# 52.232-31 Invitation to Propose Financing Terms.

As prescribed in 32.205 (b) and 32.206 , insert the following provision:

Invitation to Propose Financing Terms (Dec 2022)

(a) The *offeror* is invited to propose terms under which the Government *shall* make contract financing payments during contract performance. The financing terms proposed by the *offeror shall* be a factor in the evaluation of the *offeror*'s proposal. The financing terms of the successful *offeror* and the clause, Terms for Financing of Purchases of *Commercial Products* and *Commercial Services*, at Federal *Acquisition* Regulation (FAR) 52.232-29, *shall* be incorporated in any resulting contract.

(b) The *offeror* agrees that in the event of any conflict between the terms proposed by the *offeror* and the terms in the clause at FAR 52.232-29, Terms for Financing of Purchases of *Commercial Products* and *Commercial Services*, the terms of the clause at FAR 52.232-29 *shall* govern.

(c) Because of statutory limitations (10 U.S.C. 3805 and 41 U.S.C. 4505), the *offeror*'s proposed financing *shall* not be acceptable if it does not conform to the following limitations:

(1) Delivery payments *shall* be made only for *supplies* delivered and accepted, or services rendered and accepted in accordance with the payment terms of this contract;

(2) Contract financing payments *shall* not exceed 15 percent of the contract price in advance of any performance of work under the contract;

(3) The terms and conditions of the contract financing *must* be appropriate or customary in the commercial marketplace; and

(4) The terms and conditions of the contract financing *must* be in the best interests of the *United States*.

(d) The *offeror*'s proposal of financing terms *shall* include the following:

(1) The proposed contractual language describing the contract financing (see FAR 32.202-2 for appropriate definitions of types of payments); and

(2) A listing of the earliest date and greatest amount at which each contract financing payment *may* be payable and the amount of each delivery payment. Any resulting contract *shall* provide that no contract financing payment *shall* be made at any earlier date or in a greater amount than shown in the *offeror*'s listing.

(e) The *offeror*'s proposed prices and financing terms *shall* be evaluated to determine the cost to the *United States* of the proposal using the interest rate and delivery schedule specified elsewhere in this *solicitation*.

(End of provision)

**Parent topic:** 52.232 [Reserved]