13.402 Conditions for use.

If the conditions in paragraphs (a) through (f) of this section are present, the fast payment procedure *may* be used, provided that use of the procedure is consistent with the other conditions of the purchase. The conditions for use of the fast payment procedure are as follows:

(a) Individual purchasing instruments do not exceed $45,000, except that *executive agencies may* permit higher dollar limitations for specified activities or items on a case-by-case basis.

(b) Deliveries of *supplies* are to occur at locations where there is both a geographical separation and a lack of adequate communications facilities between Government receiving and disbursing activities that will make it impractical to make timely payment based on evidence of Government acceptance.

(c) Title to the *supplies* passes to the Government-

(1) Upon delivery to a post office or common carrier for mailing or *shipment* to destination; or

(2) Upon receipt by the Government if the *shipment* is by means other than Postal Service or common carrier.

(d) The supplier agrees to replace, repair, or correct *supplies* not received at destination, damaged in transit, or not conforming to purchase requirements.

(e) The purchasing instrument is a firm-fixed-price contract, a *purchase order*, or a *delivery order* for *supplies*.

(f) A system is in place to ensure-

(1) Documentation of evidence of contractor performance under fast payment purchases;

(2) Timely feedback to the *contracting officer* in case of contractor deficiencies; and

(3) Identification of suppliers that have a current history of abusing the fast payment procedure (also see subpart 9.1).

Parent topic: Subpart 13.4 - Fast Payment Procedure