Subpart 32.9 - Prompt Payment

Parent topic: Part 32 - Contract Financing

32.900 Scope of subpart.

This subpart prescribes policies, procedures, and clauses for implementing Office of Management and Budget (OMB) prompt payment regulations at 5 CFR Part 1315.

32.901 Applicability.

(a) This subpart applies to *invoice payments* on all contracts, except contracts with payment terms and late payment penalties established by other governmental authority (*e.g.,* tariffs).

(b) This subpart does not apply to *contract financing payments* (see definition at 32.001).

32.902 Definitions.

As used in this subpart-

Discount for prompt payment means an *invoice payment* reduction offered by the contractor for payment prior to the *due date*.

Mixed invoice means an *invoice* that contains items with different payment *due dates*.

Payment date means the date on which a check for payment is dated or, for an *electronic funds transfer (EFT*), the *settlement date*.

Settlement date, as it applies to *electronic funds transfer*, means the date on which an *electronic funds transfer* payment is credited to the contractor's financial institution.

32.903 Responsibilities.

(a) *Agency heads-*

(1) *Must* establish the policies and procedures necessary to implement this subpart;

(2) *May* prescribe additional standards for establishing *invoice payment due dates* (see 32.904) necessary to support agency programs and foster prompt payment to contractors;

(3) *May* adopt different payment procedures in order to accommodate unique circumstances, provided that such procedures are consistent with the policies in this subpart;

(4) *Must* inform contractors of points of contact within their cognizant payment offices to enable contractors to obtain status of *invoices*; and

(5) *May* authorize the use of the accelerated payment methods specified at 5 CFR 1315.5, but see 32.009-1(a).

(b) When drafting *solicitations* and contracts, *contracting officers must* identify for each *line item number*, *subline item* number, or exhibit *line item number*-

(1) The applicable Prompt Payment clauses that apply to each item when the *solicitation* or contract contains items that will be subject to different payment terms; and

(2) The applicable Prompt Payment food category (*e.g.,* which item numbers are meat or meat food *products*, which are perishable agricultural commodities), when the *solicitation* or contract contains multiple payment terms for various classes of foods and edible *products*.

32.904 Determining payment due dates.

(a) *General.* Agency procedures *must* ensure that, when specifying *due dates*, *contracting officers* give full consideration to the time reasonably required by Government officials to fulfill their administrative responsibilities under the contract.

(b) *Payment due dates*. Except as prescribed in paragraphs (c) through (f) of this section, or as authorized in 32.908(a)(2) or (c)(2), the *due date* for making an *invoice payment* is as follows:

(1) The later of the following two events:

(i) The 30 thday after the *designated billing office* receives a *proper invoice* from the contractor (except as provided in paragraph (b)(3) of this section).

(ii) The 30 thday after Government acceptance of *supplies* delivered or services performed.

(A) For a final *invoice*, when the payment amount is subject to contract settlement actions, acceptance is deemed to occur on the effective date of the contract settlement.

(B) For the sole purpose of computing an interest penalty that might be due the contractor-

(1) Government acceptance is deemed to occur constructively on the 7 thday after the contractor delivers *supplies* or performs services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or contractor compliance with a contract requirement;

(2) If actual acceptance occurs within the constructive acceptance period, the Government *must* base the determination of an interest penalty on the actual date of acceptance;

(3) The constructive acceptance requirement does not compel Government officials to accept *supplies* or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities; and

(4) Except for a contract for the purchase of a *commercial product* or *commercial service*, including a brand-name *commercial product* for authorized resale (e.g.,commissary items), the *contracting officer may* specify a longer period for constructive acceptance in the *solicitation* and resulting contract, if required to afford the Government a reasonable opportunity to inspect and test the *supplies* furnished or to evaluate the services performed. The *contracting officer must* document in

the contract file the justification for extending the constructive acceptance period beyond 7 days. Extended acceptance periods *must* not be a routine agency practice and *must* be used only when necessary to permit proper Government *inspection* and testing of the *supplies* delivered or services performed.

(2) If the contract does not require submission of an *invoice* for payment (e.g.,periodic lease payments), the *contracting officer must* specify the *due date* in the contract.

