



Briefing

Coronavirus Aid, Relief and Economic Security (CARES) Act

What It Means to Your Business

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CARES Act: What It Means to Your Business

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Overview

CARES Act: What It Means to Your Business

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Government agencies will look to specific vehicles and Government-wide Acquisition Contracts (GWACs) to find and locate contractors quicker and easier. Contractors should become familiar with vehicles that are connected to the COVID-19 pandemic.

Actionable Insights

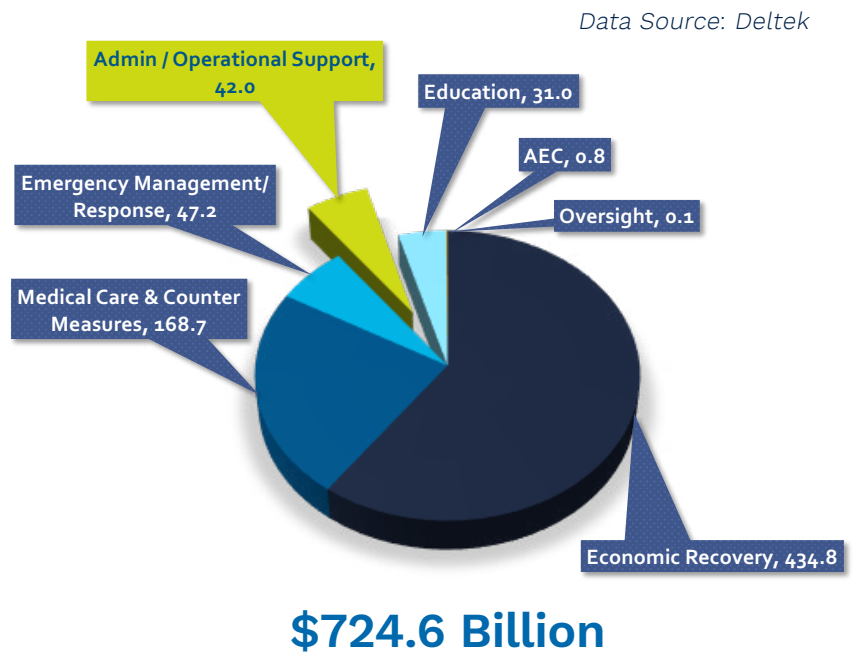
The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, which was signed into law on March 28, 2020, contains provisions to traditional procurement methods so government agencies can gain quick access to goods and services from contractors. DLT's Office of the Chief Technology Officer (OCTO) has gathered information from Deltek, Bloomberg Government, eRepublic, and government agency contacts, to help contractors better understand where funds have been allocated and recommendations for navigating the procurement process at this time.

- Quicker acquisitions will be recognized by contractors due to changes in procurement regulations and limitations and will be in effect until July 1, 2020 (unless otherwise modified):
 - *Micro purchase thresholds – \$20,000 (inside the U.S.)*
 - *Micro purchase thresholds – \$30,000 (outside the U.S.)*
 - *Simplified acquisitions threshold – \$750,000 (inside the U.S.)*
 - *Simplified acquisitions threshold – \$1.5M (outside the U.S.)*
- Contracting officers are still required to perform their due diligence in market research. There are a few exceptions that allows COs to restrict or limit competition including:

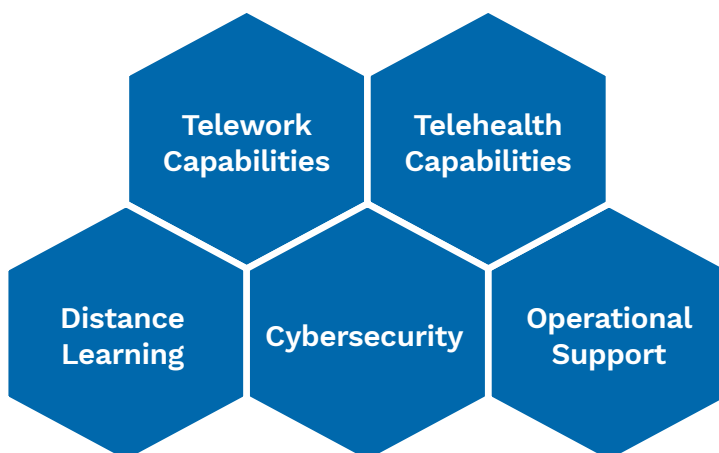
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- Making a “reasonable number” of phone calls to vendors (normally three calls) and getting quotes.
- FAR 6302-2 eases stringent regulations in “unusual times and compelling urgency” situations, so expect more sole-source awards.
- Government agencies will look to specific vehicles and GWACs to find and locate contractors quicker and easier. Contractors should become familiar with vehicles that are connected to the COVID-19 pandemic including:
 - GSA Disaster Relief & Emergency Preparedness Schedules.
 - Priorities & Allocation System (PAS).
 - Disaster Response Registry.
- According to the Federal Acquisitions Regulations Council, there is a new code (i.e., P20C) which is being used to track all COVID-19 related acquisition costs in the Federal Procurement Data System.



