



FLORIDA’S NEW “PROMPT PROCESSING” REQUIREMENT

Overview: A New Statutory Addition

Florida has enacted a significant amendment to its Local Government Prompt Payment Act with the addition of Section 218.755, which took effect July 1, 2025. This new provision introduces specific legal obligations for local governmental entities in responding to owner requested change order price quotes submitted by contractors, an effort aimed at improving efficiency, transparency, and accountability in public procurement.

What Section 218.755 Requires

Under the new statute:

- When a local governmental entity requests a change order and receives a price quote for a change order that conforms to all applicable statutory and contractual requirements, the entity must approve or deny the quote and provide written notice to the contractor within 35 days.
- If the quote is denied, the notice must detail the specific deficiencies and actions needed to remedy them.
- Critically, if the entity fails to issue this notice or fails to specify deficiencies, the entity becomes liable for all additional costs associated with the change order, covering labor, staffing, materials, supplies, equipment, overhead, and other related expenses.
- Furthermore, no contract may include provisions that alter or contract away these duties imposed under Section 218.755.

Comparison with the Existing Prompt Payment Framework

Before Section 218.755, the Local Government Prompt Payment Act (Part VII, ss. 218.70–218.80) already mandated timely payments for goods and construction services:

- Section 218.735 governs payments for construction services, requiring local governmental entities to pay contractors within 20 or 25 business days depending on agency approval requirements (20 days if no agent approval is needed; 25 days if agent approval is required).
- The statute also includes procedures for rejecting improper invoices, resolving disputes, and handling payments to subcontractors and suppliers, who must be paid within 10 days (by the contractor) or 7 days (by the subcontractor).
- Interest on late payments was set at 2% per month, or a contractual rate, whichever was greater.

However, none of these provisions specifically address how quickly a government entity must act on a change order price quote, a gap now addressed directly under Section 218.755.

Implications for Local Governments

- Compliance obligations: They must act timely and clearly, either approving or objecting, in writing within 35-days.
- Risk of cost liability: Failure to meet the requirements can expose the entity to significant financial liability, including expanded overhead and staffing costs.
- No waiver permitted: Contracts cannot override or waive the duties imposed by the new section.

Broader Significance

The new Section 218.755 reflects a broader legislative trend toward faster, more transparent government contracting. It shifts emphasis from purely controlling timing of payments to actively overseeing the processing of contract modifications. By setting a 35-day deadline and imposing liability for failure, the state ensures that change order processing is treated with the same urgency as original contract payments. Overall, this change aims to streamline workflows, reduce uncertainty, and curb hidden cost escalations in local public construction projects.

For Airports: While the statute prohibits contracts from waiving the obligations it imposes, local governments—such as airports—may wish to carefully consider their internal approval procedures for processing change orders, including consideration of change order approval thresholds, timing for approvals, as well as the standards by which completed contractor submittals must be provided including detailed notice protocols, to ensure compliance with the new law.

For Contractors: Contractors should be aware that the 35-day rule is not a guarantee of payment. To take advantage of the statute's protections, contractors must ensure that their change order quotes are complete, timely submitted, and fully compliant with both contractual and statutory requirements. A deficient submittal gives the public owner grounds to deny the change order and may delay approval. Contractors should also anticipate that airports may adopt stricter internal protocols for defining when a submittal is “received” and what constitutes a “conforming” quote or timing requirements for submittals.

About the Authors



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