request or invoice to the identified agent, employee, facility, or office of the local governmental entity shall be stamped as received as provided in s. [218.74\(1\)](#) and shall commence the time periods for payment or rejection of a payment request or invoice as provided in this subsection and subsection (2).

(2) If a payment request or invoice does not meet the contract requirements, the local governmental entity must reject the payment request or invoice within 20 business days after the date on which the payment request or invoice is stamped as received as provided in s. [218.74\(1\)](#). The rejection must be written and must specify the deficiency and the action necessary to make the payment request or invoice proper.

(3) If a payment request or an invoice is rejected under subsection (2) and the contractor submits a payment request or invoice that corrects the deficiency, the corrected payment request or invoice must be paid or rejected on the later of:

(a) Ten business days after the date the corrected payment request or invoice is stamped as received as provided in s. [218.74\(1\)](#); or

(b) If the local governmental entity is required by ordinance, charter, or other law to approve or reject the corrected payment request or invoice, the first business day after the next regularly scheduled meeting of the local governmental entity held after the corrected payment request or invoice is stamped as received as provided in s. [218.74\(1\)](#).

(4) If a dispute between the local governmental entity and the contractor cannot be resolved by the procedure in subsection (3), the dispute must be resolved in accordance with the dispute resolution procedure prescribed in the construction contract or in any applicable ordinance, which shall be referenced in the contract. In the absence of a prescribed procedure, the dispute must be resolved by the procedure specified in s. [218.76\(2\)](#).

(5) If a local governmental entity disputes a portion of a payment request or an invoice, the undisputed portion shall be paid timely, in accordance with subsection (1).

(6) If a contractor receives payment from a local governmental entity for labor, services, or materials furnished by subcontractors and suppliers hired by the contractor, the contractor must remit payment due to those subcontractors and suppliers within 10 days after the contractor's receipt of payment. If a subcontractor receives payment from a contractor for labor, services, or materials furnished by subcontractors and suppliers hired by the subcontractor, the subcontractor must remit payment due to those subcontractors and suppliers within 7 days after the



subcontractor's receipt of payment. This subsection does not prohibit a contractor or subcontractor from disputing, pursuant to the terms of the relevant contract, all or any portion of a payment alleged to be due to another party if the contractor or subcontractor notifies the party whose payment is disputed, in writing, of the amount in dispute and the actions required to cure the dispute. The contractor or subcontractor must pay all undisputed amounts due within the time limits imposed by this section.

(7) Each contract for construction services between a local governmental entity and a contractor must provide for the development of a single list of items and the estimated cost to complete each item on the list required to render complete, satisfactory, and acceptable the construction services purchased by the local governmental entity.

(a) The contract must specify the process for developing the list and for determining the cost to complete each item on the list, and should include the responsibilities of the local governmental entity and the contractor in developing and reviewing the list and a reasonable time for developing the list:

1. For construction projects having an estimated cost of less than \$10 million, within 30 calendar days after reaching substantial completion of the construction services purchased as defined in the contract, or, if not defined in the contract, upon reaching beneficial occupancy or use; or
2. For construction projects having an estimated cost of \$10 million or more, within 30 calendar days, or, if extended by contract, up to 45 calendar days after reaching substantial completion of the construction services purchased as defined in the contract, or, if not defined in the contract, upon reaching beneficial occupancy or use.

The contract must also specify a date for the delivery of the list of items, not to exceed 5 days after the list of items has been developed and reviewed in accordance with the time periods set forth in subparagraphs 1. and 2.

(b) If the contract between the local governmental entity and the contractor relates to the purchase of construction services on more than one building or structure, or involves a multiphase project, the contract must provide for the development of a list of items required to render complete, satisfactory, and acceptable all the construction services purchased pursuant to the contract for each building, structure, or phase of the project within the time limitations provided in paragraph (a).

(c) The final contract completion date must be at least 30 days after the delivery of the list of items. If the list is not provided to the contractor by the agreed upon date for delivery of the list, the contract time for completion must be extended by the number of days the local governmental entity exceeded the delivery date. Damages may not be assessed against a contractor for failing to complete a project within the time required by the contract, unless the contractor failed to complete the project within the contract period as extended under this paragraph.

(d) The failure to include any corrective work or pending items not yet completed on the list does not alter the responsibility of the contractor to complete all the construction services purchased pursuant to the contract.



