

The following are DPC issuances as of May 07, 2020 with the most recent issuance at the top.

Defense Pricing and Contracting (DPC) COVID-19 Guidance Provided for the Contracting Community

New

27. On May 7, 2020, DPC issued a memorandum entitled, “Procurement Integrated Enterprise Environment Capabilities” (PIEE). This memorandum highlights two capabilities recently added to PIEE to enable exchanges of information with industry in a secure, traceable environment. Use of the Solicitation Module and Contracting Communication Module by government and contractor employees is highly encouraged due to the abundance of telework conducted during the national emergency response to the COVID-19 pandemic. The Solicitation Module also has the capability to accept unsolicited proposals, further providing opportunities for industry engagement.

Previously Reported

26. On May 1, 2020, DPC issued a memo entitled “DoD Process for Section 3610 Reimbursement” to announce upcoming Department-wide, overarching guidance to the contracting community regarding Section 3610 of the CARES Act implementation, specifically with regard to processing requests for reimbursement. In the coming weeks, DPC will leverage internal coordination teams to produce a draft DoD Process for 3610 Reimbursements for industry partner review. After consideration of industry input, DPC plans to release the final policy before the end of May. The goal is to establish an efficient process to handle claims, e.g., corporate or division consolidated submissions as appropriate.
25. On April 30, 2020, DPC issued a class deviation to the DFARS entitled, “2020-O0016: Original Documents, Signatures, Seals, and Notarization.” This deviation applies to DFARS requirements for bonds and insurance. Due to the impacts of COVID-19, the deviation authorizes flexibility with regard to original documents, manual signatures, seals, and notarization in order to facilitate certain essential contracting procedures. For example, it allows for electronic signatures and removes notarization requirements associated with bonds and insurance.
24. On April 30, 2020, DPC issued a policy memo entitled “Updated Guidance for Reporting COVID-19 Related Actions to the Federal Procurement Data System.” This update re-emphasizes prior guidance and includes more explicit language to address reporting discrepancies. The memo also adds new guidance (for example around DPA Title III) and recommends components review their inputs on a weekly basis.
23. On April 28, 2020, DPC added frequently asked questions (FAQs) on a topic related to the DPC memo entitled “Contract Place of Performance – Public Health Considerations” issued on March 20, 2020. This memo advised contracting officers to work with their contractors to provide as much flexibility for telework as possible as long as it did not degrade the mission (regardless of specific contract language not allowing for teleworking). The FAQ addresses the

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- ability of the government to provide government furnished property, such as laptops, to enable telework.
22. On April 24, 2020, DPC updated the frequently asked questions (FAQs) regarding implementation of the CARES Act during the Coronavirus Disease 2019 (COVID-19) pandemic. These FAQs (along with the FAQ issuances on April 9, 2020 and April 17, 2020) provide implementation guidance to the April 8 issuance of Class Deviation 2020-O0013, CARES Act Section 3610 Implementation, reported below. The FAQs document, posted to the DPC COVID-19 Page, will continue to be updated over time.
 21. On April 20, 2020, DPC issued a class deviation to the DFARS entitled, “2020-O0014: Flexibilities for Electronic Delivery of Information Related to Suspensions and Debarments.” Due to the impacts of COVID-19, the deviation authorizes debarring and suspending officials to deviate from the requirements at Federal Acquisition Regulation (FAR) 9.406-3(c) and (e) and 9.407-3(c) and (d)(4), to allow notification to contractors of proposed or final debarment or suspension decisions via electronic means instead of the regulatory requirement for certified mail, return receipt requested.
 20. On April 17, 2020, DPC updated the frequently asked questions (FAQs) regarding implementation of the CARES Act during the Coronavirus Disease 2019 (COVID-19) pandemic. The guidance follows the April 8 issuance of Class Deviation 2020-O0013, CARES Act Section 3610 Implementation, reported below. Questions range from eligibility determination for reimbursement to definition of “appropriate documentation.” The FAQs document, posted to the DPC COVID-19 Page, will continue to be updated over time.
 19. On April 16, 2020, DPC issued a memo directing contracting officers to comply with the United States National Support Element-Afghanistan (USNSE-A) memorandum to redeploy at-risk contractor employees from Afghanistan due to insufficient medical capability in-country. As soon as possible, contracting officers shall inform their contractors that they must redeploy employees identified as “at-risk personnel.” Redeployment of contractor personnel will be conducted in accordance with the terms of their respective contracts. However, when mission essential services and at-risk personnel must be retained in country, requiring activity commanders will request an exception to policy.
 18. On April 9, 2020, DPC issued a memo to provide information and guidance for implementing the CARES Act during the national emergency associated with the Coronavirus Disease 2019 (COVID-19) pandemic. The guidance follows the April 8 issuance of Class Deviation 2020-O0013, CARES Act Section 3610 Implementation, reported below. The memo addresses how implementation of 3610 will vary by contract type; it also addresses billing procedures, and the roles of the contracting officers, contracting officer's representative, and contract auditor. The memo is augmented by a frequently asked questions (FAQs) document that is posted at the DPC COVID-19 Page, and will be updated over time. DPC expects iterative issuances of FAQs, given the complexity of 3610 implementation and is developing an approach to regularly convene internal stakeholders to discuss emerging 3610 implementation issues and develop/issue associated FAQs to assist the contracting community.
 17. On April 8, 2020, DPC issued a class deviation to the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) entitled, “CARES Act Section

