

# Government Contracting Environment During the COVID-19 Virus

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# Contracts Administration

- Communicate with your Customers, ACO, Prime Contractors, Subcontractors.
- Evaluate any contract delays or disruptions.
- Track your changes to contract charges, set up new contract codes, if you believe, at a later date, you might have equitable adjustments.
- Watch project changes and project scope creep.
- Maximize your Government Contracts, watch your commercial contracts.
- Keep your subs paid. Don't let your smaller subs suffer, creating contract issues for yourselves.
- Understand any issue as it relates to the Defense Production Act.
  - Maynard Cooper has a great synopsis of this.

# Contracts Administration

- Look for opportunities where you have a product that can be modified or used during this time and look for contract actions.
- Understand your FAR clauses as they relate to delay and disruption of your contracts.
  - FAR 52.249-14 “Excusable Delay” (a mandatory clause which mentions “epidemics” and “quarantine restrictions”).
  - Wilmer and Lee have a great Article on Contractors’ Guide to Shutdown.

# Contracts Administration

- FAR 52.242-14, “Suspension of Work”
- FAR 52.242-15, “Stop Work Order”
- FAR 52.242-17, “Government Delay of Work”
- FAR 52.243-1, “Changes — Fixed Price”
- FAR 52.243-2, “Changes — Cost Reimbursement”
- FAR 52.243-3, “Changes — Time & Materials or Labor-Hours”
- FAR 52.243-4, “Changes”
- FAR 52.232-20, “Limitation of Costs”
- FAR 52.232-22, “Limitation of Funds”
- FAR 52.249-1-5 “Termination for Convenience Clauses”
  - Christian Doctrine
- FAR 52.249-14 “Excusable Delay”

# Contracts Administration

- Track your RFPs. Could there be delays? Could they be cancelled? Do you need to change your PWIN strategy?
- Watch your supply chains domestically and internationally and have alternatives ready.
- Get on your contract closeouts, look at final invoices and retainages as cash flow creators.
- **Communicate, Communicate, Communicate** - with your Vendors, Customers, Contracts Administrators
- [www.acquisition.gov/coronavirus](http://www.acquisition.gov/coronavirus)

# Cash

- Cash is King
- Ensure that you have cash flow models as often as you need them. Maybe that is monthly, maybe that is weekly, or maybe that is daily.
- Be in contact with your banks. Do you need to get an increase in your line? Do you need to make modifications to current debt?
- Understand the SBA Disaster Loan Assistance program.
  - Keith Barfield, in our office, has a webinar on this and can get you connected.
  - <https://disasterloan.sba.gov/ela>

# Cost Management

- Track your direct employees.
  - Is their production the same?
  - What is the effect of Teleworking?
  - Watch your cost-plus contracts. Are you burning through costs quicker due to inefficiencies?
- Track your indirect costs more frequently to understand the effects.
  - Have your fringes been affected?
  - Is Teleworking decreasing certain costs?
  - Certain costs like seminars, travel, indirect meals, etc. have been cut. What are the effects of this on your rates? Are you having a rate problem due to not spending money?

# Cost Management

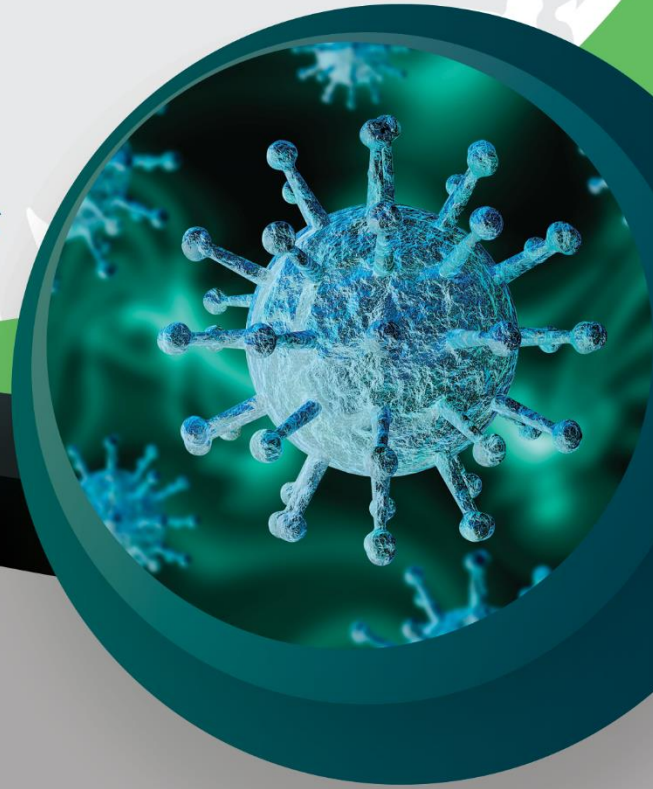
- Fringes
  - Track your new COVID leave categories in two buckets.
  - Set up any costs that might be outside the new law and track those. Make sure that you update your policies and procedures for any changes.
  - BMSS Matrix on new law
  - Follow us on our social media platforms for the ever-changing dynamics.
- Have you researched your Workers' Comp policies?
- Retirement contributions are due when you file your returns. This maybe an opportunity to have some cash reserves.
- Incurred Cost submissions are still due six months after fiscal year end. No changes have been announced yet.



# Other Items

- New tax law
  - We will have a webinar on this on Thursday.
  - IRS has a Q&A section on their website and will be keeping it updated.
  - <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>
- Watch your cyber security during this time.
- Make notes on your disaster recovery and readiness plans.
  - What has gone well?
  - What do we need to improve on?
  - BMSS Disaster Planning Consulting.

**BMSS Presents:**  
*Exploring the CARES Act: What It  
Could Mean for You and Your Business*



A Proactive  
Approach to  
COVID-19 **Webinar  
Series**

**2020**

**April 02, 2020**

9:00 a.m. - 10:30 a.m.



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# Questions?