(e) Within 20 business days after the list is created, the local governmental entity must pay the contractor the remaining contract balance that includes all retainage previously withheld by the local governmental entity less an amount equal to 150 percent of the estimated cost to complete the items on the list.

(f) Upon completion of all items on the list, the contractor may submit a payment request for the amount withheld by the local governmental entity pursuant to paragraph (e). If a good faith dispute exists as to whether one or more items identified on the list have been completed pursuant to the contract, the local governmental entity may continue to withhold up to 150 percent of the total costs to complete such items.

(g) All items that require correction under the contract which are identified after the preparation and delivery of the list remain the obligation of the contractor as defined by the contract.

(h) Warranty items or items not included in the list of items required under paragraph (a) may not affect the final payment of retainage as provided in paragraph (e) or as provided in the contract between the contractor and its subcontractors and suppliers.

(i) Retainage may not be held by a local governmental entity or a contractor to secure payment of insurance premiums under a consolidated insurance program or series of insurance policies issued to a local governmental entity or a contractor for a project or group of projects, and the final payment of retainage as provided in this section may not be delayed pending a final audit by the local governmental entity's or contractor's insurance provider.

(j) If a local governmental entity fails to comply with its responsibilities to develop the list required under paragraph (a) or paragraph (b) within the time limitations provided in paragraph (a), the contractor may submit a payment request to the local governmental entity for the remaining balance of the contract, including all remaining retainage withheld by the local governmental entity. The local governmental entity must pay the contractor within 20 business days after receipt of a proper invoice or payment request. If the local governmental entity has provided written notice to the contractor specifying the failure of the contractor to meet contract requirements in the development of the list of items to be completed, the local governmental entity must pay the contractor the remaining balance of the contract, less an amount equal to 150 percent of the estimated cost to complete the items that the local governmental entity intended to include on the list.

(8)

(a) With regard to any contract for construction services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 5 percent of the payment as retainage.

(b) This section does not prohibit a local governmental entity from withholding retainage at a rate less than 5 percent of each progress payment, from incrementally reducing the rate of retainage pursuant to a schedule provided for in the contract, or from releasing at any point all or a portion of any retainage withheld by the local governmental entity which is attributable to the labor, services, or materials supplied by the contractor or by one or more subcontractors or suppliers. If a local governmental entity makes any payment of retainage to the contractor which is attributable to



the labor, services, or materials supplied by one or more subcontractors or suppliers, the contractor must timely remit payment of such retainage to those subcontractors and suppliers.

(c) This section does not require the local governmental entity to pay or release any amounts that are the subject of a good faith dispute made in writing pursuant to the contract or the subject of a claim brought pursuant to s. [255.05](#).

(d) The time limitations set forth in this section for payment of payment requests apply to any payment request for retainage made pursuant to this section.

(e) Paragraph (a) does not apply to construction services purchased by a local governmental entity which are paid for, in whole or in part, with federal funds and are subject to federal grantor laws and regulations or requirements that are contrary to any provision of the Local Government Prompt Payment Act.

(f) This subsection does not apply to any construction services purchased by a local governmental entity if the total cost of the construction services purchased as identified in the contract is \$200,000 or less.

(9) All payments due under this section and not made within the time periods specified by this section shall bear interest at the rate of 2 percent per month, or the rate specified by contract, whichever is greater.

History.—s. 3, ch. 95-331; s. 3, ch. 2001-169; s. 3, ch. 2005-230; s. 2, ch. 2010-111; s. 1, ch. 2020-173; s. 1, ch. 2021-124; s. 1, ch. 2023-134.

218.74 Procedures for calculation of payment due dates.—

(1) Each local governmental entity shall establish procedures whereby each payment request or invoice received by the local governmental entity is marked as received on the date on which it is delivered to an agent or employee of the local governmental entity or of a facility or office of the local governmental entity.

(2) The payment due date for a local governmental entity for the purchase of goods or services other than construction services is 45 days after the date specified in s. [218.73](#). The payment due date for the purchase of construction services is specified in s. [218.735](#).

(3) If the terms under which a purchase is made allow for partial deliveries and a payment request or proper invoice is submitted for a partial delivery, the time for payment for the partial delivery must be calculated from the time of the partial delivery and the submission of the payment request or invoice in the same manner as provided in s. [218.73](#) or s. [218.735](#).

