August 14, 2019

Subject: Early Payment Discount

Dear Supplier:

The City of Houston launched an early payment discount initiative in March 2014, which allows Suppliers an opportunity to receive early payment in accordance with a standard discount schedule. The City's standard payment term is to pay 30 days after receipt of invoice or receipt of goods or services, whichever is later, according to the requirements of the Texas Prompt Payment Act (Tx. Gov't Code, Ch. 2251). The City's early payment discount term allows Suppliers to offer a discount for early payment as follows:

- Payment Time – 10 Days: 2% Discount
- Payment Time – 20 Days: 1% Discount

If a Supplier chooses not to offer an early payment discount, the Supplier will be paid net 30 days after receipt of invoice or receipt of goods or services, whichever is later. Discount offer is not factored into award calculation.

If the City fails to make a payment according to the early payment schedule above, but does make the payment within the time specified by the Prompt Payment Act, the City shall not receive the discount. When the payment date falls on a Saturday, Sunday, or official holiday, when City offices are closed and City business is not expected to be conducted, payment may be made on the following business day.

If your firm would like to offer a discount for early payment, complete and submit the signed Early Payment Discount form to the Strategic Procurement Division at SPD_EPD@houstontx.gov.

If you have any inquiries, please contact the designated Buyer or Valerie Player-Kaufman at 832-393-8749.

Thank you for being a registered Supplier with the City of Houston, and we look forward to your continued participation in the procurement process as we forge partnerships to meet the procurement needs of the City.

Sincerely,

[Signature]

Jerry Adams
Chief Procurement Officer

[City of Houston logo]
EARLY PAYMENT DISCOUNT

The City of Houston's standard payment term is to pay 30 days after receipt of invoice or receipt of goods or services, whichever is later, according to the requirements of the Texas Prompt Payment Act (Tx. Gov't Code, Ch. 2251). However, the City will pay in less than 30 days in return for an early payment discount from Suppliers as follows:

- Payment Time – 20 Days: 1% Discount
- Payment Time – 10 Days: 2% Discount

If a Supplier chooses not to offer an early payment discount, the Supplier will be paid net 30 days after receipt of invoice or receipt of goods or services, whichever is later. Discount offer is not factored into award calculation.

If the City fails to make a payment according to the early payment schedule above, but does make the payment within the time specified by the Prompt Payment Act, the City shall not receive the discount, but shall pay no other penalty. When the payment date falls on a Saturday, Sunday, or official holiday, when City offices are closed and City business is not expected to be conducted, payment may be made on the following business day.

For inquiries contact the designated Buyer or Valerie Player-Kaufman at 832-393-8749.

If your firm elects to offer an early payment discount, select Yes below, complete and submit the signed Early Payment Discount form to the Strategic Procurement Division at SPD_EPD@houstontx.gov.

Yes. I elect to offer an early payment discount to the City of Houston in accordance with the early payment schedule.

Please check all that apply:

☐ Contract/Award No.: ______________________
☐ Purchase Order No.: ______________________
☐ All Purchases

Company Name

______________________________
Signature of Authorized Officer or Agent

______________________________
Print Name

Date

Vendor No.: ______________________
Telephone No.: ______________________
Fax No.: ______________________

SUBMIT TO: SPD_EPD@houstontx.gov