

## **Measures to ensure business continuity in the European Space industry and in the implementation of ESA Programmes during the COVID-19 crisis**

The COVID-19 crisis is impacting all ESA Member States. The fully justified measures taken by the Governments in response to this major threat have important repercussions on the operations of the space industry and of ESA.

To limit as much as feasible the impact of those measures on industry and on the implementation of ESA Programmes, a business continuity plan will be put in place. This plan is covering all phases of procurements for ESA Mandatory and Optional Programmes.

### I. Procurement approval process:

- Due to the circumstances the next IPC is cancelled. The next meeting will take place in June. To avoid business interruption and in agreement with the IPC Chair, it is proposed to put in place a transparent approval in writing procedure for the Procurement Proposals related to ITTs and RFQs to be issued before end-June 2020 and for the Contract Proposals ready for decision. No policy paper will be submitted to this procedure. This procedure, to be approved by the IPC, will allow a round of questions and answers before the voting process. Should the round of questions indicate that a document does not meet a large majority, it will be withdrawn from the procedure.
- For the activities below the IPC threshold the existing approval process is fully digital and will remain fully operational.

### II. Tendering process

- The ESA-STAR system, that is used to distribute ITTs and RFQs and to collect all offers received from industry, is by construction supporting a dematerialized handling of the offer submission, opening and dispatching to the Tender Evaluation Board participants. The ESAIT support services will remain operational and available.
- A waiver has been promulgated to the rules in place, allowing for Tender Evaluation Boards (TEB) to meet by tele/video conference therefore ensuring continuity in the evaluation of the offers received.
- Where possible from a programme implementation point of view, ESA will implement a relaxation to the closing dates of ITTs currently falling in March, April and May. This will be done on a case by case basis upon request of interested bidders.

### III. Time-to-contract

- To ensure that contracts will continue to be placed, an instruction has been promulgated requiring that negotiations and Kick-off meetings take place by tele/video conference.
- An instruction has also been issued authorizing electronic signature by ESA for all contracts, CCN, Work Orders and ATPs irrespective of their value.

#### IV. Time-to-Payment

- No specific difficulties are anticipated as the electronic handling of invoices is the baseline for almost all contract
- Approved invoices will be paid by ESA without delays in March, April and May. The situation will be assessed end-April.

#### V. Contract execution

- In order to support financially industry, and upon request by Industry, ESA will make partial payments against forthcoming milestones in line with the level of technical progress reached to date. Partial payment is initiated via a partial GRN/Invoice raised by industry and approved by ESA as per the usual procedure. A Contract Change Notice is not required. Evidence of technical progress will be provided by industry. Prime Contractors will be instructed to flow-down and implement the same throughout their entire consortium to ensure all industrial partners share the benefit. They shall ensure expeditious assessment of technical progress evidence from their subcontractors and ensure expeditious partial payment to their subcontractors.
- Alternatively, additional advances could be included in ongoing contracts. This would require a CCN to implement.
- Companies with ESA development contracts could be granted for the duration that they have been affected + 1 month (recovery time), waiver of penalties or extension of incentive Milestones for epidemic - related delays (to be cascaded through contract primes, if applicable). ESA will be particularly attentive to the impact of Coronavirus-related events in contracts with SMEs with regard to their delivery dates.
- SMEs would also benefit exceptionally until end-June of the right to up to 50% advance of contract value. If not fully used, this could be implemented via changes to contracts.
- Retroactive adjustments to contracts should not be implemented as this would be a source of administrative complexity and delay.