

## CLIENT ALERT

### The DoD Issues Memo Regarding Section 3610 of the CARES Act; Implementing Guidance to Follow

Mar.31.2020

On March 30, 2020, the Office of the Under Secretary of Defense, Acting Principal Director, Defense Pricing and Contracting (DPC) issued the [Managing Defense Contracts Impacts of the Novel Coronavirus Memorandum](#). The Memorandum recognizes the challenges the Department of Defense faces in response to COVID-19, and reiterates the importance of ensuring the health and vitality of the defense industrial base (DIB) during this national emergency. The Memorandum notes the regulatory tools already in place to address COVID-19 impacts—*e.g.*, FAR 52.249-14, Excusable Delays, various termination clauses, various changes clauses, and FAR 52.212-4 for commercial contracts—and highlights the protection of health and safety of contract employees as an important consideration when assessing requests for equitable adjustment. In addition to pointing to these traditional clauses, the Memorandum recognizes Section 3610 of the CARES Act as a mechanism to allow recovery for COVID-19 impacts and states that DPC will provide implementing guidance for such recovery. The Memorandum concludes by noting that contracting officers “are trusted and empowered to make the difficult decisions on appropriate adjustment to each contract” and that they “must work closely with our industry partners to ensure continuity of operations and mission effectiveness, while protecting the continuing vitality of the DIB that is so critical to our national security.”

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

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