

SER = SERVICE
 SUP = SUPPLY
 W = WORKS
 G = GRANTS

Where not specified the definition applies to all type of contracts.

ACP States	The Africa, Caribbean and Pacific States signatories of the ACP-EC Partnership Agreement.
Addendum	A document modifying the terms and conditions of a contract.
Action document (previously known as Action Fiche)	Document describing each action planned in the Annual Action Programme (AAP).
Administrative order	Any instruction or order issued in writing by the Supervisor (W) or Project Manager (SER,SUP) to the Contractor regarding the execution of the contract.
<u>Admissible</u>	<u>An application or tender which is suitable, not irregular or unacceptable.</u>
Ancillary services	All related services which the Contractor is required to implement in a supply contract in addition to deliver the goods procured. Where they are necessary they are specified in the contract and may include for example services such as unloading, installation, testing, commissioning, provision of expertise, supervision, maintenance, repair, training and other such obligations connected with the goods to be provided under the contract (SUP).
Annual Action Programme (AAP)	The Annual Action Programme constitutes the financing decision adopted at the formulation stage and required to finance a project/programme with EU/EDF resources. It consists of several Action documents – one for each action.
Appropriate media	Publication in the Official Journal of the European Union and on the EuropeAid website is obligatory for most contracts covered by this Guide. Publication in the press of <u>partner</u> countries and, if need be, specialised publications may be necessary or advisable.
Assessor	An independent individual expert with an in-depth knowledge of the issues covered by a grant programme who is engaged by a Contracting Authority to carry out a detailed written assessment of a grant application using the published evaluation grids. He/she cannot be a member of the Evaluation Committee but may attend its meetings as observer. (G)
Beneficiary of a grant	Any natural or legal person who receives a grant (G).

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Best value for money	See "most economically advantageous offer".
Bill of quantities	The document containing an itemized breakdown of the works to be carried out in a unit price contract, indicating a quantity for each item and the corresponding unit price. (W).
Budget breakdown	The schedule which breaks down the contract value according to the different items or services, stating out fee rate, unit prices and lump sums for each item provided (W, SER, SUP).
Call for proposals	A public invitation by the Contracting Authority, addressed to clearly identified categories of applicant, to propose operations within the framework of a specific EU programme.
Candidate	Any natural or legal person that has sought an invitation to take part in a restricted or negotiated procedure.
Clearance	The amount of expenditure incurred in accordance with the Contract which the Contracting Authority, after examination of the expenditure verification report or the supporting documents, accepts for deduction from the total sum of pre-financing under the Contract.
Commercial warranty	The warranty the manufacturer provides for a defined period that the supply will be free from structural defects due to substandard material or workmanship, under conditions of normal commercial use and service. The Commercial warranty should not be confused with - and might go beyond - the warranty period of the contract (SUP).
Commission	The European Commission
Competitive Dialogue	Procedure only used for particularly complex contracts. A contract notice sets out the needs and requirements and the Contracting Authority opens a dialogue with candidates satisfying the selection criteria announced in the contract notice.
Competitive negotiated procedure	Procedure without prior publication of a procurement notice, in which only candidates invited by the Contracting Authority may submit tenders.

