# 10 GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>ACT Alliance</td>
<td>A global alliance of more than 145 churches and related organisations working together in over 120 countries to create positive and sustainable change in the lives of poor and marginalized people.</td>
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<td>ACT Appeal</td>
<td>ACT funding coordination mechanism</td>
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<td>Award Criteria</td>
<td>The criteria defined by the Contracting Authority to reward a supplier or candidate with a Supply, Service or Works Contract.</td>
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<td>Award Notice</td>
<td>The publication of the outcome of the award procedure which specifies the type of supply, service or works procured, the amount of the contract and the successful tenderer.</td>
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<td>Bid Flow</td>
<td>The timeframe from when a tender/RFP/RFQ is published until the offer shall be received by the Contracting Authority.</td>
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<td>Candidate</td>
<td>A person or company that provides intellectual and non-intellectual services or the execution and/or the design of a work corresponding to the specified requirements.</td>
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<td>Carrier</td>
<td>Any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes of transportation.</td>
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<td>Coercive Practice</td>
<td>Impairing or harming, or threatening to impair or harm, directly or indirectly, any participant in the Tender Procedure to influence its activities improperly.</td>
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<td>Collusive Practice</td>
<td>An undisclosed arrangement between two or more suppliers, tenderers or candidates designed to artificially alter the results of the Tender Procedure to obtain financial or other benefit.</td>
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<td>Contract</td>
<td>A legally binding document between a buyer (Contracting Authority) and a supplier of supplies, services or works.</td>
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<td>Contractor</td>
<td>The general term used in this manual referring to all types of economic operators concluding contracts with the Contracting Authority.</td>
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<td>Controlled Drugs</td>
<td>Controlled drugs have accepted or non-accepted medical use and are controlled by national laws based on their potential for abuse, which may lead to physical or psychological dependency. National laws differ, but often practitioners (e.g., doctors, dentists, physician assistants, advance practice nurses) are licensed by the state and must be registered with a national regulatory body to prescribe these types of pharmaceuticals.</td>
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<td>Corruption</td>
<td>Corruption is here defined as the misuse of entrusted power for private gain. Corruption is a practice where a staff member is receiving or giving money or gifts in order to gain personal or organisational advantages such as favourable treatment, services, a possibility to gain power, lowering prices or ensuring that a certain contractor wins a contract. Corruption may also occur in a more indirect form where the benefit is given to a third party (family, own business etc.).</td>
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<tr>
<td>Derogation</td>
<td>The authorised allowance to depart from the general rules and procedures for procurement in this manual.</td>
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<tr>
<td>Eligibility</td>
<td>Meeting the stipulated requirements or being qualified. Eligibility can e.g. refer to the</td>
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eligibility of costs, products, supplier or candidate.

**Emergency Operation:** Actions intended to meet immediate and unforeseeable humanitarian requirements generated by sudden natural or manmade disasters, such as floods, earthquakes and outbreaks of conflict or comparable situations. The concept of “emergency” also includes any situation, duly justified, in which the implementation of the humanitarian aid operation must start immediately and where delay is incurred on the action by applying timely Procurement Procedures – hereby putting lives at risk. An emergency must be declared by DCA or the donor and cannot be based on circumstances which are attributed the Contracting Authority.

**Ethical Procurement:** The inclusion of social and environmental factors, alongside financial factors, in procurement decisions. It involves looking beyond economic parameters and efficiency in procurement, and additionally considering the associated social consequences, risks, and implications for humans, society and environment.

**Exclusion Criteria:** The criteria defined by the Contracting Authority to exclude a supplier or candidate from a Procurement Procedure.

**Fee Based Price:** The remuneration of a contractor under a Service Contract, based on a daily fee-rate for an eight-hour working day.

**Financial Service Provider:** FSPs are financial actors who provides financial services such as savings accounts, leasing, insurance, loans, money transfer etc. FSPs include e.g. banks, e-money issuers, post offices, money transfer companies, phone companies, etc. In Cash Transfer Programming FSPs are utilised to channel cash/voucher distributions to beneficiaries.

**Framework Contract:** A long term (maximum five years) contract concluded between the Contracting Authority and one or several contractors. It is used to define the general terms for future procurement of a series of supplies or services for which the precise quantity and scope and time of delivery cannot be defined at the outset of the contract. Framework Contracts can only be used for Service and Supply Contracts, not Works Contracts.

**Fraudulent Practice:** Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, the Contracting Authority to obtain a financial or other benefit or to avoid an obligation.

**Global Price:** The complete remuneration of a contractor under a Service Contract, which cover all obligations of the successful candidate under the entire contract (without depending on actual time spent on the assignment). The global price covers the fee rate, including overhead, profit, all his/her obligations, sick leave, overtime, holiday pay, taxes, social charges and all expenses (such as transport, accommodation, food, office, etc.).

