

REQUESTS FOR EQUITABLE ADJUSTMENT COMPARED WITH CLAIMS

By Richard D. Lieberman, Consultant

The author recently gave a webinar and published a paper on the differences between Requests for Equitable Adjustments (“REA”) and Claims. The paper was published in National Contract Management’s *Contract Management* December 2018 issue. This is a summary of the key points.

Key Differences	REA	Claim
To Whom Submitted?	May be submitted to contracting officer, COR, or contract specialist, but only the contracting officer may approve a change to the contract (so submission to the contracting officer is recommended).	Must be submitted to the contracting officer.
In Writing?	May be in any form, including oral, but written makes the most sense. May be less formal than a claim (e.g., a few spreadsheets with notes).	Must be in writing.
Statute of Limitations	None—but not after the contract is closed.	Six years from the date of accrual of claim.
Required Format	None—but should follow the contract and include supporting data.	None—but should follow the contract and include all required elements, plus the supporting data.
Sum Certain	Must state a sum certain or specific clause you seek relief from.	Must state a sum certain or specific clause you seek relief from.
In Dispute; Nonroutine	This issue is technically not in dispute at the REA stage; it is based on attempting to negotiate an equitable adjustment.	Must state that the item is not a routine request for payment, and that the matter is nonroutine and in dispute.
Must You Request a Contracting Officer Decision in Your Document?	Not required.	Yes.
Must You State that You Are Entitled to the Claim “As a Matter of Right” and Demand Payment or Adjustment?	Not required.	Yes.
Certification	Not generally required, but the Department of Defense requires it for claims over the Simplified Acquisition Threshold. Other agency contracts may include a clause so requiring.	Required for all claims over \$100,000.
Deemed Denied	Never “deemed denied,” unless the contractor sets a deemed denial date in its REA.	“Deemed denied” by law after 60 days if under \$100,00, or if the contracting officer fails to notify the contractor on a claim over \$100,000 of a date certain for decision.
Finality of Decision	Not final—the contractor may submit a claim.	Final unless appealed by the contractor.
Alternative Dispute Resolution (ADR)	Available.	Available.
Appeals	Disappointed contractor may file a formal claim.	The contractor or the government (i.e., on a government claim) may appeal to a Board of Contract Appeals or the Court of Federal Claims.
Interest on REA/Claim?	None.	From the date the claim is submitted until payment.

For other helpful suggestions on government contracting, visit: Richard D. Lieberman’s FAR Consulting at <https://www.richarddlieberman.com/>, and Mistakes in Government Contracting at <https://richarddlieberman.wixsite.com/mistakes>.