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Conflict of interests	<p>Any event influencing the capacity of a candidate, tenderer, applicant or contractor or grant beneficiary to give an objective and impartial professional opinion, or preventing it, at any moment, from giving priority to the interests of the Contracting Authority. Any event that compromises the impartial and objective exercise of the functions or the Contracting Authority, or the respect to the principles of competition, non-discrimination or equality of treatment of candidates/tenderers/applicants with regards to the award procedure or contract. Any consideration relating to possible contracts in the future or conflict with other commitments, past or present, of a candidate, tenderer, applicant or contractor. These restrictions also apply to any sub-contractors and employees of the candidate, tenderer, applicant or contractor.</p> <p>There is also a conflict of interests where the impartial and objective exercise of the functions of a player in the implementation of the budget or an internal auditor is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the beneficiary.</p>
Consortium	A grouping of eligible natural and legal persons or public entities which submits a tender or an application, under a tender procedure or in response to a Call for Proposals. It may be a permanent, legally-established grouping or a grouping which has been constituted informally for a specific tender procedure or Call for Proposals. All members of a consortium (i.e., the leader and all other partners) are jointly and severally liable to the Contracting Authority.
Contract	An agreement, between two or more persons or entities, with specific terms and an undertaking to provide services, supplies and/or works in return for a financial consideration (SER, SUP, W).
Contract budget	<p>A summary of the costs of performing the contract. The total of these costs is the contract value or contract price.</p> <p>In the case of works the sum represents the initial estimate payable for the execution of the works or such other sum as ascertained by the final statement of account as due to the contractor under the contract.</p> <p>In the case of grants the budget shows the eligible costs for funding and the total costs. The income must also be detailed.</p>
Contract price	See "Contract budget".
Contract value	See "Contract budget".
Contracting Authority	Entity referred to in Article 190.2 of Regulation (EU, Euratom) No 966/2012, i.e., (i) in case of direct management: the European Commission on behalf of and for the account of the partner country/countries, (ii) in case of indirect management: the State or the entity concluding the contract as provided for (where appropriate) in the Financing Agreement.

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Contractor	Any natural or legal person or public entity or consortium of such persons and/or bodies selected at the end of the procedure for the award of the contract. The successful tenderer, once parties have signed the contract.
Contribution in kind	Provision of goods or services to the grant beneficiary free of charge by a third party. Contributions in kind do not therefore involve any expenditure for the grant beneficiary and are not entered in his accounts (G).
Corrigendum	Correction of a notice or guidelines already published in the Official Journal of the European Union and/or equivalent local publication and on the EuropeAid website.
Cost-plus contract	A contract where the contractor, when finished the agreed-upon work, receives compensation equal to their expenses plus a profit.
Day	Calendar day unless otherwise specified.
Dayworks	Varied work inputs subject to payment on an hourly basis for the Contractor's employees and plants (W).
Defects liability period	The period stated in the contract immediately following the date of provisional acceptance, during which the Contractor is required to complete the works and to remedy defects or faults as instructed by the Supervisor (W).
Direct award	The award of one or more grants without organising a call for proposals. A direct award is only appropriate under certain, special circumstances and must always be the subject of an evaluation report.
Drawings	Drawings provided by the Contracting Authority and/or the Supervisor, and/or drawings provided by the Contractor and approved by the Supervisor, for the carrying out of the works (W), for the provisions of the supplies (SUP), or for performance of the services (SER).
Dynamic purchasing system	An electronic procedure used for making commonly used purchases. It is limited in duration and open throughout its validity. For each individual contract a contract notice is published inviting all the contractors admitted to the system.
EC	The European Commission.
EDF	The European Development Fund.
EU	The European Union.
Economic operator	Covers contractors, suppliers and service providers.
Equipment	Machinery, apparatus, components and any other articles intended for use in the works (W).

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EuropeAid Web site	http://ec.europa.eu/europeaid/home_en
Evaluation committee	A committee made up of a non-voting Chairperson, a non-voting secretary and an odd number (at least three) of voting members (the evaluators) with the technical and administrative expertise capacities necessary to give an informed opinion on tenders or grant applications.
Execution period	<p>The period from contract signature until final payment for services, or until release of the performance guarantee after final acceptance for supplies and works.</p> <p>The period from contract signature until final payment and in no event later than 18 months after the end of the implementation period (SER, G).</p>
Expenditure verification	The expenditure verification refers both to the process and the report by which an auditor verifies according to agreed-upon procedures contained in the relevant Terms of Reference that the Financial Report submitted by the contractor/beneficiary can be reconciled to the latter's accounting and bookkeeping system and to the underlying accounts and records. The auditor also verifies that the contractor/beneficiary complies with the relevant provision of the contract signed with the Commission.
Expert	A natural person employed or otherwise legally contracted by an eligible contractor, or where applicable subcontractor, engaged to provide the expertise required for the proper performance of a contract.
Explanatory note	A summary at the beginning of a contract dossier or addendum dossier explaining to the reader the purpose and essential features of the proposed contract or addendum.
Fee-based contract	A contract under which the services are provided on the basis of fixed fee rates for each day worked by experts (SER).
Final beneficiaries of a grant	Those who will benefit from the project in the long term at the level of the society or sector at large (G).
Final acceptance certificate	Certificate(s) issued by the Supervisor (W) or Project Manager (SUP) to the Contractor at the end of the defects liability period (W) or warranty period (SUP) stating that the Contractor has completed its obligations. (W, SUP).
Financing Agreement	An agreement between the European Commission and the partner country which determines the objectives and scale of a future programme of assistance.
Financial offer	The part of a tender which contains all the financial elements of the tender, including its summary budget and any detailed price breakdown or cash-flow forecast required by the tender dossier.
Financing Memorandum	See Financing Agreement.

