



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

**Acquisition Procedures
Update (APU) No. 12-06
Revision No. 1
July 23, 2013**

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Cathy Higginbotham, Senior Procurement Executive (Acting)

Cathy Higginbotham
7/23/2013

SUBJECT: One-Year Extension of Class Deviation from the Federal Acquisition Regulation (FAR), Prompt Payment to Small Business Subcontractors

Purpose: Implement OMB Policy Memorandum M-13-15 dated July 11, 2013 Extending OMB Policy Memorandum M-12-16, Providing Prompt Payment to Small Business Subcontractors, dated August 16, 2012.

Effective Date: Upon issuance.

Expiration Date: July 11, 2014

Background: OMB Policy Memorandum M-13-15 dated July 11, 2013 extends to July 11, 2014 the temporary one-year policy provided by OMB Policy Memorandum M-12-16 "Providing Prompt Payment to Small Business Subcontractors", 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, Treasury will provide accelerated payments to all prime contractors after receipt of a proper invoice and all proper documentation while also maintaining necessary Treasury internal controls.

Required Bureau Action: Effective immediately, contracting officers shall continue to use the attached clause, the same clause included in APU No. 12-16. The continued use of this clause for one year is authorized by CAAC Letter 2012-03 Supplement 1 which directs agencies to continue 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)(AUG 2012) in all new solicitations and resultant contracts awarded after October 1, 2012 and, to the extent feasible, modify existing solicitations to insert the clause at 52.232-99 (DEVIATION)(AUG 2012). Contracting officers may amend existing contracts to insert this clause in accordance with FAR 1.108(d).

Additional Information: Questions about this APU may be directed to Fernando Tonoletto at fernando.tonoletto@treasury.gov, telephone (202) 622-6416.

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.