

Reclamation Manual

Policy

Subject: Deferment Contracts – Delegation of Authority

Purpose: Delegates to the Regional Directors the authority to approve deferments of construction installments.

Authority: The Reclamation Act of 1902 (Act of June 17, 1902; 32 Stat. 388) (1902 Act), as amended and supplemented: and, in particular, Section 17 of the Reclamation Project Act of 1939 (Act of August 4, 1939; 53 Stat. 1198); the Act of September 21, 1959 (73 Stat. 584; 43 U.S.C. § 485b-1) (Deferment Act); and the Act of November 24, 1971 (85 Stat. 488; 43 U.S.C. § 422k-1); Departmental Manual 255 DM 1.1C.(8) delegates to the Commissioner the authority to negotiate and execute deferment contracts.

Contact: Contract Services Office, D-5600

- 1. Deferments Not to Exceed 1 Year.** The Regional Directors are delegated the authority to defer the time for payment of such part of any installment of construction charges under any repayment contract or other form of obligation for a period of up to 12 months after the installment's original due date. No contractor may receive multiple or consecutive deferments within a 5-year period without a Commissioner's approval of a basis of negotiation. Deferments may only be granted by the Regional Director when such deferments comply with the provisions of Section 17 of the Reclamation Project Act of 1939, as amended. For additional guidance on decisions involving deferrals see PEC 04-01. Except for the deferment of an installment, the provisions of the existing contract will not be modified. At the Regional Director's discretion, such deferments may be accomplished by notifying the contractor by formal letter or by executing an amendatory or supplemental contract.
- 2. Deferments Exceeding 1 Year.** Following the Commissioner's approval of a basis of negotiation, as provided in Reclamation Manual, Directives and Standards, *Deferment Contracts*, PEC 04-01, the Regional Directors are authorized to negotiate and execute amendatory or supplemental contracts for the deferment of payments for periods exceeding 1 year.
- 3. Notification.** A copy of all deferment notifications, amendatory, or supplementary contracts will be sent to Manager, Contract Services Office, D-5600.