Current COVID-19 response funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act may require IT contractor support for:



Potential IT Requirements:

- Software
- Cybersecurity
- Collaboration Tools
- Telework Tools
- Network Services



Federal Insights

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Federal Insights

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CARES ACT: DOD MARKET INTELLIGENCE

The CARES Act removes the \$1.08B cap on advance billing for defense Working Capital Funds. Funding is earmarked to provide for medical supplies and physical protection equipment at installations and on ships with \$714M allocated to fund the deployment of the United States Naval Ship (USNS) Comfort and USNS Mercy, \$628M allocated for pharmaceuticals, physical protection equipment and bio-hazardous mitigation activities for first responders, with another \$300M allocated for the procurement of IT equipment and increased bandwidth to support maximum telework capabilities.

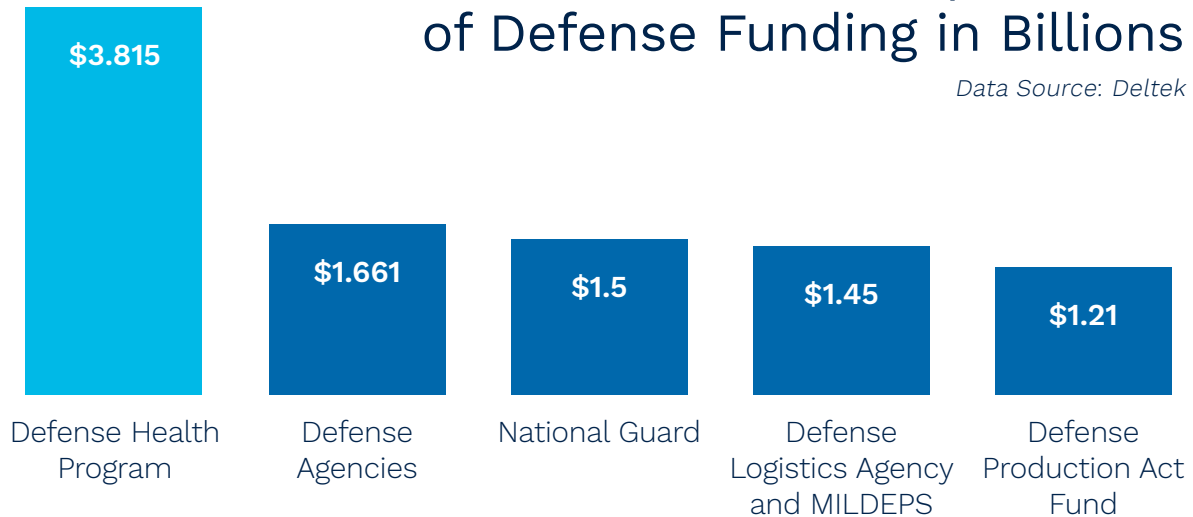
DOD reports its spending under the Defense Production Act (DPA). The Defense Production Act of 1950 established a special DPA Fund at the U.S. Treasury under Treasury Account Number 097-0360 that releases spending data to the public with a 90-day delay. To date the DOD has directed the implementation of maximum telework flexibilities, significantly increased remote work capabilities using Virtual Private Networks (VPNs) and Outlook Web Access. In addition, the DOD has established a Commercial Virtual Remote (CVR) environment that is limited to DOD-only personnel and provides access to Microsoft Teams and OneDrive for business as well as communication and collaboration utilizing the cloud-based platform within Microsoft Office 365. This environment is a temporary solution and all data will be destroyed at the conclusion of the COVID-19 emergency. All mission-critical data will be required to move to approved storage platforms.

