

General Services Administration  
Washington, DC 20405

ADM 2800.12B, Change 141  
December 2, 2021

## GSA ORDER

Subject: General Services Administration Acquisition Manual; GSAR Case 2020-G521,  
Remove OGC Review for Final Payments

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Regulation (GSAR) to revise requirements regarding final payments for construction and building service contracts.
2. Background. GSA is amending the General Services Administration Regulations (GSAR) to modify GSAR 532.905-70 so it no longer requires contracting officers to obtain approval of legal counsel before processing final payments for construction and building service contracts where, after 60 days, the contracting officer is unable to obtain a release of claims from the contractors. Legal review is not a statutory requirement, and the decision to process final payments in such cases is a business decision, rather than a legal one.
3. Effective date. December 2, 2021
4. Explanation of changes. This amendment includes regulatory changes. For full text changes of the amendment see Attachment A, GSAR Text Line-In/Line-Out.

This amendment revises the language of the following GSAR subparts, changes summarized below:

Subpart 532.9 (Contract Financing -- Prompt Payment)

- 532.905-70: Removed requirement for OGC approval when processing final payments for construction or building service contracts, and it is not possible to obtain release of claims within 60 days. It is replaced with a requirement to obtain approval from a step above the contracting officer.
5. Point of contact. For clarification of content, contact Tyler Piper or Stephen Carroll, GSA Acquisition Policy Division, at [gsarpolicy@gsa.gov](mailto:gsarpolicy@gsa.gov).

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**GSAR Case 2020-G521  
Line-In/Line-Out**

**GSAR Baseline: Change 140, dated 11/05/2021**

- **Additions to baseline made by rule are indicated by [bold text in brackets]**
- **Deletions to baseline made by rule are indicated by strikethroughs**
- **Five asterisks (\* \* \* \* \*) indicate that there are no revisions between the preceding and following sections**
- **Three asterisks (\* \* \*) indicate that there are no revisions between the material shown within a subsection**

**Part 532 - Contract Financing**

**Subpart 532.9 - Prompt Payment**

\* \* \* \* \*

**532.905-70 Final payment—construction and building service contracts.**

The following procedures apply to construction and building service contracts:

(a) The Government shall pay the final amount due ~~[to]~~ the ~~C~~**[c]**ontractor under this contract after the documentation in the payment clauses of the contract is submitted. This includes the final release prescribed for construction at FAR 52.232-5, and for building services at GSAR 552.232-72.

(b) ~~[A c]~~Contracting officers may ~~not~~**[only]** process the final payment ~~on~~**[for a]** construction or building service contracts ~~until~~**[once]**:

~~(1) **[T]**he contractor submits a properly executed GSA Form 1142, Release of Claims, except as provided in paragraph (c) of this section;~~ **[or]**

~~(c)~~ **(2) The contracting officer documents in the contract file:**

**(i) That the contracting officer requested a release of claims from the contractor and did not receive a response within** ~~In cases where, after 60 [calendar] days;~~ **and** ~~from the initial attempt, the contracting officer is unable to obtain a release of claims from the contractor;~~

**(ii) Approval to process the final payment from one level above the contracting officer** ~~the final payment may be processed with the approval of assigned legal counsel.~~

~~(d) The amount of final payment must include, as appropriate, deductions to cover any of the following:~~

- ~~(1) Liquidated damages for late completion.~~
- ~~(2) Liquidated damages for labor violations.~~
- ~~(3) Amount withheld for improper payment of labor wages.~~

~~(4) The amount of unilateral change orders covering defects and omissions.~~

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