

Department of the Interior Acquisition, Assistance, and Asset Policy (DOI-AAAP)

Title	Class Deviation – Increase Customary Progress Payments Rates
Reference Number	DOI-AAAP-162
Version Number	01
Function(s)	Acquisition
Point of Contact	Tiffany Harvey
Source of this Requirement	Civilian Agency Acquisition Council (CAAC) Letter 2020 - 03, Class Deviation from the Federal Acquisition Regulation (FAR), Regarding Customary Progress Payment Rates Based on Costs dated April 15, 2020
Regulatory and Statutory Reference	FAR 32.501-1 , FAR 52.232-16 DIAR 1401.404 Class Deviations

Version Detail

Version Number	Date	Author	Description of update
01	04/22/2020	Tiffany Harvey	Implements the CAAC Deviation and communicates the Department's position on the customary progress payment.

Purpose:

This policy issues a class deviation, in accordance with Federal Acquisition Regulation (FAR) 1.404, Department of the Interior Acquisition Regulation System (DIAR) Subpart 1401.4 and [Attachment 1 - CAAC Letter 2020 -03, Class Deviation from the Federal Acquisition Regulation \(FAR\), Regarding Customary Progress Payment Rates Based on Costs](#) (Attachment 1 - CAAC Letter 2020).

Scope:

This policy applies to all DOI acquisitions and contract clauses for providing contract financing through progress payments based on costs in accordance with [CAAC Letter 2020-03](#) and [FAR 32.501-1](#), and [FAR 52.232-16](#).

Effective date:

This policy is effective upon signature. This class deviation will remain in effect until it is incorporated into the FAR or is otherwise rescinded.

Background:

FAR 32.501-1 currently allows the customary progress payment rate for large business concerns is 80 percent and 85 percent for small business concerns. CAAC Letter 2020-03 authorizes a class deviation to increase the customary progress payment rates based on costs for large business concerns and small business concerns in response to the Coronavirus

Disease 2019 (CONVID-19) national emergency. The deviation would increase the percentage to 90 percent for large business concerns and 95 percent for small business concerns.

FAR Text:

- Use the deviated language for 32.501-1(a), in lieu of the current language at 32.501-1(a)
- Use 52.232-16, Progress Payments (Apr 2012)(Deviation Apr 2020), in lieu of the clause at FAR 52.232-16, Progress Payments (Apr 2012).
- Use Alternate I (Mar 2000)(Deviation Apr 2020), in lieu of Alternate I of FAR clause 52.232-16 (Mar 2000)

Action:

Contracting officers shall insert the clauses as advised above and in the CAAC Letter 2020-03 in all solicitations and contracts that are issued and awarded on or after the issuance date of this class deviation, if progress payments are contemplated for the award. Contracting Officers shall amend solicitations and modify contracts issued prior to the issuance date of this class deviation to include the modified clauses, if progress payments are being paid for the award, including if progress payments are being paid for any task or delivery order under an indefinite delivery vehicle.

Contracting officers shall process all financing limitation via Section III of the Standard Form 1443.

Attachments:

The following attachments apply to this policy:

- [Attachment 1 - CAAC Letter 2020 -03, Class Deviation from the Federal Acquisition Regulation \(FAR\), Regarding Customary Progress Payment Rates Based on Costs](#)

Approval Signature:

Megan Olsen

Director, Office of Acquisition and Property Management