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Foreign currency	Any currency permissible under the applicable provisions and regulations other than the Euro, which has been indicated in the tender.
Framework contract	<p>A framework contract is a contract concluded between a Contracting Authority and an economic operator for the purpose of laying down the essential terms governing a series of specific contracts to be awarded during a given period, in particular as regards the duration, subject, prices, conditions of performance and the quantities envisaged. The Contracting Authority may also conclude multiple framework contracts, which are separate contracts with identical terms awarded to a number of suppliers or service providers.</p> <p>Not to be confused with framework partnership agreements, through which the Commission establishes long-term cooperation with grant beneficiaries (used by ECHO).</p>
General conditions	The general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of all contracts of a particular type.
General damages	Damages which have not been agreed beforehand by the parties and awarded by a court or arbitration tribunal, or agreed between the parties, as compensation payable to an injured party for a breach of the contract by the other party.
Global price contract	A contract under which the services provided are paid on the basis of the delivery of the specified outputs (SER).
Goods	A tangible physical product where the property of what is purchased is transferred from the contractor to the contracting authority (in the case of procurement contracts) or to the designated local partners of the beneficiary and/or final recipients of the action (in the case of grant agreements).
Grant	A direct payment of a non-commercial nature by the Contracting Authority to a specific beneficiary in order to implement an operation (or in some cases to finance part of its budget) in order to promote an EU policy aim (G).
Grant programme	A programme which determines the objectives and scale of assistance in the form of grants for operations promoting EU policy aims (G).
Guidelines for grant applicants	Document explaining the purpose of a Call for Proposals for grants. It sets out the rules regarding who may apply, the types of operations and costs which may be financed, and the evaluation (selection and award) criteria. It also provides practical information on how to complete the application form, what documents must be annexed, and rules and procedures for applying. (G)
Head of Delegation	The representative of the European Union in third countries.

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Hybrid contract	A contract between the Contracting Authority and a service provider, supplier or construction firm covering two or more of the following: works, supplies and services.
Implementation period	The period from the signature, or alternative date if specified in the Special Conditions, until the provisional acceptance of the works (W) or until the provisional acceptance for the last lot has been issued (SUP) or until all tasks have been carried out (SER) or until all project activities have been carried out (G).
InforEuro	http://ec.europa.eu/budget/inforeuro Website necessary to make any conversion into euro of the real costs borne by a contractor or grant beneficiary in other currencies.
Incidental expenditure	The provision for incidental expenditure covers the ancillary and exceptional eligible expenditure incurred under a service contract and the type of eligible expenditure is specified in each contract. It cannot be used for costs which should be covered by the Contractor as part of its fee rates. (SER)
Invitation to tender	Letter sent to shortlisted candidates in a restricted procedure or competitive negotiated procedure inviting them to submit a tender.
In writing	This includes any hand-written, typed or printed communication, including telex, cable, e-mail and fax transmissions.
<u>Irregular</u>	<u>A tender which does not comply with the minimum requirements specified in the procurement documents or with the requirements for submission, or a tender which is rejected by cause of misrepresented/omitted information or conflict of interest, or an abnormally low tender.</u>
<u>Irregularity</u>	<u>Any infringement of a provision of EU law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the EU or budgets managed by it, either by reducing or losing revenue accruing from own resources collected directly on behalf of the EU, or by an unjustified item of expenditure.</u>
Key expert	Expert who is defined as instrumental in the Terms of Reference and who are subject to evaluation as part of the tender. (SER)
Liquidated damages	Liquidated damages are damages which have been agreed beforehand by the parties, and recorded in the contract, as being a genuine estimate of the loss suffered by the injured party (e.g. compensation payable by the Contractor to the Contracting Authority for failure to complete the contract or part of the contract within the contractual periods / compensation payable by the Contracting Authority to the Contractor for failure to pay within the contractual periods shall be calculated in accordance with the method(s) outlined in the general conditions).
Mixed contract	See "Hybrid contract".

