

Glossary of terms most often used in various Procurement documentation

SER = SERVICE / SUP = SUPPLY / W = WORKS /

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

Administrative Checks	Administrative check is the act of reviewing the completeness of a tender received.
Amendment	A document modifying the terms and conditions of a contract.
Appropriate media	Publication in the Official Journal of the European Union. Publication in the press of partner countries and, if need be, specialised publications may be necessary or advisable.
Artificial splitting	Breaking up procurement into smaller amounts in order to fall below the applicable threshold.
Assets	Items owned by ICMPD.
Award	The action taken by ICMPD based on the evaluation of offers, to approve the selection of the contractor for a specific contract.
Award criteria	The criteria for awarding a contract as described for in the tender documents.
Award of contracts	The authorization given by a duly authorized officer to enter into a contract with a tenderer.
Best and Final Offer	BAFO refers to a multi-stage procurement process, in which procurement officers invite tenderers that have submitted substantially responsive tender to submit their Best and Final Offer.
Best value for money	The most advantageous balance between economy and effectiveness taking into consideration ICMPDs' procurement principles and processes.
Bill of quantities	The document containing an itemized breakdown of the works to be carried out, indicating a quantity for each item and the corresponding unit price.
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.

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Call for Expression of Interest	A document providing potential tenderers with the information needed to determine their capacity to fulfil the contract in question. Selection criteria shall be set out in the CEOI and tenderers shall express their interest as specified in the respective CEOI.
Commercial warranty	The warranty the manufacturer provides for a defined period guaranteeing 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.
Commitment	The anticipated liability against funds allocated for the current or future year(s).
Competitive negotiated procedure	A procedure applicable to contracts with an estimated value from EUR 20,000 to EUR 100,000, in which only invited tenderers may submit tenders.
Complaint procedure	An expression of dissatisfaction, made in writing, challenging the procurement process.
Conflict of interests	<p>A conflict of interest exists where the impartial and objective exercise of the functions of a financial actor or other person, as referred to in the paragraph below, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.</p> <p>Financial actors and other persons, including national authorities at any level, involved under direct, indirect and shared management, including acts preparatory thereto, audit or control, shall not take any action which may bring their own interests into conflict with those of the Union. They shall also take appropriate measures to prevent a conflict of interest from arising in the functions under their responsibility and to address situations which may objectively be perceived as a conflict of interest.</p> <p>Where there is a risk of a conflict of interest, the member of national staff in question shall refer the matter to his or her hierarchical superior. In the case of staff covered by the Staff Regulations, he or she shall refer the matter to the relevant authorising officer by delegation. The relevant hierarchical superior or the authorising officer by delegation shall confirm in writing, whether a conflict of interest is found to exist. In that case, the Appointing Authority or the relevant national authority shall ensure that the official concerned ceases all activity in this matter. The relevant authorising officer by delegation or national authority concerned shall ensure that any further appropriate action is taken in accordance with the applicable law</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 ICMPD.
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.
Contract budget	A summary of the costs of performing the contract. The total of these costs is the contract value or contract price. 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.
Contract Management	Refers to performance monitoring (i.e., quality of deliverables/outputs, timely delivery of services, works, supplies), inspection, verification and payment, initiation of amendments and orderly resolution of any disputes that may arise in the overall process.
Contract price	See 'Contract budget'.
Contract value	See 'Contract budget'.
Contracting authority	The contracting authority shall be read as ICMPD
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.
Core budget	Budget that covers the basic "core" organizational and administrative costs of ICMPD, including salaries of non-project staff.
Crisis	Situations of immediate or imminent danger threatening to escalate into an armed conflict or to destabilize a country or its neighbourhood, or situations caused by natural disaster, manmade crisis such as wars and other conflicts or extraordinary circumstances having comparable effects related inter alia to climate change, environmental degradation, privation of access to energy and natural resources or extreme poverty.
Day	Calendar day unless otherwise specified.
Day works	Varied work inputs subject to payment on an hourly basis for the contractor's employees and plants (W).

