52.232-17 Interest.

As prescribed in 32.611 (a) and (b), insert the following clause:

Interest (*May* 2014)

(a) Except as otherwise provided in this contract under a Price Reduction for Defective *Certified Cost or Pricing Data* clause or a Cost Accounting Standards clause, all amounts that become payable by the Contractor to the Government under this contract *shall* bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate *shall* be the interest rate established by the Secretary of the Treasury as provided in 41 U.S.C. 7109, which is applicable to the period in which the amount becomes due, as provided in paragraph (e) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(b) The Government *may* issue a demand for payment to the Contractor upon finding a debt is due under the contract.

(c) *Final Decisions*. The *Contracting Officer* will issue a final decision as required by 33.211 if-

(1) The *Contracting Officer* and the Contractor are unable to reach agreement on the existence or amount of a debt in a timely manner;

(2) The Contractor fails to liquidate a debt previously demanded by the *Contracting Officer* within the timeline specified in the demand for payment unless the amounts were not repaid because the Contractor has requested an installment payment agreement; or

(3) The Contractor requests a deferment of collection on a debt previously demanded by the *Contracting Officer* (see 32.607-2).

(d) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision *shall* identify the same due date as the original demand for payment.

(e) Amounts *shall* be due at the earliest of the following dates:

(1) The date fixed under this contract.

(2) The date of the first written demand for payment, including any demand for payment resulting from a default termination.

(f) The interest charge *shall* be computed for the actual number of calendar days involved beginning on the due date and ending on-

(1) The date on which the designated office receives payment from the Contractor;

(2) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or

(3) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.

(g) The interest charge made under this clause *may* be reduced under the procedures prescribed in 32.608-2 of the Federal *Acquisition* Regulation in effect on the date of this contract.

(End of clause)

Parent topic: 52.232 [Reserved]