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Month	Calendar month.
Most economically advantageous tender	The tender proposal judged best in terms of the criteria laid down for the contract, e.g. quality, technical properties, aesthetic and functional qualities, after-sales service and technical assistance in relation to the price offered. These criteria must be announced in the tender dossier.
National currency	The currency of the partner country.
Negotiated procedure	Procedure without prior publication of a contract notice, in which the Contracting Authority consults the candidate or candidates of its choice and negotiates the terms of the contract with one or more of them. This procedure may only be used exceptionally and when duly justified.
Non key expert	Expert who is not defined as instrumental in the Terms of Reference and who is approved by the Project Manager by administrative order. (SER)
Open procedure	Calls for tender are open where all interested economic operators may submit a tender. Calls for proposals are open when the concept paper and full proposal are submitted at the same time.
Operating grant	Direct financial contribution, by way of donation, in order to finance the functioning of a body which pursues an aim of general European interest or has an objective forming part of a European Union policy (G).
PADOR	Potential Applicant Data On-line Registration https://ec.europa.eu/europeaid/tags/pador_en
<u>Partner country</u>	<u>The country or state outside the European Union with which the European Union has an agreed programme of cooperation.</u>
Period	A period begins the day after the act or event chosen as its starting point. Where the last day of a period is not a working day, the period expires at the end of the next working day.
Plant	Appliances and other machinery, and, where applicable under the law and/or practice of the state of the Contracting Authority, the temporary structures on the site required to carry out the works but excluding equipment or other items required to form part of the permanent works (W).
Preferences (EDF only)	Term used for describing the preferences given during the evaluation process to tenderers from ACP countries, when their tenders are technically and economically equivalent with tenders submitted by tenderers of non-ACP nationality (see article 26 of the Annex IV to the Cotonou Agreement).
Price schedule	The completed schedule of prices, including the breakdown of the overall price, submitted by the contractor with his tender, modified as necessary and forming a part of the unit price contract (W).

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Procurement procedure	The procedure followed by a Contracting Authority to identify, and conclude a contract with, a suitable contractor to provide defined goods, works or services.
Project	The project in relation to which the services/works/supplies are to be provided under the contract, and the project in relation to which the grant contract is awarded.
Project manager	The person responsible for monitoring the implementation of a project on behalf of the Contracting Authority.
Provisional sum	A sum included in the contract and so designated for the implementation of works or the supply of goods, materials, plant or services, or for contingencies, which sum may be used in whole or in part, or not at all, as instructed by the Supervisor (W).
Restricted procedure	Calls for tender are restricted where all economic operators may ask to take part but only candidates satisfying the selection criteria and invited simultaneously and in writing by the Contracting Authorities may submit a tender (applicable for services and works). Calls for proposals are restricted where all applicants may ask to take part but only the applicants who have been shortlisted are invited to submit a full proposal.
Service contract	A contract between a service provider and the Contracting Authority for the provision of services such as technical assistance or studies (SER).
Service provider	Any natural or legal person or public entity or consortium of such persons and/or bodies offering services (SER).
Services	Activities to be performed by the Contractor under the contract such as technical assistance, studies, training and designs (SER).
Site	The places provided by the Contracting Authority where the works are to be carried out and other places stated in the contract as forming part of the site (W).
Special Conditions	The special conditions laid down by the Contracting Authority as an integral part of the tender or call for proposals dossier, including amendments to the General Conditions, clauses specific to the contract and the terms of reference (SER) or technical specifications (SUP, W).
Staff	Any personnel, employee or expert working for a contractor regardless of their contractual link (SER)
Study contract	A service contract between a service provider and the Contracting Authority concerning, for example, identification and preparatory studies for projects, feasibility studies, economic and market studies, technical studies, evaluations and audits (SER).
Successful applicant	The applicant selected at the end of a call for proposals procedure for the award of contract (G).

