



**Headquarters**  
Washington, DC 20546-0001

1 April 2020

MEMORANDUM FOR NASA ACQUISITION COMMUNITY

SUBJECT: NASA Vendor Payments in Relation to COVID-19

Pursuant to the President's Executive Memorandum M-20-16, Federal Agency Operational Alignment to Slow the Spread of Coronavirus COVID-19, dated March 17, 2020, NASA adopted an operating posture outlined in the NASA Response Framework. At this time, all Centers are in a Stage 3 or 4 status in said framework.

During these challenging times, NASA desires to maintain continuity of operations and will take advantage of all appropriate contractual flexibilities to achieve this objective. Accordingly, NASA will avail itself to the maximum flexibility of the following Federal Acquisition Regulation (FAR) clauses: 52.212-4(a) (Inspection and Acceptance) Contract Terms and Conditions—Commercial Items, 52.246-2 *Inspection of Supplies – Fixed Price*; 52.246-4 *Inspection of Services – Fixed Price*; 52.246-7 *Inspection of Research and Development – Fixed Price*; and 52-246-8 *Inspection of Research and Development – Cost Reimbursement*. The guidance contained in this letter is specifically applicable to Purchase Orders issued using simplified acquisition procedures and Small Business Innovation Research (SBIR) / Small Business Technology Transfer (STTR) contracts, and other contracts that contain the above applicable clauses.

Currently, in instances in which, in the sound business judgment of the responsible Contracting Officer (CO), it is not practicable for NASA employees to inspect contractor-provided supplies or services, NASA is authorizing and issuing payment to its contractors for supplies or services provided to NASA in advance of NASA's inspection and acceptance. Payment for such deliverables is not a waiver of any of NASA's other rights under the aforementioned clauses, specifically related to non-conforming or defective items.

Effective immediately, and consistent with the agency's objectives and the foregoing guidance, and as permitted by the aforementioned clauses, NASA CO's, or other NASA personnel with the CO's concurrence, may, in circumstances in which normal inspection processes are not practicable, (i) approve invoices upon proof of delivery to a NASA Center central receiving point (e.g., submission of a DD250) *in advance of technical acceptance*, (ii) issue payment, and (iii) once the Agency is back to normal operations, execute the formal receipt and inspection process. Prior to approving any such invoice, the responsible CO shall document his or her determination that inspection is not currently practicable. Further, regarding any such payment so made, the CO shall communicate to the contractor, in writing, that the payment is made

subject to and without waiving any of NASA's rights under the aforementioned clauses. In so doing, the CO shall also specifically reserve the Government's right to inspect and accept or reject the subject deliverable(s) and seek any of the remedies specified in the aforementioned clauses.

Payment to NASA's contractors will not relieve the contractors from responsibility nor will it impose liability on NASA for nonconforming supplies or services. Rather, in circumstances in which normal inspection processes are impractical, NASA is authorizing payment on delivery and then delaying NASA's inspection and acceptance or rejection until a time when it will be practicable to do so due to COVID-19.

This memo remains in effect until rescinded or modified by the Acting Chief Financial Officer / Chief Acquisition Officer.

*Melanie W. Saunders*

Melanie Saunders  
Chief Financial Officer (Acting)  
Chief Acquisition Officer (Acting)  
National Aeronautics and Space Administration (NASA)

Cc:

NSSC Executive Director / Ms. Anita Harrell  
AFRC Chief Financial Officer / Ms. Eileen Detka  
ARC Chief Financial Officer / Mr. Kenneth Ledbetter  
GRC Chief Financial Officer / Ms. Vicki Hagerman  
GSFC Chief Financial Officer / Ms. Sherri Corbo  
JSC Chief Financial Officer / Mr. Sidney Schmidt  
KSC Chief Financial Officer / Ms. Susan Kroskey  
LaRC Chief Financial Officer / Ms. Kathy Ferrare  
MSFC Chief Financial Officer / Ms. Rhega Gordon  
SSC Chief Financial Officer / Ms. Deborah Norton  
Procurement Director, ARC / Ms. Kelly Kaplan  
Procurement Chief, AFRC / Mr. Jim Eastman  
Procurement Director, GSFC / Mr. Michael McGrath  
Procurement Director, GRC / Mr. Kurt Straub  
Procurement Director, JSC / Mr. Jose Garcia (Acting)  
Procurement Director, KSC / Ms. Laura Rochester (Acting)  
Procurement Director, LaRC / Ms. Susan McClain  
Procurement Director, MSFC / Mr. Jason Detko  
Procurement Chief, NMO / Mr. Dave Crouch  
Procurement Chief, NSSC / Mr. Michael Vicory  
Procurement Chief, SSC / Mr. Gerald Norris