(3) If the *designated billing office* fails to annotate the *invoice* with the actual date of receipt at the time of receipt, the *invoice payment due date* is the 30 thday after the date of the contractor's *invoice*, provided the *designated billing office* receives a *proper invoice* and there is no disagreement over quantity, quality, or contractor compliance with contract requirements.

(c) Architect-engineer contracts.

(1) The *due date* for making payments on contracts that contain the clause at 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts, is as follows:

(i) The *due date* for work or services completed by the contractor is the later of the following two events:

(A) The 30 thday after the *designated billing office* receives a *proper invoice* from the contractor.

(B) The 30 thday after Government acceptance of the work or services completed by the contractor.

(1) For a final *invoice*, when the payment amount is subject to contract settlement actions (*e.g.,* release of *claims*), acceptance is deemed to occur on the effective date of the settlement.

(2) For the sole purpose of computing an interest penalty that might be due the contractor, Government acceptance is deemed to occur constructively on the 7 thday after the contractor completes the work or services in accordance with the terms and conditions of the contract (see also paragraph (c)(2) of this section). If actual acceptance occurs within the constructive acceptance period, the Government *must* base the determination of an interest penalty on the actual date of acceptance.

(ii) The *due date* for progress payments is the 30 thday after Government approval of contractor estimates of work or services accomplished. For the sole purpose of computing an interest penalty that might be due the contractor-

(A) Government approval is deemed to occur constructively on the 7 thday after the *designated billing office* receives the contractor estimates (see also paragraph (c)(2) of this section).

(B) If actual approval occurs within the constructive approval period, the Government *must* base the determination of an interest penalty on the actual date of approval.

(iii) If the *designated billing office* fails to annotate the *invoice* or payment request with the actual date of receipt at the time of receipt, the payment *due date* is the 30 thday after the date of the contractor’s *invoice* or payment request, provided the *designated billing office* receives a *proper invoice* or payment request and there is no disagreement over quantity, quality, or contractor compliance with contract requirements.

(2) The constructive acceptance and constructive approval requirements described in paragraphs

(c)(1)(i) and (ii) of this section are conditioned upon receipt of a proper payment request and no disagreement over quantity, quality, contractor compliance with contract requirements, or the requested progress payment amount. These requirements do not compel Government officials to accept work or services, approve contractor estimates, perform contract administration functions, or make payment prior to fulfilling their responsibilities. The *contracting officer may* specify a longer period for constructive acceptance or constructive approval, if required to afford the Government a reasonable opportunity to inspect and test the *supplies* furnished or to evaluate the services performed. The *contracting officer must* document in the contract file the justification for extending the constructive acceptance or approval period beyond 7 days.

(d) *Construction* contracts.

(1) The *due date* for making payments on *construction* contracts is as follows:

(i) The *due date* for making progress payments based on *contracting officer* approval of the estimated amount and value of work or services performed, including payments for reaching milestones in any project, is 14 days after the *designated billing office* receives a proper payment request.

(A) If the *designated billing office* fails to annotate the payment request with the actual date of receipt at the time of receipt, the payment *due date* is the 14 thday after the date of the contractor's payment request, provided the *designated billing office* receives a proper payment request and there is no disagreement over quantity, quality, or contractor compliance with contract requirements.

(B) The *contracting officer may* specify a longer period in the *solicitation* and resulting contract if required to afford the Government a reasonable opportunity to adequately inspect the work and to determine the adequacy of the contractor's performance under the contract. The *contracting officer must* document in the contract file the justification for extending the *due date* beyond 14 days.

(C) The *contracting officer must* not approve progress payment requests unless the certification and substantiation of amounts requested are provided as required by the clause at 52.232-5, Payments Under Fixed-Price *Construction* Contracts.

(ii) The *due date* for payment of any amounts retained by the *contracting officer* in accordance with the clause at 52.232-5, Payments Under Fixed-Price *Construction* Contracts, will be as specified in the contract or, if not specified, 30 days after approval by the *contracting officer* for release to the contractor. The *contracting officer must* base the release of retained amounts on the *contracting officer*'s determination that satisfactory progress has been made.

