

3.3.1-23 Invitation to Propose Payment Terms (February 2003)

Definition: Financing payments are payments made without regard to acceptance of supplies or services. They include interim and advance payments that are customary to the commercial marketplace. They do not include payments for delivery, receipt, and acceptance of supplies or services.

(a) The offeror is invited to propose terms under which the TSA shall make contract financing payments during contract performance. The payment terms proposed by the offeror shall be a factor in the evaluation of the offeror's proposal. The payment terms of the successful offeror and the clause "Financing Payment Terms for Purchases of Commercial Items" shall be incorporated in any resulting contract.

(b) The offeror agrees that in the event of any conflict between the terms proposed by the offeror and the terms in the "Financing Payment Terms for Purchases of Commercial Items," the terms of the clause shall govern.

(c) The offeror's proposed financing payments shall not be acceptable if it does not conform to the following limitations:

(1) Delivery payments shall be made only for supplies delivered and accepted, or services rendered and accepted in accordance with the payment terms of this contract;

(2) The terms and conditions of the contract financing payments must be appropriate or customary in the commercial marketplace; and

(3) The terms and conditions of the contract financing payments must be in the best interests of the TSA.

(d) The offeror's proposal of payment terms shall include the following:

(1) The proposed contractual language describing the contract financing payments; and

(2) A listing of the earliest date and greatest amount at which each contract financing payment may be payable and the amount of each delivery payment. Any resulting contract shall provide that no contract financing payment shall be made at any earlier date or in a greater amount than shown in the offeror's listing.

(e) The offeror's proposed prices and payment terms shall be evaluated to determine the cost to the TSA of the proposal using the interest rate and delivery schedule specified elsewhere in this document.

(End of provision)

PRESCRIPTION

May be used in RFI/RFP's and contracts for commercial supplies or services when financing payments are customary or in the best interest of the TSA.