

52.242-5 Payments to Small Business Subcontractors.

As prescribed in [42.1504](#) , insert the following clause:

Payments to *Small Business Subcontractors* (Jan 2017)

(a) *Definitions*. As used in this clause-

Reduced payment means a payment that is for less than the amount agreed upon in a subcontract in accordance with its terms and conditions, for *supplies* and services for which the Government has paid the prime contractor.

Untimely payment means a payment that is more than 90 days past due under the terms and conditions of a subcontract, for *supplies* and services for which the Government has paid the prime contractor.

(b) *Notice*. The Contractor *shall* notify the *Contracting Officer, in writing*, not later than 14 days after-

(1) A *small business subcontractor* was entitled to payment under the terms and conditions of the subcontract; and

(2) The Contractor-

(i) Made a reduced or *untimely payment* to the *small business subcontractor*; or

(ii) Failed to make a payment, which is now untimely.

(c) *Content of notice*. The Contractor *shall* include the reason(s) for making the reduced or *untimely payment* in any notice required under paragraph (b) of this clause.

(End of clause)

Parent topic: [52.242 \[Reserved\]](#)