The Under Secretary of Defense for Acquisition and Sustainment, Ms. Ellen Lord, established the coronavirus Joint Acquisition Task Force (JATF) to synchronize and support the acquisition execution of DOD's COVID-19 response to interagency (i.e., FEMA and HHS) for medical resources. The team serves as the single-entry point to the DOD acquisition enterprise for interagency requests for assistance.

The Defense Contracting Management Agency (DCMA) Director, Vice Admiral David Lewis, continues to work closely with Defense Finance and Accounting Services (DFAS) to ensure that invoices are being paid in a timely manner. DCMA has modified approximately 1,400 contracts that were already receiving progress payments to ensure cash flow to the Defense Industrial Base (DIB) to continue providing essential critical infrastructure, which supports the demanding DOD anytime anywhere mission and protects our national security.

CARES Act COVID-19 Department of Defense Funding in Billions

Data Source: Deltek



Key Takeaways

- The Defense Production Act of 1950 established a special DPA Fund at the U.S. Treasury under Treasury Account Number 097-0360.
- The DOD's DPA Fund currently contains \$1.22B in available funding.
- The DPA Fund balance is updated each quarter on USASpending following the usual 90-day delay in the release of DOD spending data.
- Specific contracts funded via the DOD's DPA Fund are listed on the USASpending website.
- DOD created the Commercial Virtual Remote (CVR) environment.
- Teams enables users to create shared workspaces for audio, video and chat. OneDrive enables limited file sharing and storage, integrated with Teams. CVR includes Microsoft Online (Word, PowerPoint, and Excel) for online file creation and editing, eliminating the need for users to create and/or edit files on non-government computers.
- CVR will be available from both DOD and commercial networks. Both government and personal devices may be used, including desktop and laptop computers, tablets, and mobile phones. Video and audio restrictions from government spaces apply.
- Per existing user agreements, data created, used, and shared within CVR are subject to monitoring and applicable policy and guidelines.
- The Under Secretary of Defense for Acquisition and Sustainment, Ellen Lord, established the coronavirus JATF to synchronize and support the acquisition execution of DOD's COVID-19 response.

Health and Human Services



Center for Disease Control and Prevention

\$4.3B

- Provides \$4.3B in resources for public health preparedness and response, which includes funding to state and local public health responders, as well as enhanced nationwide surveillance, diagnostics, laboratory support, communication campaigns to the public, guidance to physicians and health care workers, and global health preparedness.
- Potential need for surveillance support such as health information systems, data collection, scientific analysis, medical research, AI, and simulation. Also potential need for laboratory services, marketing and public relations services, administrative and operational support, and public health consulting services.



Office of Secretary

\$145M

- Includes an additional \$29M for the Telehealth Resource Centers Grants Program for each fiscal year (FY) 2021-2025.
- Potential need for telehealth medical equipment, as well as hardware, software and communications services.



Indian Health Services

\$1.0B

- Addresses critical response needs in Indian Country, along with the ability to transfer \$125M for facility needs. Funding provides for medical and equipment supplies; mobile triage units; surveillance; medicines; purchased and referred care; transportation; backfilling for public health service corps; and increased capacity for telehealth and other teleworking capacity.
- Potential need for medical supplies/equipment, personal protective equipment (PPE), pharmaceuticals, medical services, transportation, and IT/telework products and services.

Data Source: Deltek

Department of Veterans Affairs



Veterans Affairs – Medical Services

\$14.4B

- Supports increase in health care services at Veterans Affairs (VA) facilities and through telehealth, including the purchase of medical equipment and supplies, testing kits and personal protective equipment. Also provides additional funds for programs to assist homeless, and VA-run nursing homes and community living centers.
- Potential need for IT and network services for increased telehealth, as well as medical services, medical supplies/equipment, PPE and pharmaceuticals.



Veterans Affairs – Information Technology

\$2.2B

- Supports increased telework, telehealth and call center devices, as well as enhanced system bandwidth and support.
- Potential need for IT, call center support, hardware, software and network services.



Veterans Affairs – Emergency Management

\$6.0B

- Expands and maintains 24-hour operations of Crisis Response and Continuity of Operations Plan implementation at various sites. Expands cleaning and sanitation service in high traffic facilities.
- Potential need for IT, operations support and cleaning services.

