



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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Department of the Interior Acquisition Policy Release (DIAPR) 2012-11, Amendment 3

Subject: Class Deviation – Providing Accelerated Payment to Small Business

References: Federal Acquisition Circular 2005-71, dated November 25, 2013; Office of Management and Budget (OMB) Memorandum M-13-15, *Extension of Policy to Provide Accelerated Payment to Small Business Subcontractors*, dated July 11, 2013; Civilian Agency Acquisition Letter 2012-03 dated August 16, 2012; DOI Guidance Memorandum, *Implementation of OMB Memorandum M-12-16*, dated July 17, 2012; and OMB Memorandum M-12-16, *Providing Prompt Payment to Small Business Subcontractors*, dated July 16, 2012.

- 1. Purpose:** This amended DIAPR rescinds DIAPR 2012-11, *Class Deviation – Providing Accelerated Payment to Small Business Subcontractors*; dated August 24, 2012; DIAPR 2012-11, Amendment 1, dated September 11, 2012; and DIAPR 2012-11, Amendment 2, dated September 10, 2013.
- 2. Effective Date:** Upon signature.
- 3. Expiration Date:** Not applicable.
- 4. Background and Explanation:**

OMB Memorandum M-12-16 provided policy on the acceleration of payments to small business subcontractors. OMB issued Memorandum M-13-15 to extend the policy set forth in Memorandum M-12-16 by one year, to July 11, 2014. OMB worked with the FAR Council to develop a clause to require prime contractors to pay small business subcontractors on an accelerated timetable to the maximum extent practicable. The Civilian Agency Acquisition Council issued Letter 2012-03 authorizing agencies to issue a class deviation, in accordance with Federal Acquisition Regulation (FAR) 1.404, for contracting officers to insert clause 52.232.99, Providing Accelerated Payment to Small Business Subcontractors (DEVIATION (AUG 2012), in all new solicitations and resultant contracts. The Office of Acquisition and Property Management issued DIAPR 2012-11 and the subsequent amendments to implement the OMB policy memoranda until completion of rulemaking that effect a change to the FAR. A final rule was issued amending the FAR to implement the policy provided in OMB Memoranda M-12-16 and M-13-15 by incorporating a new clause

to provide accelerated payments to small business subcontractors. Federal Acquisition Circular 2005-71 implemented the FAR changes.

5. Action Required:

The changes concerning this matter involve FAR Parts 12, 32 and 52. Contracting officers shall review FAR 12.301, *Solicitation Provisions and Contract Clauses for the Acquisition of Commercial Items*, when considering a commercial item acquisition; and FAR 32.009, *Providing Accelerated Payments to Small Business Subcontractors*, for other acquisitions. Contracting officers shall insert clause 52.232-40, *Providing Accelerated Payments to Small Business Subcontractors* (DEC 2013), in all solicitations and contracts as prescribed.

6. Additional Information:

Questions may be directed to Scott Curit, Office of Acquisition and Property Management, at (202) 513-0719 or by e-mail at Scott_Curit@ios.doi.gov.



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