MEMORANDUM FOR DISTRIBUTION

SUBJECT: Providing Accelerated Payment to Small Business Subcontractors

The attached Director, Defense Procurement and Acquisition Policy memorandum of July 14, 2014 is forwarded for your information and action, as appropriate. It informs the Department of Defense (DOD) contracting community that effective August 1, 2014, DOD is reinstating the temporary practice of providing accelerated payments to all prime contractors. Contracting officers are directed to continue using the clause at Federal Acquisition Regulation 52.232-40, “Providing Accelerated Payments to Small Business Subcontractors,” which requires contractors to make accelerated payments to their small business subcontractors upon receipt of accelerated payments from the government. Further details are provided within the memorandum. My point of contact is 703-614-9641.

Elliott B. Branch
DASN (AP)

Attachment:
As stated

Distribution:
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: Providing Accelerated Payment to Small Business Subcontractors

Effective August 1, 2014, DoD has re-instated the temporary practice of providing accelerated payments to all prime contractors (see OMB Memorandum M-14-10, dated July 10, 2014). DoD contracting officers shall continue to use the clause at FAR 52.232-40, Providing Accelerated Payments to Small Business Subcontractors, which requires contractors, upon receipt of accelerated payments from the Government, to make accelerated payments to small business subcontractors. My point of contact is 571-372-6099 or

Richard Ginman
Director, Defense Procurement and Acquisition Policy