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Food & Rural Affairs

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**Our ref:** 04/20  
**Date:** June 2020

Dear Defra group Supplier,

**COVID-19 Commercial Guidance: Responding to and supporting our Supplier Base:**

**Recovery and Transition from COVID-19**

I hope that you and your staff are safe and well. As you may have seen, the government response to the spread of COVID-19 and easing our lockdown restrictions continues to be implemented. Thank you again for the role you are playing in this and in ensuring that public services and critical sectors continue to function despite the disruption. This truly is a team effort between the public and private sectors. The Prime Minister and the Chancellor continue to be keen to stabilise and support the economy during this difficult period as we move to recover and transition back to business as usual in a post COVID-19 lockdown world.

Defra group is working to ensure this is the case with its supply base and we are able to provide you with additional guidance and information on the steps and activities we are taking to work collaboratively and pragmatically with you as we work together to transition to business as usual. This includes setting out the key provisions and steps to consider at this time and are based on the implementation of Procurement Policy Note (PPN) 04/20 Recovery and Transition from COVID-19.

This PPN will supersede PPN 02/20 – Supplier relief due to COVID-19 from the 1<sup>st</sup> July 2020.

**Procurement Policy Note (PPN) 04/20 Recovery and Transition from COVID-19**

The PPN is effective from the 1<sup>st</sup> July until the 31<sup>st</sup> October 2020, the key points to note from the PPN are:

1. Continue to pay suppliers as quickly as possible on receipt of invoices or in accordance with pre-agreed milestone dates
2. Provide contractual relief to suppliers who are impacted by COVID-19
3. Work in partnership with suppliers to openly and pragmatically transition from relief to BAU in a way that is sustainable for both parties and delivers value for money.

**Payment of Suppliers:**

We continue to ensure that we process and manage payments to our suppliers as quickly as possible to support you in maintaining cash flow and protect business and jobs. If you are able to continue to operate and deliver as normal, then your payments for delivery will be paid as normal. As you are aware, where possible our staff are working from home and will therefore not, in all likelihood, receive an invoice if it is posted to them. Therefore, we would recommend that if

possible, you send your invoice electronically. It is important that you continue to ensure that your invoices are submitted correctly and include the **correct Purchase Order Number**.

Details on the correct format for submitting invoices and the email addresses to send them to can be found at Annex 1 to this letter.

Following this guidance will ensure that the invoices can be processed as quickly as possible without issues and subsequently paid as quickly as possible.

### **Provide Contractual Relief due to COVID-19:**

If you are concerned with your ability to continue to operate and function as originally planned in regards to your contractual commitments or you feel you are “at risk” with regards to the impact of COVID-19 then please do take all necessary actions that you can to mitigate the cost and impact.

Should these actions not mitigate the impact then there are supplier relief options available to support you.

In these circumstances, we would ask that you complete the attached form ‘**Request for Supplier Relief**’ (See Annex 2) and email it to [network.Procurement@defra.gov.uk](mailto:network.Procurement@defra.gov.uk) or make contact with your relevant Defra group point of contact who can assist you with seeking supplier relief and the complete of the form held below.

It is vitally important that you complete this form as fully as possible, stating the reasons under which you are claiming supplier relief and why your ability to meet your contractual obligations have been adversely affected as a result of COVID-19 “**Covid Related Hardship**”.

The information provided on the form will be ‘triaged’ and where appropriate justification is provided, Defra group will implement some or all of the following (agreed) steps to support you during this time of ‘hardship’.

- 1) Review **contractual obligations** and determine whether relief can be provided:
  - against performance indicators;
  - and/or changes to delivery dates;
  - and/or delays to service credits; or
  - waiver or delay by the Authority of its remedies and rights under the Contract in whole or in part.
- 2) Agree to discuss and prepare an **Interim Payment Proposal** which shall include details of:
  - the proposed amounts payable;
  - the timescales for payment; and
  - Other information reasonably required.