Delegation of procurement authority	A written instrument stating the conditions, procedures, and terms for a delegate to exercise procurement authority.
Delivery time	The time taken to deliver goods from the date of contract to the time when the contractor makes the goods available to ICMPD at the agreed place as per the delivery terms.
Derogation	A duly justified exemption from the applicable Rules of the tender.
Direct contracting	An informal solicitation method used in exceptional situations in order to award a procurement contract on the basis of a Request for Offer.
Disclaimer	A statement that rejects a legal claim.
Donor's agreement	The agreement or acceptance of a donor for a specific action.
Drawings	Drawings provided by the ICMPD 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).
Duly authorised ICMPD representatives	Any person authorized by ICMPD to interact with external counterparts on behalf of the organization.
Duly delegated authority	An ICMPD representative authorized by another ICMPD representative to perform duties his/her behalf.
Economic operator	Any natural or legal person, including a public entity, or a group of such persons, which offers to supply products, execute works or provide services or immovable property.
Equipment	Machinery, apparatus, components and any other articles intended for use in the works (W).
ERP	Enterprise Resource Planning (ERP) is a process used to manage and integrate important parts of ICMPD operations.
Evaluation criteria	Determines which tenderer has developed the most economically advantageous offer that delivers the expected results and should therefore be awarded the contract.
Exclusions check	The process of checking whether a tenderer shall be excluded from a tender process.

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; in no event can this period last longer than 18 months after the end of the implementation period (SER, G).</p>
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.
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.
Force majeure	A contract provision under which major (and usually uncontrollable) events may excuse a party, in whole or in part, from the performance of its contractual obligations; e.g., fire, war or severe weather.
Foreign currency	Any currency permissible under the applicable provisions and regulations other than the Euro, which has been indicated in the tender.
FR	ICMPD Financial Regulations
Framework contract	A contract concluded between ICMPD and an economic operator(s) 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.
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.
Goods	A tangible physical product where the property of what is purchased is transferred from the contractor to ICMPD (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).
Handover of Assets	The process of transferring the responsibility for maintaining and managing an asset from one entity to another.

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).
In writing	This includes any hand-written, typed or printed communication, including telex, cable, e-mail and fax transmissions.
Incoterms	Incoterms rules are standardised and widely recognised trade terms, prepared by the International Chamber of Commerce (ICC), to be included in contracts for the sale of goods, providing standard contractual provisions that clarify the costs, risks and responsibilities of the parties to the contract, particularly in relation to the shipment and delivery of the goods from contractor to ICMPD. Refer to the ICC website (www.iccwbo.org) for information about these terms and their definitions which are copyrighted by the ICC.
Intellectual property	Creations or inventions of the mind, including, but not limited to, copyright (such as designs, artwork, software, data, original text, maps), trademarks (such as symbols and names) and patents (such as drug formulations, hardware).
International open tender procedure	An open procurement procedure applicable to cases above EUR 100,000 in which all economic operators may submit a tender.
Inventory	An itemized list of goods/assets.
Invitation to tender	Letter sent to shortlisted candidates in a restricted procedure or simplified procedure inviting them to submit a tender.
Invoice	Contractor's demand for payment setting out the amount for payment by ICMPD in respect of goods delivered or services rendered.
Irregular	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 because of misrepresented/omitted information or conflict of interest, or an abnormally low tender.
Key expert	Expert who is defined as instrumental in the terms of reference and who is subject to evaluation as part of the tender (SER).
Liability	Any obligation incurred as a result of law, rule or agreement; being legally obliged and responsible; a debt or an obligation to another party.

