**Section 661.202 Stop-Work Order**

a) The Agency may, for any violation of this Part or for any violation of a special condition set forth in the grant, by written order to the grantee, require the grantee to stop all or any part of the project work for a period of not more than 30 days after the date of the order, and for any further period to which the parties may agree. Any such order shall be specifically identified as a stop-work order issued pursuant to this clause. Any such order shall include a list of the project activities to which the stop-work order shall apply. Upon receipt of such an order, the grantee shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of not more than 30 days of the date of the stop-work order, or within any extension of that period to which the parties shall have agreed, the Agency shall either:

1) Cancel the stop-work order upon the resolution of the violations leading to the stop-work order; or

2) Terminate the work covered by such order as provided in Section 661.203 if the violations are not resolved.

b) If a stop-work order issued under this condition is canceled or the period of the order or any extension thereof expires, the grantee shall resume work. An adjustment shall be made in the grant period or the project period, and the grant instrument shall be amended accordingly, if:

1) The stop-work order results either in an increase in the time required for, or in the grantee's cost properly allocable to, the performance of any part of the project; and

2) The grantee asserts a written claim for such adjustment within 30 days after the end of the period of work stoppage. The written claim shall set forth the factual basis for the Grantee's claim that the stop-work order results either in an increase in the time required for, or in the Grantee's cost properly allocable to, the performance of any part of the project. Such claim must be submitted prior to final payment under the grant.

c) Costs which are incurred by the grantee after the receipt of a stop-work order, or within any extension of the stop-work order period to which the Agency and the grantee shall have agreed, shall be allowable only if so defined by Section 661.701 and only to the extent that funds under the existing grant are available.