(iii) The *due date* for final payments based on completion and acceptance of all work (including any retained amounts), and payments for partial deliveries that have been accepted by the Government (*e.g.,* each separate building, public work, or other division of the contract for which the price is stated separately in the contract) is as follows:

(A) The later of the following two events:

(1) The 30 thday after the *designated billing office* receives a *proper invoice* from the contractor.

(2) The 30 thday after Government acceptance of the work or services completed by the contractor. For a final *invoice*, when the payment amount is subject to contract settlement actions (*e.g.,* release of contractor *claims*), acceptance is deemed to occur on the effective date of the contract settlement.

(B) If the *designated billing office* fails to annotate the *invoice* with the actual date of receipt at the time of receipt, the *invoice payment due date* is the 30 thday after the date of the contractor's *invoice*, provided the *designated billing office* receives a *proper invoice* and there is no disagreement over quantity, quality, or contractor compliance with contract requirements.

(2) For the sole purpose of computing an interest penalty that might be due the contractor for payments described in paragraph (d)(1)(iii) of this section-

(i) Government acceptance or approval is deemed to occur constructively on the 7 thday after the contractor completes the work or services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, contractor compliance with a contract requirement, or the requested amount;

(ii) If actual acceptance occurs within the constructive acceptance period, the Government *must* base the determination of an interest penalty on the actual date of acceptance;

(iii) The constructive acceptance requirement does not compel Government officials to accept work or services, approve contractor estimates, perform contract administration functions, or make payment prior to fulfilling their responsibilities; and

(iv) The *contracting officer may* specify a longer period for constructive acceptance or constructive approval in the *solicitation* and resulting contract, if required to afford the Government a reasonable opportunity to adequately inspect the work and to determine the adequacy of the contractor's performance under the contract. The *contracting officer must* document in the contract file the justification for extending the constructive acceptance or approval beyond 7 days.

(3) *Construction* contracts contain special provisions concerning contractor payments to subcontractors, along with special contractor certification requirements. The Office of Management and Budget has determined that these certifications *must* not be construed as final acceptance of the subcontractor's performance. The certification in 52.232-5(c) implements this determination; however, certificates are still acceptable if the contractor deletes paragraph (c)(4) of 52.232-5 from the certificate.

(4)

(i) Paragraph (d) of the clause at 52.232-5, Payments under Fixed-Price *Construction* Contracts, and paragraph (e)(6) of the clause at 52.232-27, Prompt Payment for *Construction* Contracts, provide for the contractor to pay interest on unearned amounts in certain circumstances. The Government *must* recover this interest from subsequent payments to the contractor. Therefore, *contracting officers* normally *must* make no demand for payment. *Contracting officers must-*

(A) Compute the amount in accordance with the clause;

(B) Provide the contractor with a final decision; and

(C) Notify the payment office of the amount to be withheld.

(ii) The payment office is responsible for making the deduction of interest. Amounts collected in accordance with these provisions revert to the *United States* Treasury.

(e) *Cost-reimbursement contracts for services.* For purposes of computing late payment interest penalties that *may* apply, the *due date* for making interim payments on cost-reimbursement

contracts for services is 30 days after the date of receipt of a *proper invoice*.

(f) *Food and specified items*.

If the items delivered are:	Payment *must* be made as close as possible to, but not later than:
(1) *Meat or meat food products*. As defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Public Law98-181, including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product.	7th *day* after product delivery.
(2) *Fresh or frozen fish*. As defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)).	7th *day* after product delivery.
(3) *Perishable agricultural commodities*. As defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)).	10th *day* after product delivery, unless another date is specified in the contract.
(4) *Dairy products*. As defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food *products* prepared from edible fats or oils. Liquid milk, cheese, certain processed cheese *products*, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar *products* fall within this classification. Nothing in the Act limits this classification to refrigerated *products*. If questions arise regarding the proper classification of a specific product, the *contracting officer must* follow prevailing industry practices in specifying a contract payment *due date*. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the contractor making the representation.	10th *day* after a *proper invoice* has been received.