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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.

16. On April 6, 2020, DPC issued a policy memo entitled, “Change to the Delegation of Authority for Use of Other Transactions for Prototype Projects in Response to Coronavirus Disease 2019,” notifying the workforce of the Under Secretary of Defense for Acquisition and Sustainment memo which temporarily approved delegation of authority for Other Transactions (OTs) for prototype project agreements and any follow-on production contract or OT specific to COVID-19 in excess of \$500 million. The memo also waives the requirement for advance Congressional notification. These changes remain in effect until the COVID-19 national emergency declaration is rescinded.
15. On April 3, 2020, DPC issued a class deviation to the DFARS entitled “Class Deviation 2020-00012 – Undefined Contract Actions during the National Emergency for the Coronavirus Disease 2019.” This deviation implements sections 13004 and 13005 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to waive certain limitations to undefinitized contract actions (UCAs) if they are deemed necessary due to the national emergency caused by the COVID-19 pandemic. Specifically, this deviation removes the limit of 75% obligation on UCAs related to COVID.
14. On April 3, 2020, DPC issued a policy memo entitled, “Implementation of Class Deviation 2020-00010—Progress Payment Rates,” (subsequently rescinded and superseded by Revision 1 on April 16, 2020). The memo provides answers to frequently asked questions (FAQs) from industry on a variety of topics related to progress payments, following the March 20 issuance of the deviation that raises the large business rate to 90% and the small business rate to 95%, to help with cash flow. One of the key FAQs (#1) clearly states that the “true up” of inception to date costs for industry will be paid. DPC issued Revision 1 to return the liquidation rate for letter contracts, which was increased incorrectly to 90%, to the maximum rate specified in the FAR (80%).
13. On April 2, 2020, DPC issued a policy memo entitled “Department of Defense SmartPay® 3 Government-wide Commercial Purchase Card (GPC) Guidance for the Coronavirus Disease 2019 (COVID-19),” which offers information and guidance on card use in support of the pandemic. DPC provided this information, given the increased thresholds for using the card in support of emergencies.
12. On March 31, 2020, DPC issued a policy memo entitled “Reporting COVID-19 Related Actions to the Federal Procurement Data System” reminding the contracting community that it is crucial to accurately report new or amended contract actions to the Federal Procurement Data System (FPDS) in a timely fashion using the National Interest Action (NIA) code (P20C), added to FPDS on March 13, 2020. Timely and accurate use of the NIA code will help with data integrity and responding to COVID-19 spend questions.

