



**Department of General Services
Procurement Division**

707 Third Street, Second Floor, West Sacramento, CA 95605
(916) 375-4400 (800) 559-5529

Broadcast Date: June 24, 2021

Bulletin #: K-07-21

**TO: Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)**

RE: Delivery Delays and Pricing Impacts for Statewide Commodity Contracts

The Department of General Services, Procurement Division (DGS-PD) has been made aware that due to COVID 19 related market conditions, delivery timeframes and contract pricing may be impacted for several commodities. These market conditions include increased demand, raw material shortages, facility disruptions, and truck driver shortages; all of which are contributing factors for order backlogs and increased material costs.

Impacted statewide commodity contracts include, but are not limited to, personal computer goods (desktops, laptops, etc.), bulk fuel, and disposable food service supplies.

Statewide commodity contracts, whether IT or Non-IT, are subject to the General Provisions, Force Majeure clause which states, "Except for defaults of subcontractors at any tier, the contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the contractor". The Force Majeure clause would apply to delays due to COVID 19 related market conditions. It is unknown at this time how long these conditions will exist.

As a result, ordering agencies must adhere to the following:

- Price increases must be approved and announced by DGS-PD through a supplement to the statewide commodity contract User Instructions.
- Notify DGS-PD when informed by the contractor that delivery delays will occur.
- Review inventory and procurement schedules and make appropriate ordering adjustments to minimize the impact of delivery delays.
- Contractors may propose substitute product when significant delays occur. Product substitution are only allowed after the contractor has received approval from the DGS-PD Contract Administrator.
- If ordering delays occur and substitutions are not available, ordering agencies must submit an exemption request to purchase outside of the statewide commodity contract. The justification must address why the delivery delay is detrimental to the

business operations of the agency. Click here for access to the exemption form:
[Justification to Purchase Outside a Statewide Contract](#)

For required approvals, notifications to DGS-PD, questions, or concerns relating to instructions provided in this notification or questions about DGS-PD statewide commodity contracts, please contact the State Contract Administrator listed in the statewide commodity contract's User Instructions.