Life cycle cost	The process of compiling all costs that the owner or producer of an asset will incur over its lifespan
Liquidated damages	A sum agreed upon during the formation of a contract which will be paid by the breaching party in the event of a defined breach of contract (such as non-performance or delay in delivery). The amount of Liquidated Damages must be arrived at in good faith and must be based on an estimate of the actual damage that will ensue from the breach.
Long Term Agreement	Agreement used to facilitate frequent purchasing instead of doing “one-off” purchase orders and minimizing repetitive purchasing tasks. This arrangement works as an “umbrella agreement” that sets out the terms under which individual contracts (procurement purchase orders) can be made throughout the period of the agreement. An agreement between two parties for the supply of an unspecified amount of a product over a specified period.
Lots	Division of a bigger procurement into smaller contracts or lots in order to obtain most competitive offers.
Market research	Market research is an organized effort to gather information about target markets.
Month	Calendar month.
Most economically advantageous tender (MEAT)	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.
Negotiations	A formal discussion with tenderer(s) in order to reach an agreement.
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 tenders are open where all interested economic operators may submit a tender. Calls for proposals are open when the concept note and the full proposal are submitted at the same time.
Outreach	The practice of seeking out to multiple vendors in order to extend the reach.

Participant	A candidate or tenderer in a procurement procedure, an applicant in a grant award procedure, an expert in a procedure for selection of experts, an applicant in a context for prizes or an entity or person participating in a procedure for implementing Union funds.
Performance guarantee	A bank guarantee obtained from the contractor to protect the ICMPD from non-performance by the contractor of its contractual obligations. In case of a non-performance bank will pay the amount of the guarantee to the ICMPD.
Performance-based descriptions	Requirements describing the outcome and not the process how the outcome shall be achieved.
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.
PGU	Procurement and Grants Unit
Plant	Appliances and other machinery, and, where applicable under the law and/or practice of the state of ICMPD, 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).
Potential tenderer	A natural or legal person or consortium to whom the tender was issued or who expressed interest to submit a tender.
Preferred suppliers	Suppliers having a non-monetary agreement with the ICMPD to provide services with at a discounted rate, or under some preferential conditions.
Pre-financing guarantee	A bank guarantee obtained from the contractor in response to which the contractor receives an advance payment. In case of a non-delivery of contractual obligations bank will pay the amount of the guarantee to the ICMPD.
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).
Procurement	The acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.
Procurement documents	Any document produced or referred to by ICMPD to describe or determine elements of the procurement procedure, including the publicity measures, the invitation to tender, the tender specifications, including the technical specifications and the relevant criteria, or the descriptive documents in case of a competitive dialogue and the draft contract.

Procurement Focal Point (PFP)	Members of Project Implementation Teams designated/nominated by Head of Region (HoR)/Project Manager/Directorates to support Regions/Program/Directorates in procurement activities, by taking over the main support on the Project Implementation Team side in procurement process.
Procurement Method	Detailed and practical description of a Procurement Procedure
Procurement Notice	An advance notice informing economic operators of an upcoming procurement procedure.
Procurement Plan	Document defining supplies, services and works to be purchased within a specific timeframe and budget, under a specific project.
Procurement procedure	The procedure followed by ICMPD to identify, and conclude a contract with, a suitable contractor to provide defined goods, works or services.
Procurement Project Team	A Team advising the Duly Delegated Authority on proposals for individual tenders with an estimated value above EUR 100,000.
Procurement Purchase Order	A simplified form of a contractual agreement between ICMPD and vendor.
Procurement Request	A request placed in a ICMPD ERP tool and to be used for the requisition of all project expenditures, regardless of the amount.
Procurement timeline	A period of time starting from the initiation of procurement until contract signature date.
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 ICMPD.
Proprietary product	Describes situations where only one source can reasonably meet the requirements/needs.
Provisional Acceptance	Partial acceptance of the deliverables indicated in the contract by the ICMPD made in writing.
Purchase Order	See Procurement Purchase Order .
Qualification requirements	The qualification expected from a tenderer to enter into a contract with ICMPD.

