



USAID
FROM THE AMERICAN PEOPLE

June 18, 2020

LETTER TO USAID CONTRACTORS FROM THE USAID
SENIOR PROCUREMENT EXECUTIVE

SUBJECT: COVID-19 Flexibilities.

Dear USAID contractors,

Recognizing the challenges, you are facing during the global coronavirus epidemic, USAID has issued a Federal Acquisition Regulation (FAR) deviation that affords contractors flexibilities during this time of crisis. Below is a summary of the revisions that have been authorized.

1. Customary Progress Payment Rates Based on Costs

FAR Section 32.501 and clause 52.232-16, Progress Payments are revised to allow for an increase to the progress payment rates to contractors who have cost reimbursement contracts. Currently, FAR 32.501 allows progress payments to large businesses of up to 80 percent of total costs of performing a contract. The rate for small business concerns is 85 percent. This FAR class deviation authorizes USAID to increase the progress payment rate to 90 percent for work performed by large business concerns, and 95 percent for work performed by small business concerns.

2. Revisions to eliminate hard copy original documents, signatures, notarization, seals on bonds and other seals when:

- Obtaining financial protection against losses under contracts per FAR part 28;
- Processing assignment of claims per FAR subpart 32.8;
- Executing novation agreements and change-of-name agreements per FAR part 42

More detailed information and guidance is provided in Acquisition and Assistance Directive (AAPD) 20-05 available at the USAID website at <https://www.usaid.gov/work-usaid/aapds-cibs>.

Please direct any questions you may have to your respective CO regarding the flexibilities outlined in this letter. Please note that these flexibilities are temporary and if the awards are modified to provide relief through the deviated clauses, USAID may rescind and replace these deviated clauses with the previous FAR clauses when the pandemic eases. As the situation evolves, we will continue to communicate and share information as it becomes available through USAID's website.

Sincerely,

Mark Walther
Senior Procurement Executive