Should the Interim Payment Proposal relief be applied then as the supplier you will need to agree to provide ‘**Open Book Interim Data**’<sup>1</sup>

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<sup>1</sup> the complete and accurate financial and non-financial information which is required by the Authority to enable the Authority to understand all COVID-19 related relief, grants, interventions or other measures received by the Supplier from the Government and to verify the [Charges] paid or the [Charges] which would have been paid during the Covid Relief Period, including:

- a. the Supplier’s [Costs] broken down against each [Deliverable], 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 [Good] or [Services] including an analysis showing:
  - I. the unit costs and quantity of consumables and bought-in services;
  - II. staff costs broken down into the number and grade/role of all [Supplier Personnel] together with a list of agreed rates against each manpower grade; and
  - III. [Reimbursable Expenses];

All requests for supplier relief must be submitted on or before the 31<sup>st</sup> October 2020.

In return for the support we provide to you at this time we hope that this will enable you to retain staff, pay employees and ensure that funding flows down through your supply chains.

### **Transition from relief to Business As Usual:**

For those suppliers who have claimed supplier relief or who have been disrupted in their ability to deliver against contractual requirements during the COVID-19 lockdown then it is important to work closely with the relevant points of contact within the Defra group to put in place steps and activities to move back to business as usual as soon as possible, undertaking this activity will provide assurance and clarity in terms of the viability of the requirements to be delivered both for you as the supplier and for Defra group.

The transition process will need to be a collaborative process and will need to be reasonable in terms of steps and timescales. It will also require clarity and openness on impacts and factors affecting all parties to ensure that the right actions are taken to transition back as quickly and smoothly as possible.

For those that have or do claim supplier relief as a result of COVID-19, then some of the key questions that will be need to be considered as part of the transition will include the following:

- A planned exit date for when any supplier relief will end; this should be kept under review to reflect the changing situation.
- Where advanced payments have been made, agreement reached on when or if any outstanding goods or services are to be delivered.
- A review (checkpoint) undertaken for reconciling payments made against costs as set out in the model interim payment terms agreed as part of the relief.
- An assessment by both parties as to whether the contract is still operationally and commercially viable and, if not, proposals for variation or next steps/activities to take.
- Consideration given to the impact of implementing Public Health England guidance specifically in relation to delivering the requirements under the contract;

We hope you find the information reassuring and helpful in these difficult times and we look forward to continuing to work together during this time and as we move towards returning to business as usual.

Yours sincerely

*J. Leadbeater*

James Leadbeater  
Senior Commercial Manager, Commercial Centre of Excellence & Supplier Intelligence  
Defra group Commercial  
[Network.procurement@defra.gov.uk](mailto:Network.procurement@defra.gov.uk)

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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; and full details of the payment of [Sub-contractors].

## Annex 1 - Submission of Invoices:

We would recommend that if possible, you send your invoice electronically to relevant part of Defra group you are working with:

Business Area	Email Address
Defra	<a href="mailto:accounts-payable.def@gov.sscl.com">accounts-payable.def@gov.sscl.com</a>
Environment Agency	<a href="mailto:APInvoices_Env_u@gov.sscl.com">APInvoices_Env_u@gov.sscl.com</a>  (PLEASE NOTE THE SPACE IS AN UNDERSCORE)
Animal & Plant Health Agency	<a href="mailto:accounts-payable.aph@gov.sscl.com">accounts-payable.aph@gov.sscl.com</a>
Marine Management Organisation	<a href="mailto:accounts-payable.mmo@gov.sscl.com">accounts-payable.mmo@gov.sscl.com</a>
Natural England	<a href="mailto:accounts-payable.neg@gov.sscl.com">accounts-payable.neg@gov.sscl.com</a>

**Please ensure that the email you submit is as follows:**

**Invoices that are submitted and do not meet the following criteria will not be processed:**

- Email size must not exceed 4mb
- All files/invoices must be in PDF format attached directly to the email (No folders)
- One PDF per invoice – all supporting documentation must be included within the single PDF. Do not attach additional/separate supporting documentation as a separate file
- Multiple invoices can be attached to one email but each invoice must be in a separate PDF (with no additional supporting files as described above)
- If you are a supplier invoicing multiple operational units across DEFRA – please ensure you use the correct operational unit email address as communicated above. Invoices must be sent to one “Accounts-payable.XXX” email address only – do not copy in to multiple addresses
- "PASSWORD PROTECTED" Files cannot be processed.

If this is not possible, then please post to:

**Shared Services Connected Ltd**  
**PO Box 769**  
**Newport**  
**Gwent**  
**NP20 9BB**

## Annex 2 Request for Supplier Relief:

If your ability to continue to operate and function as originally planned in regards to your contractual commitments or you feel you are at risk in regards to the impact of COVID-19 then please complete this form and submit to [Network.procurement@defra.gov.uk](mailto:Network.procurement@defra.gov.uk) detailing within the email title that this is a:

### Request for Support under PPN 04/20 – Recovery and Transition from COVID-19

**Note:** Guidance is provided in red to support in completing this form. Please remove all details in red prior to submission. If you are needing to request relief for more than one contract, then please email [network.procurement@defra.gov.uk](mailto:network.procurement@defra.gov.uk) requesting a multi-contract supplier relief form.

The information gathered will not be shared any further but will be used to triage your request for supplier relief within Defra group Commercial.

Supplier Name	[Please enter your details here]
Supplier Point of Contact Name	[Please enter your details here]
Supplier Point of Contact Address Details:	[Please enter your details here]
Supplier Point of Contact Tel No:	[Please enter your details here]
Supplier Point of Contact Email:	[Please enter your details here]
Supplier DUNS Number	[Please enter your details here]
Contract Title	[Please enter your details here]
Contract Expiry Date	[Please enter your details here]
Purchase Order Number	[Please enter details here, if not known please state N/A]
Any Invoices on Hold (if so please provide copies of invoices)	[Please provide details and attach copies of Invoices to the return]
Part of Defra group you work with if more than one or other then use the free text box below	Choose an item.

	[Please enter details for multiple or other here]
Business Area Point of Contact (s) (Who do you speak to within in Defra group on a regular basis)	[Please provide their name]
Business Area Point of Contact Email Address	[Please enter their email address here]
Type of Requirement being delivered?	Choose an item.
	[If other state what]
Summary of COVID-19 impact and how it is affecting your ability to deliver the requirements detailed.	[Please detail what the impact is of COVID-19 on your ability to deliver requirements, response should be no more than 250 words]
What type of relief are you requesting? (e.g. performance relief, changes to delivery dates, interim payment proposals)	[Please detail what type of relief you are requesting e.g. changes to delivery dates and/or payment support, response should be no more than 250 words]
How do you normally invoice for requirements delivered?  (payment on completion/fixed monthly/annual payments/payments on delivery)	[Please detail your current payment profile e.g. fixed monthly, payment on delivery against milestones etc.]
Can you continue to deliver the goods or services specified in this contract during a coronavirus outbreak albeit at a revised process or specification (if required)? Please summarise how?	[Please summarise, response should be no more than 250 words]
How is the contract(s) impacted by staff shortages as a result of COVID-19?	[Please state yes or no impact, if yes summarise in no more than 250 words]
How is your ability to deliver impacted by movement restrictions including office and transport restrictions?	[Please state yes or no impact, if yes summarise in no more than 250 words]
Is the cost or source of supply chain goods/service for the contract(s) impacted by	[Please state yes or no impact, if yes summarise in no more than 250 words]

COVID-19 if so how?	
Has COVID-19 significantly increased or decreased the demand volume on the requirement being provided if so how?	[Please state yes or no, if yes summarise in no more than 250 words]
Please identify if any payment relief is being used to support furloughed staff	[Please provide details here]
Please identify if any payment relief is being used to pay any sub-contractors, if so, please provide details of the sub-contractor and relief required	[Please provide details here]

If you are needing to request supplier relief for more than one contract then please email [network.procurement@defra.gov.uk](mailto:network.procurement@defra.gov.uk) requesting a multi-contract Supplier Relief form