

DeGazon-Sponsored Bill that Would Force Gov't to Pay its Vendors on Time is Held in Committee for Additional Amendments

Politics / **Published On November 22, 2019 11:16 AM /**

Staff Consortium **November 22, 2019**

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Senator Allison DeGazon By. Virgin Islands Legislature

A bill sponsored by Senator Allison DeGazon that is currently held in committee, would force the Government of the Virgin Islands to pay vendors on time. The measure, Bill No. 33-0096, would repeal Title 33, Chapter 115, subchapter IV of the VI Code and replace it with a new chapter that would create what is being called the Virgin Islands Government Prompt Payment Act.

Ms. DeGazon said she wrote the bill after being approached by numerous small businesses about lack of payment from government entities after conducting services.

“They need help in maneuvering the red tape to access their money after rendering services. I’m embarrassed to say that some of these invoices are years old. They performed their work with limited resources and of course should be paid if the procurement process was followed,” the freshman Democrat said, noting that officials from the Office of Management and Budget (O.M.B.), the Department of Finance and the Department of Property and Procurement (P&P) aided in creating the legislation.

Ms. DeGazon had sat down with Jenifer O’Neal, director of O.M.B., and P&P Procurement Commissioner Anthony Thomas on September 11 at the Virgin Islands Cardiac Center on St. Croix to discuss the bill.

The bill, she said, would provide a timeline for the G.V.I. to meet its accounts payable obligation, and reinforce public confidence as it relates to vendors having statutes that protect them.

Some testifiers such as Ryan Nelthropp, chairman of St. Croix Chamber of Commerce board, spoke in support of the bill.

“Government entities, particularly the V.I. Water and Power Authority, do not allot grace periods. The government should be held to the same standards of payment expected of its businesses and residents,” Mr. Nelthropp said.

Ms. O’Neal, however, said she understands the intent of the bill, but said the Department of Finance should not be faulted. “It is instead at the beginning where departments and agencies obtain goods and services without first having gone through the proper procurement procedures,” she said.

Ms. DeGazon said it was a win for small businesses that the issues were being addressed, however, she was disappointed with the responses from the departments.

“It’s as though we didn’t even have a conversation. The amendments were all addressed. All concerns were addressed. However, the conversation went into lack of resources to pay the vendors,” she said.

The senator also noted that small businesses were ultimately being treated unfairly.

“I see it as we give everyone a break, except the small businesses. They’re left to fend for themselves. They have to get it right from the beginning. They have to do what they have to do,” Ms. DeGazon said. “But we have an obligation to do for these small businesses as well.”

The bill was held in committee for further amendments, but the senator placed a positive spin on the setback, stating that it was an opportunity to make the bill stronger.

“It’s going to show the small businesses of this territory that the 33rd Legislature has their back,” she went on. “This bill is not about going back to find money to pay vendors now. It’s to ensure that the process is clean from the beginning so that we don’t owe these people. So that their businesses aren’t suffering and so they are not forced to continue to work and provide and they’re not being paid.”