(4) All payments, other than payments for construction services, due from a local governmental entity and not made within the time specified by this section bear interest from 30 days after the due date at the rate of 1 percent per month on the unpaid balance. The vendor must invoice the local governmental entity for any interest accrued in order to receive the interest payment. Any overdue period of less than 1 month is considered as 1 month in computing interest. Unpaid interest is compounded monthly. For the purposes of this section, the term “1 month” means a period beginning on any day of one month and ending on the same day of the following month.

History.—s. 4, ch. 89-297; s. 4, ch. 95-331; s. 4, ch. 2001-169.



218.75 Mandatory interest.—No contract between a local governmental entity and a vendor or a provider of construction services shall prohibit the collection of late payment interest charges allowable under this part.

History.—s. 4, ch. 89-297; s. 5, ch. 2001-169.

218.76 Improper payment request or invoice; resolution of disputes.—

(1) If an improper payment request or invoice is submitted by a vendor, the local governmental entity shall, within 10 days after the improper payment request or invoice is received, notify the vendor, in writing, that the payment request or invoice is improper and indicate what corrective action on the part of the vendor is needed to make the payment request or invoice proper.

(2)

(a) If a dispute arises between a vendor and a local governmental entity concerning payment of a payment request or an invoice, the dispute must be finally determined by the local governmental entity pursuant to a dispute resolution procedure established by the local governmental entity. Such procedure must provide that proceedings to resolve the dispute commence within 30 days after the date the payment request or proper invoice was received by the local governmental entity and conclude by final decision of the local governmental entity within 45 days after the date the payment request or proper invoice was received by the local governmental entity. Such procedures are not subject to chapter 120 and do not constitute an administrative proceeding that prohibits a court from deciding de novo any action arising out of the dispute. If the dispute is resolved in favor of the local governmental entity, interest charges begin to accrue 15 days after the local governmental entity's final decision. If the dispute is resolved in favor of the vendor, interest begins to accrue as of the original date the payment became due.

(b) If the local governmental entity does not commence the dispute resolution procedure within the time required, a contractor may give written notice to the local governmental entity of the failure to timely commence its dispute resolution procedure. If the local governmental entity fails to commence the dispute resolution procedure within 4 business days after such notice, any amounts resolved in the contractor's favor shall bear mandatory interest, as set forth in s. [218.735\(9\)](#), from the date the payment request or invoice containing the disputed amounts was submitted to the local governmental entity. If the dispute resolution procedure is not commenced within 4 business days after the notice, the objection to the payment request or invoice shall be deemed waived. The waiver of an objection pursuant to this paragraph does not relieve a contractor of its contractual obligations.

(3) In an action to recover amounts due under this part, the court shall award court costs and reasonable attorney's fees, including fees incurred through appeal, to the prevailing party.

History.—s. 4, ch. 89-297; s. 6, ch. 2001-169; s. 34, ch. 2002-1; s. 3, ch. 2010-111; s. 8, ch. 2021-124; s. 2, ch. 2023-134.

218.77 Payment by federal funds.—A local governmental entity which intends to pay for a purchase with federal funds shall not make such purchase without reasonable assurance that federal funds to cover the cost thereof will be received. Where payment or the time of payment is contingent on receipt of federal funds or federal approval, any contract and any solicitation to bid shall clearly state such contingency.

History.—s. 4, ch. 89-297.



218.78 Report of interest.—If the total amount of interest paid during the preceding fiscal year exceeds \$250, each local governmental entity shall, during December of each year, report to the board of county commissioners or the municipal governing body the number of interest payments made by it during the preceding fiscal year and the total amount of such payments made under this part.

History.—s. 4, ch. 89-297; s. 5, ch. 95-331.

218.79 Repeal of conflicting laws.—All laws and parts of laws in conflict with this part are repealed.

History.—s. 4, ch. 89-297

218.80 Public Bid Disclosure Act.—

(1) This section may be cited as the “Public Bid Disclosure Act.”

(2) It is the intent of the Legislature that a local governmental entity shall disclose all of the local governmental entity’s permits or fees, including, but not limited to, all license fees, permit fees, impact fees, or inspection fees, payable by the contractor to the unit of government that issued the bidding documents or other request for proposal, unless such permits or fees are disclosed in the bidding documents or other request for proposal for the project at the time the project was let for bid. It is further the intent of the Legislature to prohibit local governments from halting construction to collect any undisclosed permits or fees which were not disclosed or included in the bidding documents or other request for proposal for the project at the time the project was let for bid.

