

**DEPARTMENT OF DEFENSE****GENERAL SERVICES  
ADMINISTRATION****NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

[FAR Case 94-764]

**OMB Clearance Request for Contract  
Financing**

**AGENCIES:** Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Notice of new request for OMB clearance.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501), the Federal Acquisition Regulation (FAR) Secretariat has submitted to the Office of Management and Budget (OMB) a request to review and approve a new information collection requirement concerning Contract Financing.

**DATES:** Comments may be submitted on or before May 15, 1995.

**ADDRESSES:** Send comments to Mr. Peter Weiss, FAR Desk Officer, OMB, Room 10236, NEOB, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Beverly Fayson, Office of Federal Acquisition Policy, GSA (202) 501-4755.

**SUPPLEMENTARY INFORMATION:****A. Purpose**

The Federal Acquisition Streamlining Act of 1994, Pub. L. 103-355, provides authorities that streamline the acquisition process and minimize burdensome government-unique requirements. Sections 2001 and 2051 of the Federal Acquisition Streamlining Act of 1994 substantially changed the statutory authorities for Government financing of contracts. Sections 2001(f) and 2051(e) provide specific authority for Government financing of purchases of commercial items, and sections 2001(b) and 2051(b) substantially

revised the authority for Government financing of purchases of non-commercial items.

Sections 2001(f) and 2051(e) provide specific authority for Government financing of purchases of commercial items. These paragraphs authorize the Government to provide contract financing with certain limitations:

- The financing must be in the best interest of the Government,
- The financing cannot exceed 15 percent until some performance of work under the contract,
- The terms and conditions must be appropriate or customary in the commercial marketplace.

The above statutory provisions also remove from financing of commercial purchases certain restrictions applicable to financing of non-commercial purchases by other provisions of 10 U.S.C. 2307 and 41 U.S.C. 255.

Sections 2001(b) and 2051(b) also amend the authority for Government financing of non-commercial purchases by authorizing financing on the basis of certain classes of measures of performance.

To implement these changes, DOD, NASA, and GSA propose to amend the Federal Acquisition Regulation by revising Subparts 32.0, 32.1, and 32.5; by adding new Subparts 32.2 and 32.10; and by adding new clauses to 52.232. The statutory changes create a fundamental distinction between financing of purchases of commercial and non-commercial items. As a result, the subparts of Part 32, Contract Financing, fall into three logical categories:

- Subparts applicable to both commercial and non-commercial financing,
- Subparts applicable to only commercial financing, and
- Subparts applicable to only non-commercial financing.

The proposed rule will enable the Government to provide financing to assist in the performance of contracts for commercial items and provide financing for non-commercial items based on contractor performance.

**B. Annual Reporting Burden**

Public reporting burden for this collection of information is estimated to average 1 hour per request for commercial financing and .5 hours per request for performance-based financing, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to General Services Administration, FAR Secretariat, 18th & F Streets, NW, Room 4037, Washington, DC 20405, and to the FAR Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

The annual reporting burden for Commercial Financing is estimated as follows: Respondents, 1,000; responses per respondent, 5; total annual responses, 5,000; preparation hours per response, 1; and total response burden hours, 5,000.

The annual reporting burden for Performance-Based Financing is estimated as follows: Respondents, 6,000; responses per respondent, 32; total annual responses, 192,000; preparation hours per response, .5; and total response burden hours, 96,000.

**OBTAINING COPIES OF PROPOSALS:**

Requester may obtain copies of OMB applications or justifications from the General Services Administration, FAR Secretariat (VRS), Room 4037, Washington, DC 20405, telephone (202) 501-4755. Please cite OMB clearance request regarding Contract Financing, FAR case 94-764, in all correspondence.

Dated: March 9, 1995.

**Beverly Fayson,**

*FAR Secretariat.*

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