

**Subchapter 3032.5 Progress Payments Based On Costs****3032.501-1 General.****3032.501-2 Unusual progress payments.**

(a)(3) The Chief of the Contracting Office (COCO), without redelegation, is delegated authority to approve the contractor's request for unusual progress payments.

**3032.502 Preaward matters.****3032.502-2 Contract finance office clearance.**

Contracting officers shall obtain written approval and coordination from the officials named below before taking any of the following actions:

(a) From the HCA, without redelegation, to provide a progress payment rate higher than the customary rate (see FAR 32.501-1). The HCA shall consult with the CPO before approving the action;

(b) From the HCA, without redelegation, to deviate from the progress payment terms prescribed in FAR Part 32. The HCA shall consult with the CPO before approving the action; and

(c) When providing progress payments to a contractor--

(1) From the HCA (with advice from Component legal counsel), without redelegation, when the contractor's financial condition is in doubt. The HCA shall consult with the CPO before approving the action;

(2) From the HCA (with advice from Component legal counsel), without redelegation, when the contractor has had an advance payment request or loan guarantee denied for financial reasons (or approved but withdrawn or lapsed) within the previous 12 months. The HCA shall consult with the CPO before approving the action; and

(3) From the HCA (with advice from Component legal counsel), when the contractor is named in the consolidated list of contractors indebted to the United States (known commonly as the "Hold-up List"). The HCA shall consult with the CPO before approving the action.

**3032.504 Subcontracts under prime contracts providing progress payments.**

(c) The contracting officer shall obtain approval from the HCA, without redelegation, to authorize contractors to make unusual progress payments to subcontractors. A written D&F is not required; however, if the contractor's request to make unusual progress payments is granted, the contract file shall be documented to reflect the rationale for the decision.