(3) Bidding documents or other request for proposal issued for bids by a local governmental entity, or any public contract entered into between a local governmental entity and a contractor shall disclose each permit or fee which the contractor will have to pay before or during construction, the dollar amount or the percentage method or the unit method of all permits or fees which may be required by the local government as a part of the contract, and a listing of all other governmental entities that may have additional permits or fees generated by the project. If the request for proposal does not require the response to include a final fixed price, the local governmental entity is not required to disclose any fees or assessments in the request for proposal. However, at least 10 days prior to requiring the contractor to submit a final fixed price for the project, the local governmental entity shall make the disclosures required in this section. Any of the local governmental entity’s permits or fees that are not disclosed in the bidding documents, other request for proposal, or a contract between a local government and a contractor shall not be assessed or collected after the contract is let. No local government shall halt construction under any public contract or delay completion of the contract in order to collect any permits or fees which were not provided for or specified in the bidding documents, other request for proposal, or the contract.

(4) This section does not require disclosure in the bidding documents of any permits or fees imposed as a result of a change order or a modification to the contract. The local government shall disclose all permits or fees imposed as a result of a change order or a modification to the contract prior to the date the contractor is required to submit a price for the change order or modification.



History.—s. 1, ch. 93-76; s. 1, ch. 2020-154.

Note that this section pertains to engineering and construction services and there may be overlap with the prior section. Where there is overlap the prior section should take precedence.

255.071 Payment of subcontractors, sub-subcontractors, materialmen, and suppliers on construction contracts for public projects.—

(1) Any person, firm, or corporation who receives a payment from the state or any county, city, or political subdivision of the state, or other public authority, for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work shall pay, in accordance with the contract terms, the undisputed contract obligations for labor, services, or materials provided on account of such improvements. A person, firm, or corporation who knowingly and intentionally fails to make the payment required under this subsection commits a misapplication of construction funds, punishable as provided in s. [713.345](#).

(2) The failure to pay any undisputed obligations for such labor, services, or materials within 30 days after the date the labor, services, or materials were furnished and payment for such labor, services, or materials became due, or within the time limitations set forth in s. [255.073\(3\)](#), whichever last occurs, shall entitle any person providing such labor, services, or materials to the procedures specified in subsection (3) and the remedies provided in subsection (4).

(3) Any person providing labor, services, or materials for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work improvements to real property may file a verified complaint alleging:

(a) The existence of a contract for providing such labor, services, or materials to improve real property.

(b) A description of the labor, services, or materials provided and alleging that the labor, services, or materials were provided in accordance with the contract.

(c) The amount of the contract price.

(d) The amount, if any, paid pursuant to the contract.

(e) The amount that remains unpaid pursuant to the contract and the amount thereof that is undisputed.

(f) That the undisputed amount has remained due and payable pursuant to the contract for more than 30 days after the date the labor or services were accepted or the materials were received.

(g) That the person against whom the complaint was filed has received payment on account of the labor, services, or materials described in the complaint and, as of the date the complaint was filed, has failed to make payment within the time limitations set forth in s. [255.073\(3\)](#).

(4) After service of the complaint, the court shall conduct an evidentiary hearing on the complaint, upon not less than 15 days' written notice. The person providing labor, services, or



materials is entitled to the following remedies to the extent of the undisputed amount due for labor or services performed or materials supplied, and upon proof of each allegation in the complaint:

- (a) An accounting of the use of any such payment from the person who received such payment.
 - (b) A temporary injunction against the person who received the payment, subject to the bond requirements specified in the Florida Rules of Civil Procedure.
 - (c) Prejudgment attachment against the person who received the payment, in accordance with each of the requirements of chapter 76.
 - (d) Such other legal or equitable remedies as may be appropriate in accordance with the requirements of the law.
- (5) The remedies specified in subsection (4) must be granted without regard to any other remedy at law and without regard to whether or not irreparable damage has occurred or will occur.
- (6) The remedies specified in subsection (4) do not apply:
- (a) To the extent of a bona fide dispute regarding any portion of the contract price.
 - (b) In the event the plaintiff has committed a material breach of the contract which would relieve the defendant from the obligations under the contract.
- (7) The prevailing party in any proceeding under this section is entitled to recover costs, including a reasonable attorney's fee, at trial and on appeal.
- (8) The provisions of this section shall also apply to any contract between a subcontractor and a sub-subcontractor or supplier and any contract between a sub-subcontractor and supplier on any project for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work.