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11. On March 31, 2020, DPC distributed a Defense Contract Management Agency class Commercial Item Determination pertaining to the 2020 COVID-19 pandemic. The DPC memo contains an attachment with the DCMA determinations on various COVID related products/services that are determined to be commercial. The DPC memo helps to get the determination out broadly to the contracting workforce so they can leverage the CIDs as applicable, enabling them to use commercial procedures when buying identified supplies and services required by DoD in response to the COVID-19 pandemic will be urgent commercial item procurements.
10. On March 31, 2020, DPC added to its web site an Early Engagement Opportunity for the public to provide inputs on implementation of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136) in the acquisition regulations.
9. On March 30, 2020, DPC issued a policy memo entitled “Managing Defense Contracts Impacts of the Novel Coronavirus,” to provide overarching reminders about the availability of regulation authority to handle requests for equitable adjustments, stop work orders, and other contractual mechanisms to address the ongoing pandemic and spread of COVID-19. The memo was issued to address the range of scenarios the Military Components are facing, including companies that want to continue working but cannot (e.g., due to poor workforce health, inability to telework, inability to access facilities). It outlines relevant guidance, regulation, and laws in place to assist contracting officers to make the appropriate adjustments to each contract on a case-by-case basis to ensure the health and security of each contractor working with the Department of Defense and the Defense Industrial Base, while also maintaining productivity and readiness in the mission to support the warfighter.
8. On March 27, 2020, DPC issued a memo to the Defense Industrial Base entitled “Doing Business with the Department – Supporting the Response to COVID-19,” in response to offers from industry partners to provide needed medical resources and mission support services and military. The memo’s three-page attachment, “Contracting with the Department of Defense: A Step by Step Approach to the DoD Marketplace,” is designed to help partners who have not previously done business with the Federal government or the DoD. Industrial Policy helped distribute the memo to Industry Associations.
7. On March 27, 2020, to speed payment to contractors performing classified work, DPC issued a class deviation to the DFARS entitled “Class Deviation 2020-00011 – Submission of Interim Vouchers under Classified Contracts.” Subsequently rescinded and superseded by Revision 1 on April 3, 2020, this deviation enables classified contractors to submit interim vouchers directly to disbursing offices and bypass the step of submitting the voucher to the Defense Contract Audit Agency. DPC issued Revision 1 to clarify interim vouchers should go directly to payment offices (not disbursing offices).
6. On March 20, 2020, based on internal discussions and later industry feedback, we issued a class deviation to the DFARS entitled “Class Deviation 2020-00010 – Progress Payment Rates”. This deviation raises the large business rate from 80% to 90% and from 90% to 95% for small business. The increased rates will apply once contracts are modified and stay into effect until the deviation is rescinded (once COVID-19 issues are past and industry cash flow returns to prior levels). DPC issued Revision 1 to the class deviation on April 16, 2020 to return the

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liquidation rate for letter contracts, which was increased incorrectly to 90%, to the maximum rate specified in the FAR (80%).

5. On March 20, 2020, based on additional feedback from industry, DPC issued a memo entitled “Contract Place of Performance – Public Health Considerations” that advised contracting officers to work with their contractors to provide as much flexibility for telework as possible as long as it did not degrade the mission (regardless of specific contract language not allowing for teleworking).
4. On March 20, 2020, based on DHS guidance, and Ms. Lord’s subsequent memo to industry, DPC issued a policy memo entitled “Defense Industrial Base Contract Considerations”. This memo identified Defense Industrial Base contractors that operate under a DX or DO rated order as critical infrastructure. And we gave flexibility to PEOs, HCAs and commander’s as mission owners to identify as critical infrastructure other efforts performed under unrated orders. This direction would allow contractors to continue working if defined as critical, if there are state or local direction to shelter in place.
3. On March 10, 2020, after hearing some feedback from industry, DPC issued a memo entitled “Planning for Potential Novel Coronavirus Contract Impacts”. This memo noted that DoD missions are accomplished by the total force (military, civilian and contractor personnel) and advised that the entirety of the workforce should monitor the CDC website for health and safety information. We strongly encouraged contracting officers to work with their requirements owners and program managers to ensure safety measures for the total workforce were taken while ensuring mission continuity. And, we noted that it is vital to be in close communication and coordination with all stakeholders including contractors.
2. On March 6, 2020 DPC issued a memo entitled “Emergency Acquisition Flexibilities – Disaster or Emergency Assistance Activities” reminding the workforce of the various procurement flexibilities that will come into play when/if the President declares a major disaster or emergency declaration. This reminder was made prior to POTUS’ declaration.
1. On March 5, 2020 DPC issued a memo entitled “Continuation of Essential Contractor Services” reminding the contracting community in light of COVID-19 to use the provision and clauses in the Defense Federal Acquisition Regulation Supplement (DFARS) pertaining to mission essential functions and the responsibilities of contractors who have this clause in their contracts.

Availability of the Guidance:

All the publications noted above are posted on DPC’s external website, specifically the page dedicated to COVID-19 issues. The link is identified below.

<https://www.acq.osd.mil/dpap/pacc/cc/COVID-19.html>

This site also contains COVID-related publications by the Military Components, as well as the Office of Management and Budget, which are relevant to the contracting community.

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We anticipate that additional guidance will be provided as new issues/questions arise and/or the situation continues.