

**Subpart 232.9—Prompt Payment****232.903 Policy.**

DoD policy is to assist small disadvantaged business concerns by paying them as quickly as possible after invoices are received and before normal payment due dates established in the contract (see 232.905(2)).

**232.905 Invoice payments.**

(1) In most cases, Government acceptance or approval can occur within the 7 day constructive acceptance period specified in the FAR Prompt Payment clauses. Government payment of construction progress payments can, in most cases, be made within the 14 day period allowed by the Prompt Payment for Construction Contracts clause. While the contracting officer may specify a longer period because the period specified in the contract is not reasonable or practical, such change should be coordinated with the Government offices responsible for acceptance or approval and for payment. Reasons for specifying a longer period include but are not limited to: the nature of the work or supplies or services, inspection or testing requirements, shipping and acceptance terms, and resources available at the acceptance activity. A constructive acceptance period of less than the cited 7 or 14 days is not authorized.

(2) Designated payment offices are encouraged to pay small disadvantaged business (SDB) concerns as quickly as possible after invoices are received and before normal payment due dates established in the contract. The restrictions of FAR 32.903 prohibiting early payment do not apply to invoice payments made to SDBs. Contractors shall not, however, be entitled to interest penalties if invoice payments are not made before the normal payment due dates established in the contract.

(f)(6) DoD Manual 4000.25-5-M, Military Standard Contract Administration Procedures (MILSCAP), authorizes electronic notification to the payment

office of Government acceptance or approval, as appropriate.

[56 FR 36409, July 31, 1991, as amended at 63 FR 69007, Dec. 15, 1998]

**232.906 Contract financing payments.**

(a)(i) DoD policy is to make contract financing payments as quickly as possible. Generally, the contracting officer shall insert the standard due dates of 7 days for progress payments and 14 days for interim payments on cost type contracts in paragraph (b)(1) of the Prompt Payment clauses at FAR 52.232-25, 52.232-26, and 52.232-27.

(ii) The contracting officer should coordinate payment terms with offices that will be involved in the payment process to ensure that terms specified can be met. Where justified, the contracting officer may insert a due date greater than but not less than the standard. In determining payment terms, consider—

- (A) Geographical separation;
- (B) Workload;
- (C) Contractor ability to submit a proper request; and
- (D) Other factors that could affect timing of payment.

[56 FR 36409, July 31, 1991, as amended at 64 FR 51076, Sept. 21, 1999]

**Subpart 232.10—Performance-Based Payments**

SOURCE: 63 FR 11537, Mar. 9, 1998, unless otherwise noted.

**232.1001 Policy.**

(d) The contracting officer shall use the following standard prompt payment terms for performance-based payments: The contractor entitlement date, if any, specified in the contract, or 14 days after receipt by the designated billing office of a proper request for payment, whichever is later.

**232.1004 Procedure.**

(c) *Instructions for multiple appropriations.* If the contract contains foreign

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military sales requirements, the contracting officer shall provide instructions for distribution of the contract financing payments to each country's account.

### **232.1007 Administration and payment of performance-based payments.**

(b)(2) If the contract contains foreign military sales requirements, each approval shall specify the amount of contract financing to be charged to each country's account.

## **Subpart 232.11—Electronic Funds Transfer**

SOURCE: 65 FR 46626, July 31, 2000, unless otherwise noted.

### **232.1108 Payment by Governmentwide commercial purchase card.**

The Governmentwide commercial purchase card is the mandatory EFT payment method for purchases valued at or below the micropurchase threshold, except as provided in 213.270.

### **232.1110 Solicitation provision and contract clauses.**

Use the clause at 252.232-7009, Mandatory Payment by Governmentwide Commercial Purchase Card, in solicitations, contracts, and agreements when—

(1) Placement of orders or calls valued at or below the micropurchase threshold is anticipated; and

(2) Payment by Governmentwide commercial purchase card is required for orders or calls valued at or below the micropurchase threshold under the contract or agreement.

## **PART 233—PROTESTS, DISPUTES, AND APPEALS**

### **Subpart 233.2—Disputes and Appeals**

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233.204 Policy.

233.204-70 Limitations on payment.

233.210 Contracting officer's authority.

233.215 Contract clause.

233.215-70 Additional contract clause.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36416, July 31, 1991, unless otherwise noted.

## **Subpart 233.2—Disputes and Appeals**

### **233.204 Policy.**

When it would be helpful in reviewing the current claim, the contracting officer should get information on claims previously filed by the contractor with other contracting officers.

### **233.204-70 Limitations on payment.**

See 10 U.S.C. 2410(b) for limitations on Congressionally directed payment of a claim under the Contract Disputes Act of 1978, a request for equitable adjustment to contract terms, or a request for relief under Pub. L. 85-804.

[63 FR 11537, Mar. 9, 1998]

### **233.210 Contracting officer's authority.**

DFARS 243.105(a) limits contracting officer authority.

### **233.215 Contract clause.**

Use Alternate I of the clause at FAR 52.233-1, Disputes, when—

(1) The acquisition is for—

(i) Aircraft

(ii) Spacecraft and launch vehicles

(iii) Naval vessels

(iv) Missile systems

(v) Tracked combat vehicles

(vi) Related electronic systems;

(2) The contracting officer determines that continued performance is—

(i) Vital to the national security, or

(ii) Vital to the public health and welfare; or

(3) The head of the contracting activity determines that continued performance is necessary pending resolution of any claim that might arise under or be related to the contract.

[56 FR 36416, July 31, 1991. Redesignated at 62 FR 34126, June 24, 1997]

### **233.215-70 Additional contract clause.**

Use the clause at 252.233-7001, Choice of Law (Overseas), in solicitations and contracts when contract performance will be outside of the United States, its possessions, and Puerto Rico, unless otherwise provided for in a government-to-government agreement.

[62 FR 34126, June 24, 1997]