



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

MAY 6 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Class Deviation 2011-00007 Requirement for Accelerated Payments to Small Businesses

By the attached memorandum of April 27, 2011, the Director, Defense Procurement and Acquisition Policy (DPAP) authorizes a class deviation to commence implementation efforts of the requirement at DFARS 232.903 and 232.906 to make accelerated payments to small businesses. Accelerating payments to small businesses will be done through a phased approach, because this policy change requires modifications to all Department of Defense (DoD) entitlement and payment systems in order to accommodate the accelerated payment procedures. DPAP indicates the initial phase will begin with modifications to the Mechanization of Contract Administration Services System. Subsequent phases will consist of a system-by-system initiation of accelerated payments as the DFAS and the DoD components update their respective systems.

DON needs to modify both Navy ERP and Military Sealift Command's (MSC) Oracle Financial Management System (FMS). DFAS and MSC currently entitle payments in Navy ERP and Oracle FMS, respectively. Pending additional guidance that establishes a timeline for implementation, we encourage you to take immediate action to modify your systems to comply with the policy.

This class deviation is effective immediately and remains in effect until it is superseded or otherwise rescinded. As each DoD entitlement and payment system acquires the capability to effect accelerated payments, DPAP intends to update this class deviation. We will keep you apprised of any updates. My points of contact for this matter are Ms. Evelyn Ortiz (policy), available at (703) 614-9640 or evelyn.ortiz@navy.mil, and Bruce Lowrey (e-Business), available at (703) 614-9616 or bruce.lowrey@navy.mil.

Elliott B. Branch
Elliott B. Branch
Executive Director
DASN(A&LM)

Attachment:
As stated

Distribution:
See page 2

**SUBJECT: Class Deviation 2011-O0007 Requirement for Accelerated Payments to
Small Businesses**

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ACQUISITION,
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APR 27 2011

In reply refer to
DARS Tracking Number: 2011-O0007

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
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DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Class Deviation—Requirement for Accelerated Payments to Small Businesses

Effective immediately, the Department of Defense (DoD) will commence implementation of the requirement at the Defense Federal Acquisition Regulation Supplement 232.903 and 232.906 to make accelerated payments to small businesses. All DoD entitlement and payment systems need to be modified to accommodate this policy change. As a result, accelerating payments to small businesses will be accomplished in a phased approach as these systems are modified. In the initial phase, the Defense Finance and Accounting Service (DFAS) will modify DoD's largest payment system, the Mechanization of Contract Administration Services system. Subsequent phases will consist of a system-by-system initiation of accelerated payments as DFAS and the other DoD Components update their respective systems to accommodate the accelerated payment procedures.

We will update this class deviation as each system acquires the capability to perform the accelerated payment process. This class deviation will remain in effect until superseded or rescinded.

My point of contact for this action is Ms. Lee Renna who may be reached at 703-602-0764 or marylee.renna@osd.mil.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy