

Information for contracted suppliers

Dear Supplier

Firstly, the Council and its subsidiary companies are most appreciative of the ongoing commitment and support from our contracted suppliers to maintain services and supplies to the Council during the Covid-19 outbreak.

We fully appreciate that this is a very challenging time and that we will all need to work together in the coming weeks.

We also appreciate that some suppliers may struggle to fully meet their full contractual obligations, and that we may need to alter our requirements, temporarily suspend some services, or change ways of working to do what is necessary for our community.

During this period the Council would like to work together with our contracted suppliers to provide support where it is possible in order that we can resume normal contract service delivery as soon as possible once the Covid-19 outbreak is over.

Supplier Relief

The Council has been working with Government and are able to offer some supplier relief (support) on a case by case basis according to the nature of the services, goods or works being provided, the challenges being faced, the contracted terms and the constraints of any statutory requirements.

Every contract will have its own unique characteristics and therefore the relief available will vary case by case, but some examples could be as follows:

- Accelerated invoice payment
- Increased frequency of invoicing
- Payment in advance or on order (not receipt)
- Redeployment of any currently unrequired services capacity to other areas of need
- Change to contract requirements including an extension to current agreed end date
- Change to delivery locations, frequency and timing of delivery
- Changes to targets and performance indicators
- Extension of time for contract performance
- Revised milestones or delivery dates
- Payment at usual contractual rates for certain critical services with analysis and reconciliation at a later date

There may be other forms of relief that may be helpful in the short-term so please feel free to suggest those if it ensures we can maintain business continuity.

The Council will continue its current early payment measures which will ensure that all validated invoices will be paid immediately rather than the usual contractual 30 days terms.

Supplier relief is currently available up to the end of June 2020, and this may be extended further at a later date if we are advised by Government.

Requesting Relief

If you need some flexibility or support up to the end of June 2020 and would like to request some contractual relief, you should make contact with your normal Council contract manager or day to day contact to discuss the options that might be available.

Please could you then follow up with a formal relief request by email to your contact, with your request and your rationale and justification in order that the Council can quickly determine the best solution in the best interests of both parties and our community.

If you are unsure of the email address of the contract manager or your day to day contact, or you unable to make contact, you can also send your relief request to the following email address: procurement@sunderland.gov.uk and the request will be shared with the correct person and you will be advised of the correct email address for future communication.

Supplier Obligations during the Relief period

The Council needs all suppliers to ensure that business continuity is maintained wherever possible, and that you enact your business continuity plans to do your utmost to support the Council's requirements.

In some cases, the Council may need to make quick decisions with imperfect information, and any supplier relief offered is conditional on suppliers agreeing to act and work on a total open book basis with appropriate cost transparency in order that the Council can continue to meet its value for money obligations.

Other conditions for any supplier relief are as follows:

- Suppliers must commit to ensuring that any required cost data is made available to the Council where requested or agree to provide it at a later date for audit and reconciliation.
- Where relief is offered suppliers must agree to continue to pay their own employees and subcontractors to ensure business continuity.
- Suppliers should retain records during the relief period in order to support future reconciliation.
- Suppliers should strictly adhere to the agreed invoicing protocols in order that the Council can pay you quickly.
- Suppliers should identify in their invoices which elements relate to normal business as usual matters, and which elements are related to the impact of Covid-19 where relief has been agreed.
- If it is found that any supplier is found to be taking undue fair advantage or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made.

Finally, we feel sure that everybody will work together to deliver the best outcomes for our community and that any agreed relief up to the end of June 2020 is offered on this basis.

Your best efforts to support the Council, Trading companies and our community are genuinely appreciated.

Jon Ritchie
Executive Director of Corporate Services