(g) *Multiple payment due dates*. *Contracting officers may* encourage, but not require, contractors to submit separate *invoices* for *products* with different payment *due dates* under the same contract or order. When an *invoice* contains items with different payment *due dates* (*i.e.,*a *mixed invoice*), the payment office will, subject to agency policy-

(1) Pay the entire *invoice* on the earliest *due date*; or

(2) Split *invoice payments*, making payments by the applicable *due dates*.

32.905 Payment documentation and process.

(a) *General*. Payment will be based on receipt of a *proper invoice* and satisfactory contract performance.

(b) Content of *invoices*.

(1) A *proper invoice must* include the following items (except for interim payments on cost reimbursement contracts for services):

(i) Name and address of the contractor.

(ii) *Invoice* date and *invoice* number. (Contractors *should* date *invoices* as close as possible to the date of mailing or transmission.)

(iii) Contract number or other authorization for *supplies* delivered or services performed (including order number and *line item number*).

(iv) Description, quantity, unit of measure, unit price, and extended price of *supplies* delivered or services performed.

(v) Shipping and payment terms (*e.g., shipment* number and date of *shipment, discount for prompt payment* terms). Bill of lading number and weight of *shipment* will be shown for *shipments* on Government bills of lading.

(vi) Name and address of contractor official to whom payment is to be sent (*must* be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective *invoice*.

(viii) *Taxpayer Identification Number (TIN*). The contractor *must* include its TIN on the *invoice* only if required by agency procedures. (See 4.9 TIN requirements.)

(ix) *Electronic funds transfer (EFT*) banking information.

(A) The contractor *must* include EFT banking information on the *invoice* only if required by agency procedures.

(B) If EFT banking information is not required to be on the *invoice*, in order for the *invoice* to be a *proper invoice*, the contractor *must* have submitted correct EFT banking information in accordance with the applicable *solicitation* provision (*e.g.,* 52.232-38, Submission of *Electronic Funds Transfer* Information with *Offer*), *contract clause* (*e.g.,* 52.232-33, Payment by *Electronic Funds Transfer-System for Award Management*, or 52.232-34, Payment by *Electronic Funds Transfer*-Other Than *System for Award Management*), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(x) Any other information or documentation required by the contract (*e.g.,* evidence of *shipment*).

(2) An interim payment request under a cost-reimbursement contract for services constitutes a *proper invoice* for purposes of this subsection if it includes all of the information required by the contract.

(3) If the *invoice* does not comply with these requirements, the *designated billing office must* return it within 7 days after receipt (3 days on contracts for meat, meat food *products*, or fish; 5 days on contracts for perishable agricultural commodities, dairy *products*, edible fats or oils, and food *products* prepared from edible fats or oils), with the reasons why it is not a *proper invoice*. If such notice is not timely, then the *designated billing office must* adjust the *due date* for the purpose of determining an interest penalty, if any.

(c) *Authorization to pay*. All *invoice payments*, with the exception of interim payments on cost-reimbursement contracts for services, *must* be supported by a *receiving report* or other Government documentation authorizing payment (*e.g.,* Government certified voucher). The agency receiving official *should* forward the *receiving report* or other Government documentation to the *designated payment office* by the 5th working *day* after Government acceptance or approval, unless other arrangements have been made. This period of time does not extend the *due dates* prescribed in this section. Acceptance *should* be completed as expeditiously as possible. The *receiving report* or other Government documentation authorizing payment *must*, as a minimum, include the following:

(1) Contract number or other authorization for *supplies* delivered or services performed.

(2) Description of *supplies* delivered or services performed.

(3) Quantities of *supplies* received and accepted or services performed, if applicable.

(4) Date *supplies* delivered or services performed.

(5) Date that the designated Government official-

(i) Accepted the *supplies* or services; or

(ii) Approved the progress payment request, if the request is being made under the clause at 52.232-5, Payments Under Fixed-Price *Construction* Contracts, or the clause at 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts.

(6) *Signature*, printed name, title, mailing address, and telephone number of the designated Government official responsible for acceptance or approval functions.

(d) *Billing office*. The *designated billing office must* immediately annotate each *invoice* with the actual date it receives the *invoice*.

(e) *Payment office*. The *designated payment office* will annotate each *invoice* and *receiving report* with the actual date it receives the *invoice*.

