

IMMEDIATE RELEASE

DOD Allows Payments to Contractors Who Cannot Work Due to COVID-19 Facility Closures or Other Restrictions

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Statement attributed to Lt. Col. Mike Andrews, Department of Defense spokesman:

"The Defense Pricing and Contracting (DPC) office has issued a class deviation to the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) entitled, "CARES Act Section 3610 Implementation." This deviation addresses section 3610 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act which allows agencies to reimburse contractors for payment to workers who are prevented from working due to COVID-19 facility closures or other restrictions.

The deviation provides a framework for contracting officers to assess any claimed allowable costs associated with the declared public health emergency, recognizing the importance of supporting affected contractors to ensure that, together, we remain a healthy, resilient, and responsive total force. In short order, a forthcoming implementation guidance memo and Frequently Asked Questions (FAQs) document will provide additional information and will be available on the Defense Pricing and Contracting website.

This class deviation is the 17th new COVID-19 guidance the Department of Defense's Pricing and Contracting (DPC) office has provided to help relieve COVID-19 impacts for the Contracting Community.

Deputy Assistant Secretary of Defense (DASD) for Industrial Policy Jennifer Santos, and Acting Principal Director, Defense Pricing and Contracting, Mr. Kim Herrington, have worked extensively with the defense industrial associations, including the small business community, to identify cost, schedule and performance impacts beyond the control of the contractor, and to provide badly needed relief to help defense industry get through this national emergency.

We remain committed to daily engagements with the defense industry, and will continue to leverage defense trade association calls to partner with them throughout the duration of this national emergency to ensure the safety of the workforce and accomplishment of the national security mission."

Website Resources:

- DOD
 - Joint Acquisition Task Force
 - Defense Contracting Management Agency
 - Industrial Policy
 - Defense Pricing and Contracting
 - Defense Acquisition University
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