

If the contract is to authorize progress payments, preaward survey will include inquiry into contract cost accumulation system. Provision must be made for DoD to check claims of eligible costs to qualify for progress payments procedure. To receive progress payments, companies should submit form SF 1443 to the contract administration office as shown in contract.

Payment on Delivery

Contracts with a single item of work and a single delivery are generally paid in one lump sum. For larger contracts with many items and staggered delivery dates, companies can invoice and receive partial payments as deliveries are made. In either case, the payment due date depends on receipt and acceptance of supplies or services (the payment office must get reports from the actual receiving points to establish accounts payable) and receipt of a proper invoice from the supplier.

Note: "Receipt" refers to custody; if a company ships on a Government Bill of Lading, then the Government has taken delivery at a company's plant - the source. In most other modes of delivery, the transit risks are the company's, and receipt takes place at the destination. Contracts state where delivery is to be made and the payment office needs proper evidence that the receipt did indeed take place and that the Government is satisfied with the quality ("acceptance"). This quality control may be performed in the company's plant or at the receiving location. There are two locations: source and destination and two functions: receipt and acceptance. The payment office needs evidence, from the authorized activity, for both functions. This evidence is provided on the Material Inspection and Receiving Report (MIRR), DD Form 250. DD Form 250 plays an important part in getting payment to companies. The form can serve as evidence of Government procurement quality assurance (PQA) and can similarly be used to record the receipt of products. It also can serve as a packaging list and shipping notice. Contractors are responsible for preparing and distributing the form. Blank forms can be obtained from contract administration offices. If the data from the contract, the DD Form 250, and the invoice all agree, payment will result without delay.

Certificate of Conformance

Where the inspection and acceptance process leads to delays in payment, Companies may be able to arrange for a Certificate of Conformance. This can be authorized when the Government has reason to believe that the product will be acceptable and that any defective work will be replaced, corrected, or repaired without contest.