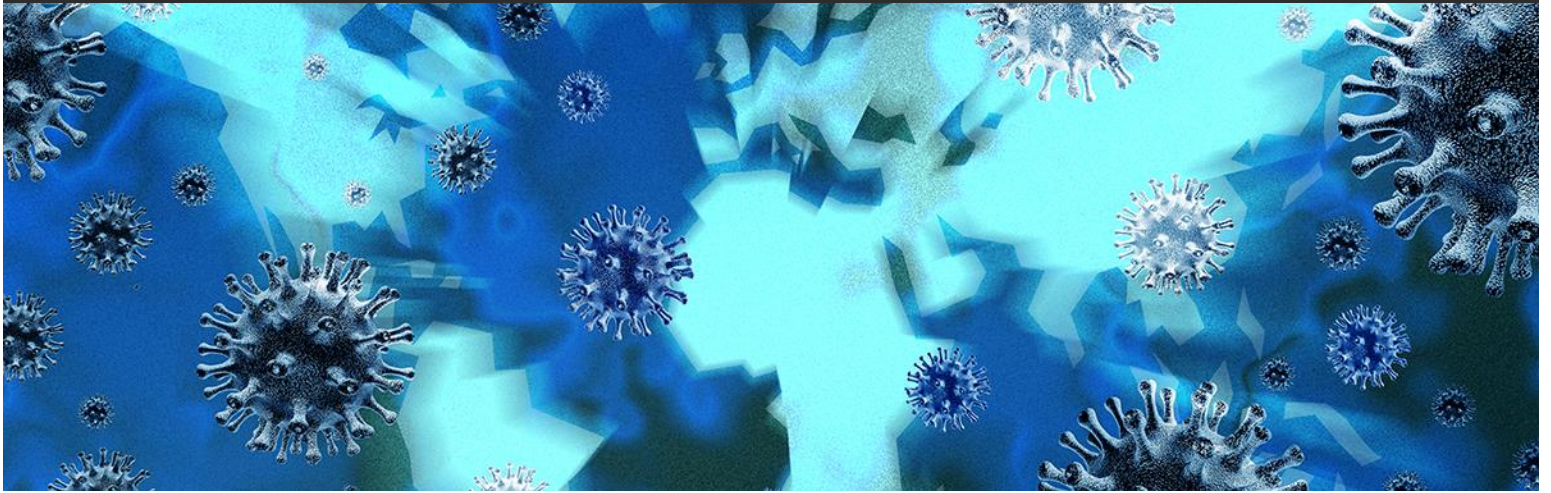


Alert | Health Emergency Preparedness Task Force: Coronavirus Disease 2019



March 2020

How New York Government Contracts AND Processes Are Affected During an Emergency

The coronavirus disease 2019 (COVID-19) is causing unprecedented disruptions to daily life. The federal government and several states and localities have declared official emergencies, empowering them to issue executive orders and wield extraordinary powers to address the health and economic consequences of the widening COVID-19 outbreak in the United States. Both the City and State of New York have declared such states of emergency.

While health and safety considerations are paramount, travel bans and other government actions will cause substantial losses, some of which can never be recouped.

Companies doing business with government may experience undue hardship during a crisis like this, for which relief may be attainable either by contract or by relief programs and policies. Others may have goods and services that would be helpful to the government for use during the crisis or recovery efforts. Such companies may find it helpful to seek advice and guidance from experienced professionals to help them navigate the crisis and the emergency procurement process. For example:

1. **Procurement/New Sales.** During health and safety emergencies, government may be able to procure essential goods and services that are necessary to avoid and/or mitigate serious threats and danger to life, safety, property or a necessary service without following standard procurement rules, processes and guidelines (i.e., competitive bidding, publication and notice provisions, etc.). The goods

and services your company provides may be able to be purchased by the government through such abbreviated procurement processes if the goods and services are deemed essential to the crisis.

2. **Existing Contract Requirements.** Your business may encounter difficulties meeting requirements in contracts you have with a government or a public authority for the provisions of goods and/or services, such as on-time deliveries, contractual milestones, etc., due to the effects of the public health emergency. It may be possible to reduce or obtain some relief from those requirements in the current health crisis situation.
3. **Revenue Contracts.** Your business may have a contract which requires it to pay revenue to a government or a public authority, such as concessions at airports (restaurants, clothing stores and other retail establishments) or other municipal concessions and franchises (restaurants, entertainment facilities, souvenir shops, etc.). It may be possible to reduce your financial obligations (rent or lease payments, minimum guarantees of percentage of sales and gross receipts payments, or extend agreements) due to unforeseen health and safety emergencies.

Contact

This GT Alert was prepared by Greenberg Traurig's **Government Law & Policy team**. The team advises and assists public and private companies, both for-profit and not-for-profit, on administrative law, government affairs, government contracts, government investigations, and government-related real estate matters, with focus on the client' strategic objectives, and the particular legal requirements of their local governments.

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