

# 52.232-31 Invitation to Propose Financing Terms.

As prescribed in [32.205](#) (b) and [32.206](#) , insert the following provision:

Invitation to Propose Financing Terms (Dec 2022)

(a) The *offeror* is invited to propose terms under which the Government *shall* make contract financing payments during contract performance. The financing terms proposed by the *offeror shall* be a factor in the evaluation of the *offeror's* proposal. The financing terms of the successful *offeror* and the clause, Terms for Financing of Purchases of *Commercial Products* and *Commercial Services*, at Federal Acquisition Regulation (FAR) [52.232-29](#), *shall* be incorporated in any resulting contract.

(b) The *offeror* agrees that in the event of any conflict between the terms proposed by the *offeror* and the terms in the clause at FAR [52.232-29](#), Terms for Financing of Purchases of *Commercial Products* and *Commercial Services*, the terms of the clause at FAR [52.232-29](#) *shall* govern.

(c) Because of statutory limitations ([10 U.S.C. 3805](#) and [41 U.S.C.4505](#)), the *offeror's* proposed financing *shall* not be acceptable if it does not conform to the following limitations:

- (1) Delivery payments *shall* be made only for *supplies* delivered and accepted, or services rendered and accepted in accordance with the payment terms of this contract;
- (2) Contract financing payments *shall* not exceed 15 percent of the contract price in advance of any performance of work under the contract;
- (3) The terms and conditions of the contract financing *must* be appropriate or customary in the commercial marketplace; and
- (4) The terms and conditions of the contract financing *must* be in the best interests of the *United States*.

(d) The *offeror's* proposal of financing terms *shall* include the following:

- (1) The proposed contractual language describing the contract financing (see FAR [32.202-2](#) for appropriate definitions of types of payments); and
- (2) A listing of the earliest date and greatest amount at which each contract financing payment *may* be payable and the amount of each delivery payment. Any resulting contract *shall* provide that no contract financing payment *shall* be made at any earlier date or in a greater amount than shown in the *offeror's* listing.

(e) The *offeror's* proposed prices and financing terms *shall* be evaluated to determine the cost to the *United States* of the proposal using the interest rate and delivery schedule specified elsewhere in this *solicitation*.

(End of provision)

**Parent topic:** [52.232](#) [Reserved]