

3.3.1-22 Installment Payments (February 2003)

(a) Contractor entitlement to installment payments. The Contractor may request, and the TSA shall pay, a contract installment payment as specified in this contract when: the payment requested is properly due in accordance with this contract; the supplies deliverable or services due under the contract will be delivered or performed in accordance with the contract; and there has been no impairment or diminution of the TSA's security under this contract.

(b) Computation of amounts. Installment payments shall be paid to the Contractor when requested for each separately priced unit of supply of each contract line item in amounts approved by the Contracting Officer pursuant to this clause.

(1) Number of installment payments for each contract line item. Each separately priced unit of each contract line item is authorized a fixed number of monthly installment payments. The number of installment payments authorized for each unit of a contract line item is equal to the number of months from the date of contract award to the date one month before the first delivery of the first separately priced unit of the contract line item. For example, if the first scheduled delivery of any separately priced unit of a contract line item is 9 months after award of the contract, all separately priced units of that contract line item are authorized 8 installment payments.

(2) Amount of each installment payment. The amount of each installment payment for each separately priced unit of each contract line item is equal to ____ percent of the unit price divided by the number of installment payments authorized for that unit.

(3) Date of each installment payment. Installment payments for any particular separately priced unit of a contract line item begin the number of months prior to the delivery of that unit that are equal to the number of installment payments authorized for that unit. For example, if 8 installment payments are authorized for each separately priced unit of a contract line item, the first installment payment for any particular unit of that contract line item would be 8 months before the scheduled delivery date for that unit. The last installment payment would be 1 month before scheduled delivery of a unit.

(4) Limitation on payment. Prior to the delivery payment for a separately priced unit of a contract line item, the sum of all installment payments for that unit shall not exceed ____ percent of the price of that unit.

(c) Contractor request for installment payment. The Contractor may submit requests for payment of installment payments not more frequently than monthly, in a form and manner acceptable to the Contracting Officer. Unless otherwise authorized by the Contracting Officer, all installment payments in any month for which payment is being requested shall be included in a single request, appropriately itemized and totaled.

(d) Recoupment of installment payments. Installment payments shall be recouped by deducting from the delivery payment of each item the total outstanding amount of installment payments made for that separately priced unit of that contract line item. The liquidation amounts for each unit of each line item shall be clearly delineated in each request for delivery payment submitted by the Contractor.

(e) Security for installment payments. In the event the Contractor fails to provide adequate security as required in this contract, no installment payment shall be made under this contract. Upon receipt of adequate security, installment payments shall be made, including all previous payments to which the Contractor is entitled, in accordance with the terms of the contract. If at any time the Contracting Officer determines that the security provided by the Contractor is insufficient, the Contractor shall promptly provide such additional security as the Contracting Officer determines necessary. In the event the Contractor fails to provide such additional security,

the Contracting Officer may collect or liquidate such security that has been provided, and suspend further payments to the Contractor; the Contractor shall repay to the TSA the amount of outstanding installment payments as the Contracting Officer at his sole discretion deems repayable.

(f) Special terms regarding termination. If this contract is terminated, the Contractor shall, on demand, repay to the TSA the amount of outstanding installment payments. The TSA shall be liable for no payment except as provided by the applicable termination clauses.

(g) Reservation of rights.

(1) No payment, vesting of title under this clause, or other action taken by the TSA under this clause shall

(i) Excuse the Contractor from performance of obligations under this contract, or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The TSA 's rights and remedies under this clause

(i) Shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this contract, and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the TSA .

(h) Content of Contractor's request for installment payment. The Contractor's request for installment payment shall contain the following:

(1) The name and address of the Contractor;

(2) The date of the request for installment payment;

(3) The contract number and/or other identifier of the contract or order under which the request is made; and

(4) An itemized and totaled statement of the items, installment payment amount, and month for which payment is being requested, for each separately priced unit of each contract line item.

(End of clause)

PRESCRIPTION

May be used in RFI/RFP's and contracts for commercial supplies or services when installment payments are customary or in the best interest of the TSA. Contracting Officer must complete fill-ins blanks.