Quotation	A written or formal offer in reply to Request for Quotation to supply goods, provide services or execute works for an agreed price.
Quotation protocol	A formal document explaining the selection of a vendor (applicable to Request for Quotation).
Recipients	A beneficiary, a contractor, a remunerated external expert, any person or entity receiving prizes or funds under a financial instrument or implementing Union funds.
Recurring services	Services such as translations or interpretation services; hotels and venues; design services; trainings; graphic design in a specific project or location.
Request for Information	An instrument to conduct a market survey in order to obtain information from the market that can be used to identify available or potential solutions for fulfilling identified needs.
Request for Offer	An informal procurement method used under Single Offer Procedure for contracts with an estimated value up to EUR 20,000.
Request for Quotation	A less formal procurement method used under Competitive Negotiated Procedure for contracts with an estimated value between EUR 20,000 – EUR 100,000.
Requesting Directorate/PIT	The Directorate or Project Implementation Team which is in need of procuring goods/services or works.
Requesting Officer	The person dealing with the SAP submission related to the respective procurement (Business partner set up, submission of the PR, invoice for payment etc.).
Requirements definition	A systematic approach to define the needs, which should be in the form of Technical Specifications, Terms of Reference, Statement of Work.
Restricted procedure	Tenders 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 ICMPD may submit a tender.
Rosters	A list of vendors who might be capable to do a particular job.
Sanctions list	The list of blocked/sanctioned vendors that ICMPD should consult following its agreement's obligations with the donor.
Segregation of duties	An internal control mechanism used to assure that no single individual or organisational unit given responsibility for more than one related function.

Selection criteria	Criteria, set before the publication of tender, determining the suitability of tenderers to carry out the contract and setting the minimum levels of ability which are required to participate.
Service contract	A contract between a service provider and ICMPD 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).
Single offer procedure	A procurement method used in cases where the estimated value of the contract is below EUR 20,000. Single offer procedure uses solicitation method Request for Offer (RFO).
Site	The places provided by ICMPD 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 ICMPD 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)
Standardization of supplies	A need for compatibility with existing goods, equipment or technology.
Statement of Works	Requirement specifications for work assignments outlining the specific services a contractor is expected to perform, generally indicating the type, level, and quality of service, as well as the time schedule required.
Study contract	A service contract between a service provider and ICMPD concerning, for example, identification and preparatory studies for projects, feasibility studies, economic and market studies, technical studies, evaluations and audits (SER).
Subcontractor	An economic operator that is proposed by a candidate or tenderer or contractor to perform part of a contract or by a beneficiary to perform part of the tasks co-financed by the grant.
Successful applicant	The applicant selected at the end of a call for proposals procedure for the award of a contract (G).

Successful tenderer	The tenderer selected at the end of a tender procedure for the award of a contract.
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 ICMPD and where the property of what is purchased is transferred from the contractor to ICMPD (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.
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 ICMPD, 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.
Technical Specifications	The document setting out 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.
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.
Tender 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) having the technical and administrative expertise necessary to give an informed opinion on tenders or grant applications.
Tender Evaluation Committee (TEC)	A committee established in order to evaluate the tenders received by ICMPD.

Tender guarantee	A monetary security from a tenderer that submitted tenders will not be withdrawn.
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.
Terms of reference	The document 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.
Threshold	A specific monetary limit defining the minimum and maximum ceilings applicable to a procurement procedure
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.
Transfer of Ownership	The transfer of a property from one asset holder to another. Usually occurs when ICMPD procures one asset that needs to be transferred to a beneficiary at a later stage.
Unacceptable	A tender which does not comply with the maximum available budget or with the minimum quality levels.
Unsuccessful tenderer	A tenderer that was not awarded a contract.
Unsuitable	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.
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	The outcome of building or civil engineering works taken as a whole that is sufficient in itself to fulfil an economic or technical function.

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 ICMPD exercising a decisive influence on the type or design of the work. 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.