



U.S. Department of Housing and Urban Development  
Washington, D.C. 20410

APR 23 2020

CHIEF PROCUREMENT OFFICER

Dear HUD Industry Partner,

Section 3610, Federal Contractor Authority, of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act of 2020 provides that a contractor may be reimbursed for the cost of keeping certain employees in a ready state. To comply with the Act, you should be prepared to demonstrate that funds are used to maintain readiness, for example, by continuing to compensate your employees. Evidence of keeping employees in a ready state may include payroll showing payment of employees' salaries. As a prime contractor, you are responsible for including any affected subcontractors in your CARES Act related reporting and reimbursement requests.

The potential for reimbursement arises only when access to an approved worksite (contractor or government) has been curtailed due to COVID-19 restrictions and only if the affected employees cannot telework. Contractors will need to document 1) that the worksite is a federally owned or leased site, or that it has been approved by the government; 2) that work at the facility has actually been disrupted as a result of COVID-19; 3) that work at contractor site was disrupted such as due to local authority stay at home orders or closure of all non-essential business operations and 4) that telework is not an option.

Compensation is not to exceed the minimum established contract billing rates and is capped at 40 hours per week. Paid leave, including sick leave, is reimbursable but will be reduced to the extent of any tax credits taken.

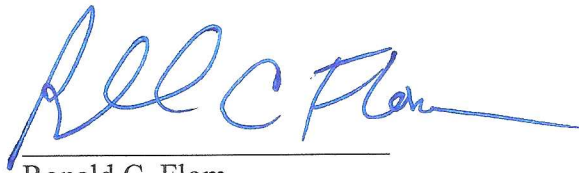
In order to implement this section of the CARES Act of 2020, the Department of Housing and Urban Development (HUD), Office of the Chief Procurement Officer (OCPO) request that if you are affected, you should submit requests for equitable adjustment (REA) on a monthly basis starting with March 2020 but not to exceed September 2020. In addition to supporting documentation demonstrating that your employees were in a COVID-19 related no work status, your submission should also include the following information:

1. Contract Number
2. Name of the government Contracting Officer (CO)
3. Worksite and affected month
4. Count of employees affected on a monthly basis
5. Hourly rates of employees affected on a monthly basis
6. Miscellaneous ODCs (not including labor) due to COVID-19
7. Total amount being requested

In submitting your REA, please keep in mind the following:

1. REA is not an invoice and as a result, you will get further directions from the CO regarding when and how to submit your invoice for payment.
2. Payments will be subject to availability of funds.
3. Payments will be allowed for the prime and any verifiable subcontractor personnel.
4. Payments will only cover contractor employee lost wages and not any profit, overhead, fringe or other indirect cost.
5. Payment will be made to the company via invoice payment and not to contractor employees directly.
6. Payment is for reimbursement and no form of advance payment or contract financing will be approved.
7. You will have to provide with your request, signed certification by authorized company officer e.g. CFO and employee that neither the company nor the employee has been otherwise compensated for any amount or portion thereof being requested.

Please send your REA for March by email to [CPO\\_COVID19tracking@hud.gov](mailto:CPO_COVID19tracking@hud.gov) as soon as possible. REA for April and subsequent months should be submitted by email to [CPO\\_COVID19tracking@hud.gov](mailto:CPO_COVID19tracking@hud.gov) on or after the first business day of the following month.



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Ronald C. Flom  
Chief Procurement Officer