



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

DERMINATION AND FINDINGS
DOC Deviation from the Federal Acquisition Regulation
Regarding Customary Progress Payment Rates Based on Costs
Procurement Memorandum 2020-06

Findings:

1. The Civilian Agency Acquisition Council (CAAC) issued CAAC Letter 2020-03 https://www.acquisition.gov/sites/default/files/page_file_uploads/CAAC-Letter-2020-03.pdf authorizing and encouraging agencies to issue class deviations to increase the customary progress payment rates based on costs at Federal Acquisition Regulation (FAR) 32.501-1 in response to the Coronavirus Disease 2019 (COVID-19) national emergency.
2. CAAC Letter 2020-03 serves as consultation in accordance with FAR 1.4040 by allowing agencies to authorize a class deviation immediately and to consider cancelling the deviation after the COVID-19 emergency passes.

Discussion:

The deviation revises FAR Parts 32 and 52 and increases the progress payment rates based on costs at FAR 32.501-1 from 80 to 90 percent for large business concerns and from 85 to 95 percent for small business concerns.

Determination:

It is hereby determined to be in the best interest of the government to increase the customary progress payment rates in support of the COVID-19 emergency and approve this class deviation. This class deviation is effective upon the date of signature and will remain in effect until cancelled.

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and Director for Acquisition Management