Data Source: Deltek

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Bureau of Indian Affairs

\$453M

- Provides coronavirus containment support in detention facilities, delivers aid to tribal government, tribal welfare assistance and social services, supports IT including telework, and increases staffing and overtime.
- Potential for additional operational support to distribute aid and at detention centers, and enhanced IT and telework capabilities.



Bureau of Indian Education

\$69M

- Extends teacher and workforce salaries, funds associated transportation needs, supports additional IT and telework, and provides aid for tribal colleges.
- Support in administrative or operational support to distribute aid, and additional IT and telework capabilities.



Office of the Secretary

\$158M

- Supports cleaning of buildings and public areas, law enforcement and emergency personnel deployed to critical areas and telework capabilities. Funds allocated to all bureaus as needed, except the Bureau of Indian Affairs (BIA) and Office of Insular Affairs (OIA).
- Potential for additional cleaning services, transportation services and, IT and telework capabilities.



Bureau of Reclamation

\$12.5M

- Provides additional funds for the Water and Related Resources Account to support telework, clean and disinfect facilities, and medical services related to the coronavirus.
- May require IT and telework support, cleaning services and health and medical personnel services.



Bureau of Reclamation (Addt'l)

\$8.1M

- Provides additional funds for the Policy and Administration Account to support telework, clean and disinfect facilities, and medical services related to the coronavirus.
- May require IT and telework support, cleaning services and health and medical personnel services.

Department of Justice



Federal Bureau of Investigation

\$20M

- Facilitates the return of law enforcement stationed aboard, provides personal protective equipment, cleans work environments, and enhances telework capabilities.
- Potential need for transportation services, PPE, medical support, cleaning services and bolstered IT and telework capabilities.



Drug Enforcement Administration

\$15M

- Facilitates the return of law enforcement stationed aboard, provides personal protective equipment, cleans work environments, and enhances telework capabilities.
- Potential need for transportation services, PPE, medical support, cleaning services and bolstered IT and telework capabilities.



Federal Bureau of Prisons

\$100M

- Supports correctional officer overtime, delivers additional inmate medical care, provides personal protective equipment, cleans work environments and enhances telework capabilities.
- May require additional medical services, protection equipment, cleaning services and improved IT and telework capabilities.

Data Source: Deltek

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Department of Justice (Cont'd)



Justice Information Sharing Technology

\$2M

- Provides funds to DOJ's enterprise-wide IT shop to enhance telework capabilities for the agency.
- Assistance to bolster and modernize IT systems and boost telework capabilities.



U.S. Marshals Service

\$100M

- Facilitates the return of law enforcement stationed aboard, provides personal protective equipment, cleans work environments, and enhances telework capabilities.
- Potential need for transportation services, PPE, medical support, cleaning services and bolstered IT and telework capabilities.



U.S. Attorneys Office

\$2M

- Provides for enhancements in telework capabilities for agency employees in response to the coronavirus.
- Additional IT and telework services to bolster capabilities.

Data Source: Deltek

Department of Homeland Security



Federal Emergency Management Agency

\$45B

- Provides for FEMA's response and recovery activities, for related FEMA facilities and information technology, and for Disaster Relief Fund reimbursements to states and localities. (\$45B)
- May require operational support, O&M materials and services, and IT goods and services.



Federal Emergency Management Agency (Addt'l.)

\$45M

- Funds Operations and Support to prevent, prepare for and response to COVID-19, including enhancements for IT and facilities support (\$45M)
- Potential need for operational and/or facilities support as well as IT goods and services.



Coast Guard

\$141M

- Allocates funds for Coast Guard Reserve deployments to support medical response and port security requirements and necessary information technology enhancements required to aid response efforts.
- Potential demand for operational support and IT support services.



Cybersecurity and Infrastructure Security Agency

\$9.1M

- Supports improved interagency coordination for the protection of critical infrastructure nation-wide.
- Potential need for IT, cybersecurity and operational support services.

Data Source: Deltek

Other Agencies



Department of Education

\$13.5B

- Provides \$13.5B in formula funding for elementary and secondary education directly to states, to help schools respond to COVID-19 and related school closures, meet the immediate needs of students and teachers, improve the use of education technology, support distance education and make up for lost learning time.
- Potential need for IT hardware, software, services and communications related to virtual education, as well as online learning environments and content/curriculum.



