



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 24 2012

Department of the Interior Acquisition Policy Release (DIAPR) 2012-11

Subject: **Class Deviation—Providing Accelerated Payment to Small Business Subcontractors**

References: Office of Management and Budget (OMB) Memorandum M-12-16, July 11, 2012; DOI Guidance Memorandum, *Implementation of OMB Memorandum M-12-16*, dated July 17, 2012; and Federal Acquisition Regulation (FAR) 1.404

1. Purpose:

This DIAPR issues a class deviation, in accordance with FAR 1.404, for contracting officers to insert the attached clause, 52.232-99, Providing Accelerated Payment to Small Business Subcontractors, in all new solicitations and resultant contracts.

2. Effective Date: Upon signature.

3. Expiration Date: This DIAPR will remain in effect until the change is made in the FAR or is otherwise rescinded.

4. Background and Explanation:

On July 16, 2012, OMB issued Memorandum M-12-16, *Providing Prompt Payment to Small Business Subcontractors*. This memorandum sets forth the Administration's initiative to accelerate payments to prime contractors, so that prime contractors can in turn expedite payments to their small business subcontractors.

In accordance with the one-year temporary policy established in OMB Memorandum M-12-16, agencies are taking actions to make payments to all prime contractors as soon as practicable with a goal of paying all prime contractors within 15 days. The acceleration of payments to prime contractors is intended to assist in expediting contractor payments to small business subcontractors. A copy of OMB Memorandum M-12-16 is available online at <http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-16.pdf>.

5. Action Required:

Effective immediately, contracting officers shall insert the attached clause 52.232-99, Providing Accelerated Payment to Small Business Subcontractors, in new solicitations and resultant contracts and, to the extent feasible, amend existing solicitations and modify existing contracts to insert the

clause. The new contract clause will require the prime contractor, upon receipt of accelerated payments from the government, to make accelerated payments to small business subcontractors to the maximum extent practicable after receipt of a proper invoice and all appropriate documentation from the small business subcontractor.

All established procedures required to process an invoice shall be followed. Once accomplished, accelerated payments to the prime contractor should be made through Quick Pay.

6. Additional Information:

Questions may be directed to Scott Curit, Office of Acquisition and Property Management, at (202) 254-5515 or by e-mail at Scott_Curit@ios.doi.gov.

A handwritten signature in red ink that reads "Debra E. Sonderman".

Debra E. Sonderman, Director
Office of Acquisition and Property Management

Attachment

**52.232-99, Providing Accelerated Payment to Small Business Subcontractors
(DEVIATION)**

The contracting officer shall insert the following clause in all solicitations and resultant contracts.

**PROVIDING ACCELERATED PAYMENT TO SMALL BUSINESS SUBCONTRACTORS
(DEVIATION) (AUG 2012)**

This clause implements the temporary policy provided by OMB Policy Memorandum M-12-16, Providing Prompt Payment to Small Business Subcontractors, dated July 11, 2012.

- (a) Upon receipt of accelerated payments from the Government, the contractor is required to make accelerated payments to small business subcontractors to the maximum extent practicable after receipt of a proper invoice and all proper documentation from the small business subcontractor.
- (b) Include the substance of this clause, including this paragraph (b), in all subcontracts with small business concerns.
- (c) The acceleration of payments under this clause does not provide any new rights under the Prompt Payment Act.