



AMERICAN COUNCIL OF ENGINEERING COMPANIES  
*of North Carolina*

## **Department of Defense Issues Clarification of Sec. 3610 of CARES Act: Federal Contractor Authority**

The Department of Defense continues to implement Sec. 3610 of the CARES Act. The provision states that: funds may be used to modify the terms and conditions of a contract, or other agreement, without consideration, to reimburse at the minimum applicable contract billing rates not to exceed an average of 40 hours per week any paid leave, including sick leave, a contractor provides to keep its employees or subcontractors in a ready state, including to protect the life and safety of government and contractor personnel. This will likely impact firms doing work at federal agencies on government property or supporting work being done on private property for which the federal government depends on. Updated information can be found below and in the attachments. We continue working with our colleagues to encourage consistent implementation throughout the government.

As noted in this useful [link](#), other agencies are rolling out their own guidance with a number of variations. We are working with our colleagues to consider requesting that OMB adopt similar guidance that DoD has offered to encourage as much uniformity and certainty as possible. As always if this is impacting your firm directly, please feel free to share with us how we can be helpful or if you are supportive of an endorsement of the DoD implementation.