



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
(RESEARCH, DEVELOPMENT AND ACQUISITION)  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

AUG 22 2012

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Class Deviation—Providing Accelerated Payment to Small Business Subcontractors

The attached Director, Defense Procurement and Acquisition Policy memorandum of August 15, 2012 is forwarded for your information and action, as appropriate. It authorizes a class deviation to implement the Office of Management and Budget's temporary one-year policy memorandum M-12-16, which is intended to expedite payments from federal prime contractors to their small business subcontractors. Accordingly, contracting officers shall insert the clause at 52.232-99 (DEVIATION) (August 2012) in all new solicitations and resultant contracts after August 15, 2012; modify existing solicitations to the extent feasible to insert the clause; and may amend existing contracts to insert the clause in accordance with Federal Acquisition Regulation (FAR) 1.108(d). This class deviation remains in effect until it is incorporated in the FAR or Defense Federal Acquisition Regulation Supplement, or otherwise rescinded.

Further details are provided within the memorandum. My point of contact is Gabrielle Trickett, [gabrielle.trickett@navy.mil](mailto:gabrielle.trickett@navy.mil), 703-614-9641.

  
Althea H. Coetzee  
RDML, SC, USN  
Executive Director  
DASN (AP)

Attachment:  
As stated

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SUBJECT: Class Deviation—Providing Accelerated Payment to Small Business  
Subcontractors

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AUG 15 2012

In reply refer to  
DARS Tracking Number: 2012-00014

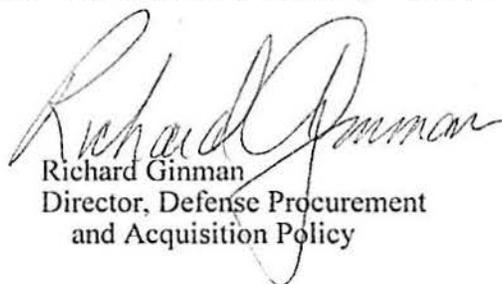
MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
COMMANDER, UNITED STATES TRANSPORTATION  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION AND PROCUREMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING)  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Class Deviation—Providing Accelerated Payment to Small Business Subcontractors

Effective immediately, contracting officers shall use the attached clause to require prime contractors to pay small business subcontractors on an accelerated timetable to the maximum extent practicable. Accordingly, contracting officers shall insert the clause at 52.232-99 (DEVIATION)(August 2012) in all new solicitations and resultant contracts after the date this deviation is signed and, to the extent feasible, modify existing solicitations to insert the clause at 52.232-99 (DEVIATION). Contracting officers may amend existing contracts to insert this clause in accordance with FAR 1.108(d).

This deviation implements the temporary one-year policy provided by OMB Policy Memorandum M-12-16, Providing Prompt Payment to Small Business Subcontractors, dated July 11, 2012, which is designed to accelerate payment from federal prime contractors to their small business subcontractors. To assist in expediting contractor payments to small business subcontractors, DoD will provide accelerated payments to all prime contractors after receipt of a proper invoice and all proper documentation while also maintaining necessary DoD internal controls.

This deviation remains in effect until it is incorporated into the FAR or DFARS or is otherwise rescinded. My point of contact is Mr. Mark Gomersall, who may be reached at 571-372-6099, or mark.gomersall@osd.mil.

  
Richard Ginman  
Director, Defense Procurement  
and Acquisition Policy

Attachment:  
As stated

**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 2012-00014) (August 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.