DEPUTY DIRECTOR
FOR MANAGEMENT

March 20, 2020

M-20-18

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Margaret M. Weichert
            Deputy Director for Management

SUBJECT: Managing Federal Contract Performance Issues Associated with the Novel
            Coronavirus (COVID-19)

Federal contractors play a vital role in helping agencies meet the needs of our citizens, including the critical response efforts to COVID-19. The health and safety of all Americans, including our Federal contractors, remains the top priority. This memorandum identifies steps to help ensure this safety while maintaining continued contract performance in support of agency missions, wherever possible and consistent with the precautions issued by the Centers for Disease Control and Prevention (CDC). Achieving these important goals – and maintaining the resilience of our Federal contracting base – requires continued communication by agencies with their contractors, both small and large, and effective leveraging of flexibilities and authorities to help minimize work disruption.

As the impact of COVID-19 continues to evolve, many Federal government contractors that ordinarily work side-by-side with the Federal workforce may currently be unable to access their Federal work sites as a result of building closures, quarantines or implementation of social distancing practices. Agencies are urged to work with their contractors, if they haven't already, to evaluate and maximize telework for contractor employees, wherever possible. Telework is an important tool for enabling continued contract performance in a manner that can meet health and safety guidelines from the CDC and State and local public health authorities.

Equally important, agencies should be flexible in providing extensions to performance dates if telework or other flexible work solutions, such as virtual work environments, are not possible, or if a contractor is unable to perform in a timely manner due to quarantining, social distancing, or other COVID-19 related interruptions. Agencies should take into consideration whether it is beneficial to keep skilled professionals or key personnel in a mobile ready state for activities the agency deems critical to national security or other high priorities. Additionally, agencies should also consider whether contracts that possess capabilities for addressing impending requirements such as security, logistics, or other function, may be retooled for pandemic response consistent with the scope of the contract.

Finally, agencies are encouraged to leverage the special emergency procurement authorities authorized in connection with the President's emergency declaration under section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (the "Stafford Act"). These flexibilities include increases to the micro-purchase threshold, the simplified acquisition threshold, and the threshold for using simplified procedures for certain commercial items, all of which are designed to reduce friction for contractors, especially small businesses, and the government and enable more rapid response to the many pressing demands agencies face. The availability of these flexibilities does not mean they will always be suitable, and agencies should exercise sound fiscal prudence to maximize value for each taxpayer dollar spent. At the same time, the acquisition workforce should feel fully empowered to use the acquisition flexibilities, as needed, consistent with good business judgment in response to this national emergency.

The attached set of "frequently asked questions" is intended to provide additional guidance and further assist the acquisition workforce as it addresses impacts due to COVID-19. Additional acquisition-related questions should be directed to the Office of Federal Procurement Policy at MBX.OMB.OFPPv2@OMB.eop.gov. OMB will continue to provide updates and additional information as needed to support the resiliency of the acquisition community.

Attachment