History.—s. 1, ch. 93-141; s. 5, ch. 2005-230; s. 2, ch. 2021-124.

255.072 Definitions.—As used in ss. [255.073-255.078](#), the term:

- (1) “Agent” means project architect, project engineer, or any other agency or person acting on behalf of a public entity.
- (2) “Construction services” means all labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or any other improvements to real property. The term “construction services” does not include contracts or work performed for the Department of Transportation.
- (3) “Contractor” means any person who contracts directly with a public entity to provide construction services.
- (4) “Payment request” means a request for payment for construction services which conforms with all statutory requirements and with all requirements specified by the public entity to which the payment request is submitted.
- (5) “Public entity” means the state, or any office, board, bureau, commission, department, branch, division, or institution thereof, but does not include a local governmental entity as defined in s. [218.72](#).
- (6) “Purchase” means the purchase of construction services.

History.—s. 6, ch. 2005-230.



255.073 Timely payment for purchases of construction services.—

- (1) Except as otherwise provided in ss. [255.072-255.078](#), s. [215.422](#) governs the timely payment for construction services by a public entity.
- (2) If a public entity disputes a portion of a payment request, the undisputed portion must be paid by the date required under the contract or by 20 business days after receipt of the request, whichever is earlier.
- (3) When a contractor receives payment from a public entity for labor, services, or materials furnished by subcontractors and suppliers hired by the contractor, the contractor shall remit payment due to those subcontractors and suppliers within 10 days after the contractor's receipt of payment. When a subcontractor receives payment from a contractor for labor, services, or materials furnished by subcontractors and suppliers hired by the subcontractor, the subcontractor shall remit payment due to those subcontractors and suppliers within 7 days after the subcontractor's receipt of payment. This subsection does not prohibit a contractor or subcontractor from disputing, pursuant to the terms of the relevant contract, all or any portion of a payment alleged to be due to another party if the contractor or subcontractor notifies the party whose payment is disputed, in writing, of the amount in dispute and the actions required to cure the dispute. The contractor or subcontractor must pay all undisputed amounts due within the time limits imposed by this subsection.
- (4) All payments due for the purchase of construction services and not made within the applicable time limits shall bear interest at the rate of 2 percent per month.

History.—s. 7, ch. 2005-230; s. 3, ch. 2021-124; s. 3, ch. 2023-134.

255.074 Procedures for calculation of payment due dates.—

- (1) Each public entity shall establish procedures whereby each payment request received by the public entity is marked as received on the date on which it is delivered to an agent or employee of the public entity or of a facility or office of the public entity.
- (2) If the terms under which a purchase is made allow for partial deliveries and a payment request is submitted for a partial delivery, the time for payment for the partial delivery must be calculated from the time of the partial delivery and the submission of the payment request.
- (3) A public entity must submit a payment request to the Chief Financial Officer for payment no later than 14 days after receipt of the payment request.

History.—s. 8, ch. 2005-230; s. 4, ch. 2023-134.

255.075 Mandatory interest.—A contract between a public entity and a contractor may not prohibit the collection of late payment interest charges authorized under s. [255.073\(4\)](#).

History.—s. 9, ch. 2005-230; s. 9, ch. 2021-124.



255.076 Award of court costs and attorney's fees.—In an action to recover amounts due for construction services purchased by a public entity, the court shall award court costs and reasonable attorney's fees, including fees incurred through any appeal, to the prevailing party, if the court finds that the nonprevailing party withheld any portion of the payment that is the subject of the action without any reasonable basis in law or fact to dispute the prevailing party's claim to those amounts.

History.—s. 10, ch. 2005-230.

255.077 Project closeout and payment of retainage.—

(1) Each contract for construction services between a public entity and a contractor must provide for the development of a list of items and the estimated cost to complete each item on the list required to render complete, satisfactory, and acceptable the construction services purchased by the public entity. The contract must specify the process for the development of the list and for determining the cost to complete each item on the list, and should include the responsibilities of the public entity and the contractor in developing and reviewing the list and a reasonable time for developing the list, as follows:

(a) For construction projects having an estimated cost of less than \$10 million, within 30 calendar days after reaching substantial completion of the construction services purchased as defined in the contract, or, if not defined in the contract, upon reaching beneficial occupancy or use; or

(b) For construction projects having an estimated cost of \$10 million or more, within 30 calendar days, unless otherwise extended by contract not to exceed 45 calendar days, after reaching substantial completion of the construction services purchased as defined in the contract, or, if not defined in the contract, upon reaching beneficial occupancy or use.

