Part 532 - Contract Financing

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Parent topic: General Services Administration Acquisition Manual

Subpart 532.1 - Financing for Other Than a Commercial Purchase

532.111 Contract clauses for non-commercial purchases (FAR DEVIATION).

Construction contracts. Insert the clause at 552.232-5, Payments under Fixed-Price Construction Contracts, in solicitations and contracts when a fixed-price construction contract is contemplated.

Subpart 532.7 - Contract Funding

532.705 Unenforceability of unauthorized obligations.

Supplier license agreements defined in FAR 32.705 are equivalent to commercial supplier

agreements defined in 502.101.

532.706-3 Contract clauses for unenforceability of unauthorized obligations (FAR DEVIATION).

GSA has a deviation from FAR 52.232-39 that allows use of the clause in paragraph (a) of this section in lieu of the FAR clause at 52.232-39.

(a) Insert the clause at 552.232-39, Unenforceability of Unauthorized Obligations in all solicitations and contracts in lieu of the FAR clause at 52.232-39.

(b) Insert the clause at 552.232-78, Commercial Supplier Agreements—Unenforceable Clauses, in all solicitations and contracts (including orders) when not using FAR part 12.

Subpart 532.8 - Assignment of Claims

532.806 Contract clauses.

Insert the clause at 552.232-23, Assignment of Claims, in solicitations and requirements or indefinite quantity contracts under which more than one agency may place orders.

Subpart 532.9 - Prompt Payment

532.904 Determining payment due dates.

Payment due dates for construction contracts are addressed at FAR 32.904(d). The following procedures apply to construction and building service contracts:

(a)The amount of final payment must include, as appropriate, deductions to cover any of the following:

(1)Liquidated damages for late completion.

(2)Liquidated damages for labor violations.

(3)Amounts withheld for improper payment of labor wages.

(4)The amount of unilateral change orders covering defects and omissions.

(5)The agreed-upon dollar amount in a Deficiency Report, which is included in all applicable Operation and Maintenance (O&M) service contracts.

(b) An official one level above the contracting officer shall approve justifications exercising the authority prescribed by FAR 32.904(d)(1)(i)(B). The time needed should be determined on a case-by-case basis, but the specified constructive acceptance period shall not exceed 30 days.

532.905 Payment documentation and process.

(a) Contractors are to submit invoices or vouchers to the contracting officer for approval. Invoices must be annotated with the date of receipt, as required by FAR 32.905. That date will be used to determine interest penalties for late payments. The contracting officer or designee must review the processing of invoices or vouchers before payment to determine if the items and amounts claimed are consistent with the contract terms and represent prudent business transactions. The contracting officer must ensure that these payments are commensurate with physical and technical progress under the contract. If the contractor has not deducted questionable amounts from the invoice or amounts required to be withheld, the contracting officer must make the required deduction, except as provided in 532.7203. Subject to 532.7201, the contracting officer must note approval of any payment on (or attached to) the invoice or voucher submitted by the contractor and forward the invoice or voucher to the appropriate contract finance office for retention after certification and scheduling for payment by a disbursing office.

(b) See GSAM 532.7203 for the handling of audit findings.

532.905-70 Final payment—construction and building service contracts.

The following procedures apply to construction and building service contracts:

(a)The Government shall pay the final amount due to the contractor under this contract after the documentation in the payment clauses of the contract is submitted. This includes the final release prescribed for construction at FAR 52.232-5, and for building services at GSAR 552.232-72.

(b) A contracting officers may only process the final payment for a construction or building service contracts once:

(1) The contractor submits a properly executed GSA Form 1142, Release of Claims; or

(2) The contracting officer documents in the contract file:

(i) That the contracting officer requested a release of claims from the contractor and did not receive a response within 60 calendar days; and

(ii) Approval to process the final payment from one level above the contracting officer.

532.908 Contract clauses.

(a) *Building services contracts*. Insert the clause at 552.232-72, Final Payment Under Building Services Contracts, in solicitations and contracts for building services.

(b) *Stock, Special Order, and Schedules Programs.*

FAR deviation. GSA has a deviation from FAR 52.232-25 to authorize payment within 10 days of receipt of a proper invoice. The deviation applies only to:

(i)Orders placed by GSA under Stock, Special Order, and Schedules programs;

(ii)That include FAR clause at 52.232-33, Mandatory Information for Electronic Funds Transfer Payment; and

(iii)For which the order is placed, and the contractor submits invoices using EDI in accordance with the Trading Partner Agreement.

(2)If the contract is for other than commercial products or commercial services, use the clause at 552.232-25, Prompt Payment, in lieu of the FAR clause at 52.232-25.

Subpart 532.70 - Authorizing Payment by Government Charge Card

532.7002 Solicitation requirements.

(a) In solicitations for supplies and services, except FSS schedule solicitations, request offerors to indicate if they will accept payment by Governmentwide commercial purchase card. Identify the card brand(s) under the GSA SmartPay® program that may be used to make payments under the contract, on the cover page or in Section L of the solicitation.

(b) For FSS schedule contracts, identify the card brand(s) under the GSA SmartPay® program that may be used to make payments under the contract in the contract award letter.

(c) For orders placed by GSA, you may authorize payment by Governmentwide commercial purchase card only for orders that do not exceed $100,000 (see GSA Order, Guidance on Use of the Credit Card for Purchases (CFO 4200.1)).

(d)Consider requesting offerors to designate different levels for which they may accept payment by Governmentwide commercial purchase card, for example:

If awarded a contract under this solicitation, the offeror agrees to accept payment by Governmentwide commercial purchase card for orders of:

_____ $2,500 or less

_____ $25,000 or less

_____ $50,000 or less

_____ $100,000 or less

532.7003 Contract clause.

For Schedule contracts that provide for payment using the Government charge card, use the clause(s) prescribed at part 538.