

CLIENT ALERT

Government Relief From COVID-19 Impacts on Federal Contracts and Grants

Mar.23.2020

In the last several days, the federal government released a number of guidance documents designed to ease the impacts of COVID-19 on government contractors and grantees. The guidance is summarized below:

Contractors:

- *DoD Progress Payments Increase to 90% for Large Businesses and 95% for Small Businesses under DFARS Clause.* On March 20, DoD issued guidance that raises the progress payment recovery rate from 80% to 90% for large businesses, and from 90% to 95% for small businesses. The DoD memorandum requires Defense contracting officers to immediately use deviations for DFARS 252.232-7004 (DoD Progress Payment Rates) and FAR 52.232-16 (Progress Payments) permitting for these larger percentage progress payments. Contractors should encourage Contracting Officers to amend their current contracts with these revised clauses in order to take advantage of these increases.
- *DoD Permits Maximum Telework Flexibility for Contractors.* On March 20, DoD issued guidance to Defense contracting officers to provide maximum telework flexibility for contractors. Contracting officers should work with program managers and requirements owners to permit flexibility in a contractor's place of performance without mission degradation.

USAID Awardees:

- Crowell & Moring has published a [blog post](#) discussing extensive COVID-related guidance specifically for USAID.

OMB Guidance for Contractors and Federal Grant Recipients:

- Crowell & Moring has also published two blog posts covering [OMB guidance for federal contractors](#) and for [federal grant recipients](#).

The entire Crowell team is standing ready to assist affected contractors and federal award recipients impacted by COVID-19. We wish you continued good health.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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