**General Data Protection Regulation (GDPR)** An EU regulation designed to strengthen and harmonize the protection of personal data in the European Union. GDPR applies to all companies processing and holding the personal data of data subject residing in the EU, regardless of the companies’ location.

**Humanitarian Procurement Centre:** Humanitarian Procurement Centres (HPC’s) are ECHO recognised entities specialised in procuring emergency and health supplies or providing related services for the use of actors in humanitarian aid operations. The HPC’s provide services within the following areas: medicine, medical devices, veterinary, foods, water and sanitation, engineering, shelter, telecommunication, transport and administration.

**Hybrid Contract:** A contract which contains a mix of supply and services.

**Import Clearance Agent:** A person or company who offers the service of customs clearance of goods.

**Incoterms:** Internationally recognised standard trade clauses published by the International
Chamber of Commerce most commonly used for international sales contracts. The standard clauses can be adopted as the legal regulation for delivery of resources and distribution of cost and risks between the seller and the Contracting Authority in a contract.

Lot/Sub Lot: A lot is a group of resources which can potentially be procured from the same supplier or candidate. A sub lot is the division of each lot into smaller lots of resources which can be procured from the same or from several suppliers or candidates.

Monitoring Agency: An agency which is responsible for verifying and certifying the quality, quantity, packing and marking of the resources to be delivered in respect of each supply, issuing the certificate of conformity or the certificate of delivery and generally coordinating all stages of the supply operation.

Partner: The partner organisation that implements a project or programme.

Procurement: Procurement is a strategic process of acquiring supplies, service and works. The process covers activities which are necessary to purchase or rent. The required resources and includes all functions from identification of needs, market analysis, planning purchases, sourcing of candidates, obtaining and evaluation of quotes, award of contracts, contract administration, and ensuring the delivery and receipt of the resources.

Purchase Order: A document issued by a buyer to a seller indicating types, quantities and agreed prices for products. Acceptance of a Purchase Order by a seller forms a legally binding contract between the parties.

Purchase Request: The Purchase Request starts the procurement process. It contains all relevant information to undertake the purchase hereunder the technical specifications or the Terms of Reference. The Form is authorized by relevant staff to ensure availability of a budget and organisational knowledge.

Running Costs: Running costs are defined as recurring purchases and costs e.g. each week or month often related to office procurement.

Selection Criteria: A set of pre-established and non-discriminating criteria defined by the Contracting Authority which defines the minimum requirements of a tenderer or candidate to enter into a contract with the Contracting Authority.

Service Contract: A contract for the provision of a defined service. It covers all intellectual and non-intellectual services other than those covered by Supply and Works Contracts. Service Contracts equally comprise Study, Freight (if not included in the Supply Contract) and Technical Assistance Contracts.

Service Provider: A person or a company that provides consulting, legal, finance, real estate, education and communication services.

Shipper: A person who sends goods from one place to another by vessel (sea transport).

Supplier: A person or company that provides goods, such as raw materials, partially assembled components or any other resources. The delivery of goods may also include siting, installation and maintenance.

Supply Contract: Covers the purchase, operational leasing, rental or hire purchase, with or without option to buy, of supplies. Whenever rental of venues for meetings, conferences etc. is a direct project cost, it is categorised as a Supply Contract. The delivery of supplies may in addition include siting, installation and maintenance.

Tender: The offer made by the tenderer in response to a Tender Dossier.

Tender Dossier: A compilation of relevant documents which shall be received by all shortlisted suppliers or candidates for Supply and Service Contract above the value of EUR 150,000 and for Works Contracts above EUR 300,000. It consists of instructions to tenderers, technical specifications or TOR, Draft Contract, technical data form, tender
submission form, GTC and COC (and other optional templates).

**Tenderer:**
The supplier of supplies, services or works, who submits a Tender Dossier.

**Terms of Reference:**
Specifies the requirements needed for a Service Contract e.g. purpose, scope of service, timeframe, reporting, expected results, etc.

**Threshold:**
Thresholds are the marginal values of the contract categories defining which Procurement Procedure to apply to a given contract.

**Voucher:**
A paper, token or e-voucher that can be exchanged for a set quantity or set value of goods or services. Two types of vouchers exist: For Value Voucher the value of the voucher (e.g. 15$) can be exchanged for goods in designated fairs, shops, markets, etc; For Commodity or Service Vouchers the voucher can only be exchanged for a fixed quantity of commodities or services (e.g. 5 kg maize; milling of 5kg of maize; one health check per family member) from preselected suppliers or service providers. For Commodity or Service Vouchers the suppliers or service providers are selected in a Procurement Procedure.

**Works Contract:**
The outcome of building or civil engineering works, taken as a whole, which is sufficient in itself to fulfil an economic or technical function. It is a Works Contract when an entrepreneur or construction company has the obligation of delivering works and is responsible for hiring or buying the necessary resources to fulfil this obligation (i.e. the entrepreneur hires the labour, brings the equipment and buys the construction materials and supplies).