(2) If the contract between the public entity and the contractor relates to the purchase of construction services on more than one building or structure, or involves a multiphased project, the contract must provide for the development of a list of items required to render complete, satisfactory, and acceptable all the construction services purchased pursuant to the contract for each building, structure, or phase of the project within the time limitations provided in subsection (1).

(3) The failure to include any corrective work or pending items not yet completed on the list developed pursuant to subsection (1) or subsection (2) does not alter the responsibility of the contractor to complete all the construction services purchased pursuant to the contract.

(4) Within 20 business days after developing the list, and after receipt of a proper invoice or payment request, the public entity must pay the contractor the remaining balance of the contract,



including any remaining retainage withheld by the public entity pursuant to s. [255.078](#), less an amount equal to 150 percent of the estimated cost to complete the items on the list.

(5) Upon completion of all items on the list, the contractor may submit a payment request for all remaining retainage withheld by the public entity pursuant to s. [255.078](#). If a good faith dispute exists as to whether one or more items identified on the list have been completed pursuant to the contract, the public entity may continue to withhold an amount not to exceed 150 percent of the total costs to complete such items.

(6) All items that require correction under the contract and that are identified after the preparation and delivery of the list remain the obligation of the contractor as defined by the contract.

(7) Warranty items may not affect the final payment of retainage as provided in this section or as provided in the contract between the contractor and its subcontractors and suppliers.

(8) Retainage may not be held by a public entity or a contractor to secure payment of insurance premiums under a consolidated insurance program or series of insurance policies issued to a public entity or a contractor for a project or group of projects, and the final payment of retainage as provided in this section may not be delayed pending a final audit by the public entity's or contractor's insurance provider.

(9) If a public entity fails to comply with its responsibilities to develop the list required under subsection (1) or subsection (2), as defined in the contract, within the time limitations provided in subsection (1), the contractor may submit a payment request for all remaining retainage withheld by the public entity pursuant to s. [255.078](#) and the public entity must pay the contractor all remaining retainage previously withheld within 20 days after receipt of the payment request. The public entity is not required to pay or process any payment request for retainage if the contractor has failed to cooperate with the public entity in the development of the list or failed to perform its contractual responsibilities, if any, with regard to the development of the list or if s. [255.078](#)(3) applies.

History.—s. 11, ch. 2005-230; s. 3, ch. 2020-173; s. 5, ch. 2023-134.

255.078 Public construction retainage.—

(1) With regard to any contract for construction services, a public entity may withhold from each progress payment made to the contractor an amount not exceeding 5 percent of the payment as retainage.

(2) This section and s. [255.077](#) do not prohibit a public entity from withholding retainage at a rate less than 5 percent of each progress payment, from incrementally reducing the rate of retainage pursuant to a schedule provided for in the contract, or from releasing at any point all or a portion of any retainage withheld by the public entity which is attributable to the labor, services, or materials



supplied by the contractor or by one or more subcontractors or suppliers. If a public entity makes any payment of retainage to the contractor which is attributable to the labor, services, or materials supplied by one or more subcontractors or suppliers, the contractor must timely remit payment of such retainage to those subcontractors and suppliers.

(3) This section and s. [255.077](#) do not require the public entity to pay or release any amounts that are the subject of a good faith dispute made in writing pursuant to the contract or the subject of a claim brought pursuant to s. [255.05](#).

(4) The same time limits for payment of a payment request apply regardless of whether the payment request is for, or includes, retainage.

(5) Subsection (1) does not apply to construction services purchased by a public entity which are paid for, in whole or in part, with federal funds and are subject to federal grantor laws and regulations or requirements that are contrary to any provision of the Florida Prompt Payment Act.

(6) This section does not apply to any construction services purchased by a public entity if the total cost of the construction services purchased as identified in the contract is \$200,000 or less.

History.—s. 12, ch. 2005-230; s. 4, ch. 2020-173; s. 6, ch. 2023-134.

¹Note.—Section 5(2), ch. 2020-173, provides that “[t]he amendments made to ss. 255.05 and 255.078, Florida Statutes, by this act do not apply to contracts executed under chapter 337, Florida Statutes.”