

## Appendix 2 – Covid 19 Urgent Procurement Guidance and Temporary Policy Exemptions

### Procurement Code and Governance

Rules in the [Procurement Code](#) including Procurement Governance remains operational. The Procurement Team, Category Boards, and Committees are able to handle all procurement and contract decisions.

### Urgent Requirements due to COVID 19

City Procurement maintains a range of Corporate Contracts for supplies, services and works. In the first instance, officers should continue to use corporate contracts where possible.

Only in cases where no corporate contract exists for your requirement or isn't suitable, the 'Extreme Urgency' competitive procurement exemption may be used for a direct award.

City Procurement have assigned a specific exemption code to help fast track this process. Please include 'BE85' in the notes to buyer field when submitting your requisition on Oracle. The following will apply upon receipt of the requisition:

- **For spend up to £50,000** - responsibility for these contracts is devolved to the departments. **Please make sure you are issuing an Order Form along with the purchase order so suppliers sign up to our terms – [Standard Terms and Conditions](#)**. The order form completes the contract and ensures that the relevant terms such as insurance, GDPR, and payment terms are in place.
- **Over £50,000 up to OJEU thresholds (£189K for services and goods)** - when these requisitions are raised approval will be routed to Nicholas Richmond-Smith, Assistant Director, Sourcing & Category Management.
- **Over OJEU threshold (£189K for goods and services)** - please contact the relevant Senior Category Manager - Corporate Services: Matthew Jones; Facilities Services and Open Spaces: James Carter and Property & Construction: Michael Harrington.

If you have further questions please contact [cityproc.policycompliance@cityoflondon.gov.uk](mailto:cityproc.policycompliance@cityoflondon.gov.uk)

### Contract Changes

The terms in supplier agreements remain in force. For temporary changes to the scope of services and KPIS, Contract Managers should review the current contract terms to identify what is allowed and the procedures for doing this. Any changes must be documented on a change control form regardless of how small and short-term that they are expected to be.

If after reviewing the contract, you still have specific queries about how to operate the changes then please contact City Procurement on [chb-suggestions@cityoflondon.gov.uk](mailto:chb-suggestions@cityoflondon.gov.uk).

Contract Managers of suppliers that support critical front-line services should contact City Procurement immediately for guidance on [cityproc.ccm@cityoflondon.gov.uk](mailto:cityproc.ccm@cityoflondon.gov.uk).

## **Force Majeure**

Force Majeure (FM) is a contractual clause which would alter/terminate a contract when extraordinary/unforeseeable events prevent the contract from being fulfilled. The COVID-19 outbreak being classified by the WHO as a “Pandemic” means that the disruption from this event can rightfully be classified as outside the control of parties to a contract, and can have the effect of rendering the agreement null and void as of the date when the contract became impossible to complete.

Generally, it will be left to the terms of each contract to determine what (if any) action to take post the event or frustration. The contract therefore will be the first place to go to consider what happens. Some contracts, for example ones with long lead-in periods, may well have payments for milestones. In such cases where the milestones have been achieved and the event of FM takes place after the relevant milestone, payment ought to be made unless there are compelling reasons to refrain from paying.

In other cases including those where there are no specific provisions dealing with stage payments or where the City itself has incurred actual tangible costs and/or losses, it will be very much up to the parties to determine the consequences of a FM event and seek appropriate legal advice from the Comptroller & City Solicitor’s office. The Corporation may choose to work with suppliers and, if appropriate, provide relief against their current contractual terms (for example relief on KPIs and service credits) to maintain business and service continuity rather than accept claims for other forms of contractual relief, such as force majeure.