U.S. Department of Agriculture/Rural Development

\$145.5M

- Funds to support up to \$1.0B in lending authority for rural businesses, including for the Business and Industry loan guarantee program (\$20.5M).
- Allocates funds for the Reconnect Pilot, with potential for the construction, improvement, or acquisition of facilities and equipment needed to provide broadband service in rural areas (\$100M).
- Funds the Distance Learning, Telemedicine, and Broadband Program to provide telecommunications equipment and connectivity for rural professionals.
- Potential need for IT telecommunications services, audio/video equipment and software.



Environmental Protection Agency

\$7.2M

- Supports research efforts regarding COVID-19, staffing and associated costs for expedited registrations, clean and disinfect facilities and enhance telework capabilities.
- Potential need for medical research assistance, bolstered administrative and operational support to accelerate registration functions, cleaning services, and expanded IT and telework support.

Data Source: Deltek

Other Agencies (Cont'd)



Department of Energy

\$99.5M

- Provides aid to national laboratory facilities, including enabling technology and personnel for research and development related to COVID-19 (\$99.5M).
- Support in vaccine and other related medical research, data analysis assistance, IT enhancements and medical supplies and equipment.



Department of Energy (Addt'l)

\$28M

- Supports telework and operations of employees related to COVID-19 prevention, preparation and response (\$28M).
- May require IT and telework support, as well as additional operational support in response to the COVID-19.



United States Army Corps of Engineers

\$20M

- Provides \$20M in funding to expand remote access, teleworking and leave requirements related to COVID-19 response.
- IT hardware and related telework software. Potential telework related services, including installation and help desk.

Data Source: Deltek

Other Agencies (Cont'd)



Internal Revenue Service

\$294M

- Provides funds for taxpayer services. (\$294M)
- Potential need for IT, web services, and administrative, management and operational support.



Nuclear Regulatory Commission

\$3.3M

- Supports telework, operational and security activities related to COVID-19.
- May require additional IT support for enhanced telework capabilities, as well as operational support related to the COVID-19.



Smithsonian

\$8M

- Funds telework capabilities, facility cleaning, medical staff and zoo keepers.
- Potential need for additional IT products and services for teleworking, as well as cleaning services.