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Successful Tenderer	The tenderer selected at the end of a tender procedure for the award of contract.
Supervisor (Engineer as per FIDIC rules)	The legal or natural person responsible for monitoring the execution of the contract on behalf of the Contracting Authority and/or the Commission, where the latter is not the Contracting Authority (W).
Supervisor's representative	Any natural or legal person, designated by the Supervisor as such under the contract, and empowered to represent the Supervisor in the performance of its functions, and in exercising such rights and/or powers as have been delegated to it. In this case, references to the Supervisor will include its representative (W).
Supplier	Any natural or legal person or public entity or consortium of such persons and/or bodies offering to supply products.
Supplies	All goods the Contractor are required to supply to the Contracting Authority and where the property of what is purchased, is transferred from the contractor to the contracting authority (in the case of procurement contracts) or to the designated local partners of the beneficiary and/or final recipients of the action (in the case of grant contracts).
Supply contract	Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of products. A contract for the supply of products and, incidentally, for siting and installation shall be considered a supply contract.
Target groups	The groups/entities that will be directly positively affected by the project at the Project Purpose level.
Taxes	Include indirect taxes such as value added taxes, customs and import duties, other fiscal charges and duties in partner countries * (*except under the ENPI Regulation, which does not specify country(ies)).
Technical assistance contract	A contract between a service provider and the Contracting Authority, under which the service provider exercises an advisory role, manages or supervises a project, provides the experts specified in the contract.
Technical offer	The part of a tender which contains all non-financial elements of the tender, i.e., all elements other than the financial offer which are required by the tender dossier. The technical offer must not contain any financial indications.
Tender	A written or formal offer to supply goods, perform services or execute works for an agreed price.
Tender dossier	The dossier which contains all the documents needed to prepare and submit a tender.

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Tender Price	The sum stated by the tenderer in its tender for carrying out the contract.
Tender procedure	The overall process of putting a contract out for tender, starting with the publication of a procurement notice and ending with the award of the tendered contract.
Tenderer	A natural or legal person or consortium thereof submitting a tender with a view to concluding a contract.
Technical specifications	The document drawn up by the Contracting Authority setting out its requirements and/or objectives in respect of the provision of supplies or works, specifying, where relevant, the methods and resources to be used and/or results to be achieved (SUP, W).
Terms of reference	The document drawn up by the Contracting Authority setting out its requirements and/or objectives in respect of the provision of services, specifying, where relevant, the methods and resources to be used and/or results to be achieved (SER).
Time limits	Those periods in the contract which shall begin to run from the day following the act or event which serves as the starting point for those periods. Where the last day of the period is not a working day, the period expires at the end of the next working day.
<u>Unacceptable</u>	<u>A tender which does not comply with the maximum available budget or with the minimum quality levels.</u>
<u>Unsuitable</u>	<u>A tender which is irrelevant to the subject matter of the contract, or an application which is submitted by an economic operator that is in an exclusion situation or does not meet the selection criteria.</u>
Warranty obligations	The warranty of the Contractor that the supplies are new, unused, without defects, of the most recent models and incorporate all recent improvements in design and materials. This warranty must remain valid for a maximum of 1 year after provisional acceptance. See article 32 of the General Conditions (SUP).
Works contract	Works contracts cover either the execution, or both the design and execution, of works or a work related to one of the activities referred to in Annex II to Directive 2014/24/EU , or the realisation, by whatever means, of a work corresponding to the requirements specified by the Contracting Authority <u>exercising a decisive influence on the type or design of the work</u> . A 'work' means the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function (W).
Written communications	Certificates, notices, orders and instructions issued in writing under the contract.

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