

Orkney Islands Council

Supplier Relief Process COVID-19 Guidance Notes for Suppliers

1. Background

The Scottish Government's Scottish Procurement Policy Note SPPN 5/2020 issued on the 26 March relates to supplier relief available and sets out guidance for public bodies to ensure service continuity during the current coronavirus (COVID-19) outbreak. This guidance remains in place and will be reviewed prior in line with SG guidance to determine if access to this support remains available.

2. Eligibility Criteria

2.1 To be eligible for to the Council's Supplier Support you will need to be a current contractor to Orkney Islands Council providing either goods, services or works;

2.2 In line with Scottish Government guidance, the Council has to take account of each individual supplier/provider position when considering an application for supplier relief.

2.3 Where a supplier is unable to continue to fully deliver its contract due to the COVID-19 outbreak the Council should consider what form of supplier relief is appropriate:

- If the supplier is able to continue delivering the contract as normal, then the Council will continue to pay the supplier and aim to accelerate payment as quickly as possible.
- Where a supplier confirms commitment to deliver on their contract, albeit late or through a variation to contract, then the public body may agree to pay in full and should aim to accelerate payment as quickly as possible. This might be more appropriate for a goods contract.
- Where contractual delivery is expected but is not yet due, payment in advance of need may be deemed appropriate and an interim/advanced payment could be made for the next three months.
- If the supplier is unable to deliver part or all of their contract due to the COVID-19 outbreak and the supplier relief measure agreed means that the Council are in effect paying for an element of contingency/retention to protect future delivery, the payment will not include a contribution to profit or variable costs for the elements of the contract not delivered. This might be more appropriate for service or works related contracts.

3. Process

The process below details a simple application process and the information needed to complete their application form to enable suppliers / contractors to apply for Supplier Relief to ensure service continuity in the short term.

3.1. Suppliers start their claim for assistance by accessing information on the Council website and sending an email to supplier.relief@orkney.gov.uk.

3.2. The Procurement Team will monitor the supplier.relief@orkney.gov.uk email address and send out further information in response and alert the relevant service area.

3.3. Once contact is made, Suppliers / Contractors are asked to progress their claim by sending in a completed application form including the required financial information to the email address, providing as much information as possible.

3.4. Where usual invoicing arrangements have been agreed in advance to ensure vital continuity of services, reconciliation of payments will be made following receipt of the completed Supplier Relief application form and backing information as requested by the Council.

3.5. The following information is needed on an Open Book Data basis* for the application process;

- What would normally be delivered under usual circumstances (pre COVID-19)– volume and value.
- What has changed since COVID-19 – volume and value.
- How that has impacted on the Council and your organisation as the supplier (and supply chain if appropriate).
- Any other financial support received by supplier including claims made to other Councils and government schemes
- Changes to staffing numbers and employment status.

* Definition of Open Book Data provided at Annex A to this guidance

3.5. Where a supplier has a number of contracts with the Council the data collected should refer to the contract in question and not the overall supplier turnover, however any interdependency with other Council contracts should be highlighted.

3.6. Each claim will be allocated to appropriate Head of Services and Contract Manager,

3.7 If the claim received does not have all of the above the Contract Manager will be asked to obtain the missing data. Following receipt of a complete claim a decision made within 10 days.

3.8. Once all information is available an assessment and a decision will be made within 10 days to determine the options:

- Modifying terms of contracts to offer suppliers relief.
- Agreeing advance / interim payment proposals.
- Reject the claim.

4. Final Steps

4.1. Following approval, Officers will carry out the final actions as follows:

- Issue contract variation letter where this has not already been done.
- Set review date to ensure the supplier reverts back to original contract delivery.

4.2. If the claim is rejected, a letter with reasons for the rejection will be issued by the service area Head of Service / Contract Manager.

The guidance notes were prepared and are correct up to 26 August 2020.

Annex A

DEFINITION

“Open Book Data”

means the complete and accurate financial and non-financial information which is required by the Council to enable the Council to understand all COVID-19 related relief, grants, interventions or other measures received by the Contractor from the Government and to verify the rates paid or the rates which would have been paid during the Covid Relief Period, including:

- a. the Contractor’s Contract Price broken down against each route or group of routes including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software.
- b. operating expenditure relating to the provision of the **Services** including an analysis showing:
 - a. the unit costs and quantity of consumables and bought in services
 - b. staff costs broken down into the number and grade/role of all **Contractor personnel** together with a list of agreed rates against each manpower grade
 - c. **reimbursable expenses**
- c. **overheads**
- d. all interest, expenses and any other third party financing costs incurred in relation to the provision of the **Services**
- e. full details of the payment of employee wages full details of the payment of **sub-contractors**.