

Cancellation or postponement of government contracting processes

31.03.2020 1 min read

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Federal Law 8666/1993 (the Government Contracting Law) allows government contracting processes currently underway to be cancelled or postponed for reasons of public interest in view of the COVID-19 pandemic, without liability to the companies participating in the bid.

In these times of acute crisis, governments can be expected to focus their efforts (both in terms of money and in terms of personnel) on containing the pandemic, making it difficult to maintain their schedule of procurement processes for goods and services that are not essential to managing the crisis.

Many Brazilian municipalities, states, and branches of the federal government have already decided to suspend government contracting processes following the decree of public health emergency under Law 13.179 of 6 February 2020.

Their decision is supported by article 49 of the Government Contracting Law (Law 8666/1993), given the occurrence of a supervening event (the public health emergency) that justifies the public interest in suspending or cancelling government contracting processes.

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