progress payments and will timely make required payments to such subcontractors from the proceeds of the progress payment covered by the certification; "(iii) evaluating the feasibility and desirability of requiring that all prime contractors (other than a construction prime contractor subject to the provisions of sections 3903(b) and 3905 of title 31, United States Code) furnish with its payment request to the Government proof of payment of the amounts included in such payment request for payments made to subcontractors and suppliers; "(iv) evaluating the feasibility and desirability of requiring a prime contractor to establish an escrow account at a federally insured financial institution and requiring direct disbursements to subcontractors and suppliers of amounts certified by the prime contractor in its payment request to the Government as being payable to such subcontractors and suppliers in accordance with their subcontracts; and "(v) evaluating the feasibility and desirability of requiring direct disbursement of amounts certified by a prime contractor as being payable to its subcontractors and suppliers in accordance with their subcontracts (using techniques such as joint payee checks, escrow accounts, or direct payment by the Government), if the contracting officer has determined that the prime contractor is failing to make timely payments to its subcontractors and suppliers. (B) Payment protection of subcontractors and suppliers through the use of payment bonds or alternative methods by— "(i) evaluating the effectiveness of the modifications to part 28.2 of the Federal Acquisition Regulation Part 28.2 (48 C.F.R. 28.200) relating to the use of individual sureties, which became effective February 26, 1990; "(ii) evaluating the effectiveness of requiring payment bonds pursuant to the Miller Act as a means of affording protection to construction subcontractors and suppliers relating to— "(I) timely payment of progress payments due in accordance with their subcontracts; and "(II) ultimate payment of such amounts due; "(iii) evaluating the feasibility and desirability of increasing the payment bond amounts required under the Miller Act from the current maximum amounts to an amount equal to 100 percent of the amount of the contract; "(iv) evaluating the feasibility and desirability of requiring payment bonds for supply and services contracts (other than construction), and, if feasible and desirable, the amounts of such bonds; and "(v) evaluating the feasibility and desirability of using letters of credit issued by federally insured financial institutions (or other alternatives) as substitutes for payment bonds in providing payment protection to subcontractors and suppliers on construction contracts (and other contracts). "(C) Any evaluation of feasibility and desirability carried out pursuant to subparagraph (A) or (B) shall include the appropriateness of— "(i) any differential treatment of, or impact on, small business concerns as opposed to concerns other than small business concerns; "(ii) any differential treatment of subcontractors relating to commercial products entered into by the contractor in furtherance of its non-Government business, especially those subcontractors entered into prior to the award of a contract by the Government; and "(iii) extending the protections regarding payment to all tiers of subcontractors or restricting them to first-tier subcontractors and direct suppliers. "(D) The report required by paragraph (1) shall include a description of the results of the assessment carried out pursuant to paragraph (2) and may include recommendations pertaining to any of the following: "(A) Statutory and regulatory changes providing payment protections for subcontractors and suppliers (other than a construction prime contractor subject to the provisions of sections 3903(b) and 3905 of title 31, United States Code) that the Comptroller General believes to be desirable and feasible. "(B) Proposals to assess the desirability and utility of a specific payment protection on a test basis. "(C) Such other recommendations as the Comptroller General considers appropriate in light of the matters assessed pursuant to paragraph (2). "(D) The report required by paragraph (1) shall be submitted not later than by February 1, 1993, to the Committees on Armed Services and on Small Business [now the Committee on Small Business and Entrepreneurship of the Senate and House of Representatives]. "(II) ultimate payment of such amounts due; "(III) total payment of such amounts due; "(IV) any differential treatment of, or impact on, small business concerns as opposed to concerns other than small business concerns; "(V) any differential treatment of subcontractors relating to commercial products entered into by the contractor in furtherance of its non-Government business, especially those subcontractors entered into prior to the award of a contract by the Government; and "(VI) extending the protections regarding payment to all tiers of subcontractors or restricting them to first-tier subcontractors and direct suppliers. "(C) Any evaluation of feasibility and desirability carried out pursuant to subparagraph (A) or (B) shall include the appropriateness of— "(i) any differential treatment of, or impact on, small business concerns as opposed to concerns other than small business concerns; "(ii) any differential treatment of subcontractors relating to commercial products entered into by the contractor in furtherance of its non-Government business, especially those subcontractors entered into prior to the award of a contract by the Government; and "(iii) extending the protections regarding payment to all tiers of subcontractors or restricting them to first-tier subcontractors and direct suppliers. "(D) The report required by paragraph (1) shall include a description of the results of the assessment carried out pursuant to paragraph (2) and may include recommendations pertaining to any of the following:
§ 4602. Contracted property and services: prompt payment of vouchers

(a) REQUIREMENT.—Of the contract vouchers that are received by the Defense Finance and Accounting Service by means of the mechanization of contract administration services system, the number of such vouchers that remain unpaid for more than 30 days as of the last day of each month may not exceed 5 percent of the total number of the contract vouchers so received that remain unpaid on that day.

(b) CONTRACT VOUCHER DEFINED.—In this section, the term "contract voucher" means a voucher or invoice for the payment to a contractor for services or deliverable items provided by the contractor under a contract funded by the Department of Defense.


Editorial Notes

AMENDMENTS

2021—Pub. L. 116–233 renumbered section 2226 of this title as this section.

2018—Subsec. (b). Pub. L. 115–232 substituted “for services or deliverable items” for “for services, commercial items (as defined in section 103 of title 41), or other deliverable items”.


Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115–232 effective Jan. 1, 2020, subject to a savings provision, see section 836(h) of Pub. L. 115–232, set out as an Effective Date of 2018 Amendment; Savings Provision note under section 453b of Title 6, Domestic Security.

EFFECTIVE DATE


§ 4603. Advance notification of contract performance outside the United States

(a) NOTIFICATION.—(1) A firm that is performing a Department of Defense contract for an amount exceeding $10,000,000, or is submitting a bid or proposal for such a contract, shall notify the Department of Defense in advance of any intention of the firm or any first-tier subcontractor of the firm to perform outside the United States and Canada any part of the contract that exceeds $500,000 in value and could be performed inside the United States or Canada.

(2) If a firm submitting a bid or proposal for a Department of Defense contract is required to submit a notification under this subsection, and the firm is aware, at the time it submits its bid or proposal, that the firm intends to perform outside the United States and Canada any part