32.906 Making payments.

(a) *General*. The Government will not make *invoice payments* earlier than 7 days prior to the *due dates* specified in the contract unless the *agency head* determines-

(1) To make earlier payment on a case-by-case basis; or

(2) That the use of accelerated payment methods is necessary. See 32.903(a)(5), but see 32.009-1(a).

(b) *Payment office*. The *designated payment office*-

(1) Will mail checks on the same *day* they are dated;

(2) For payments made by EFT, will specify a date on or before the established *due date* for settlement of the payment at a Federal Reserve Bank;

(3) When the *due date* falls on a Saturday, Sunday, or legal holiday when Government offices are closed, *may* make payment on the following working *day* without incurring a late payment interest penalty.

(4) When it is determined that the *designated billing office* erroneously rejected a *proper invoice* and upon resubmission of the *invoice*, will enter in the payment system the original date the *invoice* was received by the *designated billing office* for the purpose of calculating the correct payment *due date* and any interest penalties that *may* be due.

(c) Partial deliveries.

(1) *Contracting officers must*, where the nature of the work permits, write contract statements of work and *pricing* arrangements that allow contractors to deliver and receive *invoice payments* for discrete portions of the work as soon as completed and found acceptable by the Government (see 32.102(d)).

(2) Unless specifically prohibited by the contract, the clause at 52.232-1, Payments, provides that the contractor is entitled to payment for accepted partial deliveries of *supplies* or partial performance of services that comply with all applicable contract requirements and for which prices can be calculated from the contract terms.

(d) *Contractor identifier*. Each payment or remittance advice will use the contractor *invoice* number in addition to any Government or contract information in describing any payment made.

(e) *Discounts*. When a *discount for prompt payment* is taken, the *designated payment office* will make payment to the contractor as close as possible to, but not later than, the end of the discount period. The discount period is specified by the contractor and is calculated from the date of the contractor's *proper invoice*. If the contractor has not placed a date on the *invoice*, the *due date* is calculated from the date the *designated billing office* receives a *proper invoice*, provided the agency annotates such *invoice* with the date of receipt at the time of receipt. When the discount date falls on a Saturday, Sunday, or legal holiday when Government offices are closed, the *designated payment office may* make payment on the following working *day* and take a discount. Payment terms are specified in the clause at 52.232-8, Discounts for Prompt Payment.

32.907 Interest penalties.

(a) *Late payment*. The *designated payment office* will pay an interest penalty automatically, without request from the contractor, when all of the following conditions, if applicable, have been met:

(1) The *designated billing office* received a *proper invoice*.

(2) The Government processed a *receiving report* or other Government documentation authorizing payment, and there was no disagreement over quantity, quality, or contractor compliance with any contract requirement.

(3) In the case of a final *invoice*, the payment amount is not subject to further contract settlement actions between the Government and the contractor.

(4) The *designated payment office* paid the contractor after the *due date*.

(5) In the case of interim payments on cost-reimbursement contracts for services, when payment is made more than 30 days after the *designated billing office* receives a *proper invoice*.

(b) *Improperly taken discount*. The *designated payment office* will pay an interest penalty automatically, without request from the contractor, if the Government takes a *discount for prompt payment* improperly. The interest penalty is calculated on the amount of discount taken for the period beginning with the firstday after the end of the discount period through the date when the contractor is paid.

(c) Failure to pay interest.

(1) The *designated payment office* will pay a penalty amount, in addition to the interest penalty amount, only if-

(i) The Government owes an interest penalty of $1 or more;

(ii) The *designated payment office* does not pay the interest penalty within 10 days after the date the *invoice* amount is paid; and

(iii) The contractor makes a written demand to the *designated payment office* for additional penalty payment in accordance with paragraph (c)(2) of this section, postmarked not later than 40 days after the date the *invoice* amount is paid.

(2)

(i) Contractors *must* support written demands for additional penalty payments with the following data. The Government *must* not request additional data. Contractors *must*-

(A) Specifically assert that late payment interest is due under a specific *invoice*, and request payment of all overdue late payment interest penalty and such additional penalty as *may* be required;

(B) Attach a copy of the *invoice* on which the unpaid late payment interest is due; and

(C) State that payment of the principal has been received, including the date of receipt.

