



OFFICE OF THE UNDER SECRETARY OF DEFENSE
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ACQUISITION
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION), SAF/AQ

SUBJECT: Payments on Cost Reimbursable Service Contracts - Use of Alternate I of the Clause at FAR 52.232-25

Recent DoD Inspector General audits assert that payments are being made in 14 days on some cost reimbursable service contracts even though Alternate I of the clause at 52.232-25 is not included in the contract. Contracting officers are reminded that, when the intent is to pay cost reimbursable service contracts in 14 days, DFARS 232.906, Making Payments, requires that the contract include Alternate I of the clause at 52.232-25 and the insertion of a standard due date of 14 days.

If you require additional information, my point of contact for this memorandum is Mr. John McPherson, Senior Procurement Analyst, who can be reached at 703-602-0296 or via e-mail at john.mcpherson@osd.mil.

Shay D. Assad
Director, Defense Procurement and
Acquisition Policy

