

GSA ORDER

Subject: General Services Administration Acquisition Manual; GSAM Case 2022-G513,
Removing the GSA Payments Clause for Non-Commercial Contracts

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Regulation (GSAR) to remove the clause at GSAR 552.232-1 and make corresponding changes to prescriptions.
2. Background. GSA is removing the GSAR clause at 552.232-1, which contains a FAR deviation that directs, in certain transactions, the Government to pay a contractor without submission of an invoice or voucher. Upon regulatory review, GSA found that this deviation was no longer needed. Additionally, corresponding amendments are made to any corresponding reference to the clause or prescriptions.

The clause in issue relates to transactions for non-commercial purchases. The clause, in part (a) states, "The Government shall pay the Contractor, *without submission of invoices or vouchers*, 30 days after the service period, the prices stipulated in the contract for supplies delivered and accepted or services rendered or accepted, less any deductions provided in this contract (emphasis added)." This statement from the GSAR differs from the FAR by requiring the government to pay without any proof of completed service, while the FAR requires an invoice or voucher.

The clause was amended by a FAR Deviation that goes back many years. GSA is unaware of any recent situation in which this clause is relevant to any payments being processed, and has determined that this deviation is no longer appropriate. Thus, GSA is removing the GSAR Clause at 552.232-1, and amending any references to the clause.

3. Effective date. August 2, 2024
4. Explanation of changes. This amendment includes regulatory changes. For full text changes of the amendment see Attachment A, GSAR Text Line-In/Line-Out.

In summary, this amendment makes the following changes throughout the GSAR: removes the clause at GSAR 552.232-1 and makes corresponding changes to the clause prescription.

This amendment revises the language of the following GSAR subparts:

- 532.1 (Financing for Other Than a Commercial Purpose)
 - 532.111 (Contract Clauses for non-commercial purchases)- Removes paragraph (a) entirely and removes the designation for paragraph (b).
- 552.2 (Text of Provisions and Clauses)
 - 552.232-1 (Payments) - Deletes in its entirety and reserves for future use
 - 552.232-5 (Payments under Fixed-Price Construction) - Removes the reference to "(b)" in the prescription at 532.111.

5. Point of contact. For clarification of content, contact Taylor McDaniels; J. Curtis Hauschildt; or Bryon Boyer, GSA Acquisition Policy Division, at gsarpolicy@gsa.gov.

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GSAR Case 2022-G513
GSAR Text, Line-In/Line-Out

GSAM Baseline: Change Order 173 effective 01/18/2024

- Additions to baseline made by rule are indicated by **[bold text in brackets]**
- Deletions to baseline made by rule are indicated by ~~strikethroughs~~
- Five asterisks (*****) indicate that there are no revisions between the preceding and following sections
- Three asterisks (***) indicate that there are no revisions between the material shown within a subsection
- Regulatory GSAR language is indicated by shaded text

Part 532 – Contract Financing

Subpart 532.1 – Financing for Other Than a Commercial Purpose

532.111 Contract Clauses for non-commercial purchases.

~~(a) FAR deviation. GSA has a FAR deviation that allows use of the clause at 552.232-4 in lieu of the FAR clause at 52.232-1. Insert the clause at 552.232-1, Payments, in solicitations and contracts when a fixed-price supply contract, a fixed-price service contract, or a contract for nonregulated communication services is contemplated, in lieu of the FAR clause at 52.232-1.~~

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

Part 552 – Solicitation Provisions and Contract Clauses

Subpart 552.2 - Text of Provisions and Clauses

552.232-1 [Reserved] Payments.

As prescribed in 532.111 (a), insert the following clause:

~~PAYMENTS (NOV 2009) (DEVIATION FAR 52.232-1)~~

~~(a) The Government shall pay the Contractor, without submission of invoices or vouchers, 30 days after the service period, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract.~~

~~(b) Unless otherwise specified in this contract, the Government will make payment on partial deliveries accepted by the Government if either:~~

~~(1) The amount due on the deliveries warrants it.~~

~~(2) The Contractor requests it and the amount due on the deliveries is at least \$1,000 or 50 percent of the total contract price.~~

~~(c) When processing payment, GSA's Finance Office will automatically generate the 12 digit invoice number using the PDN assigned to the contract, followed by an abbreviated month and year of service (e.g., 84261554JUN7, for June 2007). The PDN appears on the contract award document.~~

~~(End of clause)~~

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552.232-5 Payments under Fixed-Price Construction

As prescribed in 532.111(b), insert the following clause:

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