Data Source: Deltek



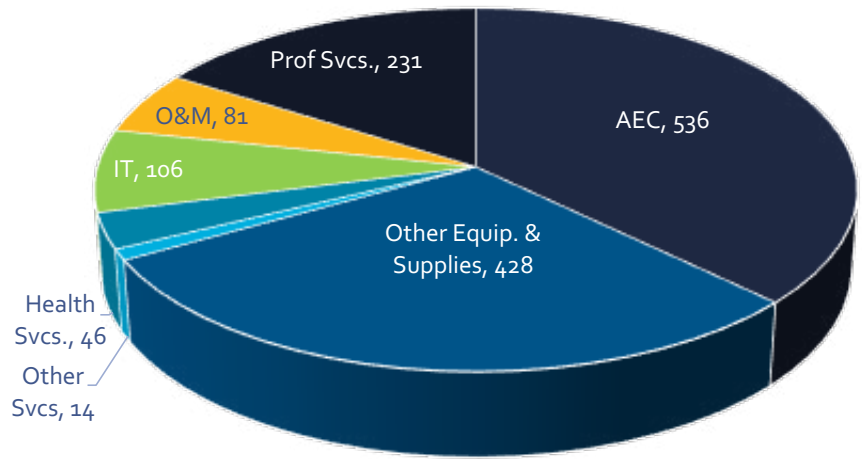
SLED Insights

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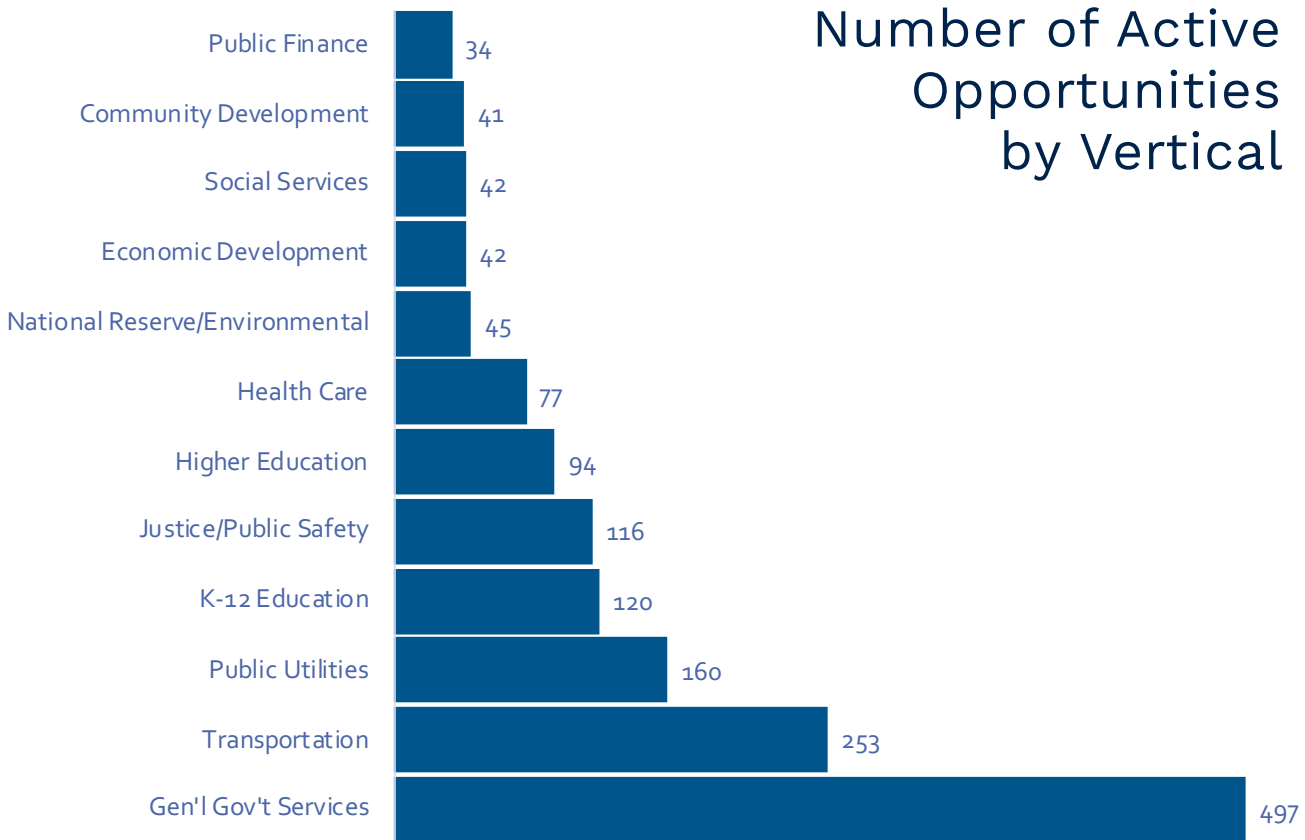
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Top Requirements



Data Source: Deltek

Number of Active Opportunities by Vertical



Data Source: Deltek



Contractor Takeaways

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Contractor Recommendations

- Confirm if your acquisition contacts are operating under the emergency procurement regulations relevant to the technology products and/or services you are providing.
 - *Keep your legal team in the loop early, and often, to avoid any contractual issues.*
 - *Pay attention to provisions in the contract related to flexible payment terms.*
- Review your local, state, and federal contracts to see if there are any pandemic-related items (i.e., telework, collaboration tools, software, networking tools).
- With the number of active solicitations that have been delayed/postponed, reassess your pipelines on a weekly basis.
 - *Is the requirement funding being transitioned to a pandemic response effort now or in the future?*
 - *Expect requirements deemed “non-essential” to COVID-19 response to be delayed/postponed.*
 - *For requirements still awaiting an award:*
 - *Determine if your resources and financial investment are viable in order to execute on COVID-19 related contracts. Especially for contracts that are Rated DX or DO.*
 - *Make sure all employees are aware of any priority rated orders and are trained to the process to execute.*
 - *Are your supply chain logistics in place or has it been disrupted?*
- The FAR regulations have been eased under the FAR 6302-2 provision which allows less regulated means to transact and authorize awards due to “Unusual and Compelling Urgency” situations, so you can expect an increase in sole-source awards.

To learn more about what the CARES Act means to your business, please contact:



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