



**UNITED STATES DEPARTMENT OF
COMMERCE**
Chief Financial Officer
Assistant Secretary for Administration
Washington, D.C. 20230

**FAR CLASS DEVIATION
DETERMINATION AND FINDINGS
ACCELERATED PAYMENTS TO SMALL BUSINESS
CONTRACTORS AND SUBCONTRACTORS
PROCUREMENT MEMORANDUM 2020-05**

FINDINGS:

1. FAR 32.009 prescribes requirements and procedures for agencies to encourage accelerated payments to subcontractors. The FAR requires contracting officers to insert the clause at FAR 52.232-40, Providing Accelerated Payments to Small Business Subcontractors, in solicitations and contracts. This clause requires prime contractors to provide accelerated payments to their small business subcontractors when the Government provides accelerated payments to the prime contractor. Currently, the FAR provides for accelerated payments to small business subcontractors only.
2. Section 873 of the NDAA for FY 2020 amended 31 U.S.C. 3903 to provide for accelerated payments to prime contractors that subcontract with small business concerns and to prime contractors that are small businesses.
3. The FAR Council has undertaken rulemaking through FAR Case 2020- 007, Accelerated Payments Applicable to Contracts with Certain Small Business Concerns, to formally incorporate the changes required to implement S
4. On April 6, 2019, the Civilian Agency Acquisition Council (CAAC) issued Letter 2020-02, Class Deviation from the FAR for Accelerated Payments to Small Business contractors and subcontractors, to serve as consultation in accordance with FAR 1.4040 allowing agencies to authorize a class deviation to implement Section 873 of the NDAA for FY 2020.

DETERMINATION:

It is hereby determined that a class deviation is approved to accelerate payments to small business contractors and subcontractors.

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