(3) If there is no postmark or the postmark is illegible-

(i) The *designated payment office* that receives the demand will annotate it with the date of receipt, provided the demand is received on or before the 40 thday after payment was made; or

(ii) If the *designated payment office* fails to make the required annotation, the Government will determine the demand’s validity based on the date the contractor has placed on the demand; provided such date is no later than the 40 thday after payment was made.

(d) Disagreements.

(1) The payment office will not pay interest penalties if payment delays are due to disagreement between the Government and contractor concerning-

(i) The payment amount;

(ii) Contract compliance; or

(iii) Amounts temporarily withheld or retained in accordance with the terms of the contract.

(2) The Government and the contractor *must* resolve *claims* involving disputes, and any interest that *may* be payable in accordance with the Disputes clause.

(e) *Computation of interest penalties*. The Government will compute interest penalties in accordance with OMB prompt payment regulations at 5 CFR Part 1315.

(f) *Unavailability of funds*. The temporary unavailability of funds to make a timely payment does not relieve an agency from the obligation to pay interest penalties.

32.908 Contract clauses.

(a) Insert the clause at 52.232-26, Prompt Payment for Fixed-Price Architect-Engineer Contracts, in *solicitations* and contracts that contain the clause at 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts.

(1) As authorized in 32.904(c)(2), the *contracting officer may* modify the date in paragraph (a)(4)(i) of the clause to specify a period longer than 7 days for constructive acceptance or constructive approval, if required to afford the Government a practicable opportunity to inspect and test the *supplies* furnished or evaluate the services performed.

(2) As provided in 32.903, agency policies and procedures *may* authorize amendment of paragraphs (a)(1)(i) and (ii) of the clause to insert a period shorter than 30 days (but not less than 7 days) for making contract *invoice payments*.

(b) Insert the clause at 52.232-27, Prompt Payment for *Construction* Contracts, in all *solicitations* and contracts for *construction* (see part 36).

(1) As authorized in 32.904(d)(1)(i)(B), the *contracting officer may* modify the date in paragraph (a)(1)(i)(A) of the clause to specify a period longer than 14 days if required to afford the Government a reasonable opportunity to adequately inspect the work and to determine the adequacy of the Contractor's performance under the contract.

(2) As authorized in 32.904(d)(2)(iv), the *contracting officer may* modify the date in paragraph (a)(4)(i) of the clause to specify a period longer than 7 days for constructive acceptance or constructive approval if required to afford the Government a reasonable opportunity to inspect and test the *supplies* furnished or evaluate the services performed.

(c) Insert the clause at 52.232-25, Prompt Payment, in all other *solicitations* and contracts, except when the clause at 52.212-4, Contract Terms and Conditions-*Commercial Products* and *Commercial Services*, applies, or when payment terms and late payment penalties are established by other governmental authority (*e.g.,* tariffs).

(1) As authorized in 32.904(b)(1)(ii)(B)(4), the *contracting officer may* modify the date in paragraph (a)(5)(i) of the clause to specify a period longer than 7 days for constructive acceptance, if required to afford the Government a reasonable opportunity to inspect and test the *supplies* furnished or to evaluate the services performed, except in the case of a contract for the purchase of a *commercial product* or *commercial service*, including a brand-name *commercial product* for authorized resale (*e.g.,* commissary items).

(2) As provided in 32.903, agency policies and procedures *may* authorize amendment of paragraphs (a)(1)(i) and (ii) of the clause to insert a period shorter than 30 days (but not less than 7 days) for making contract *invoice payments*.

(3) If the contract is a cost-reimbursement contract for services, use the clause with its *Alternate* I.

32.909 Contractor inquiries.

(a) Direct questions involving-

(1) Delinquent payments to the *designated billing office* or *designated payment office*; and

(2) Disagreements in payment amount or timing to the *contracting officer* for resolution. The *contracting officer must* coordinate within appropriate *contracting* channels and seek the advice of other offices as necessary to resolve dis-agreements.

(b) Small business concerns *may* contact the agency’s local small business specialist or representative from the *Office of Small and Disadvantaged Business Utilization* to obtain additional assistance related to payment issues, late payment interest penalties, and information on the Prompt Payment Act.