

PPUG SEMINAR "PUBLIC PROCUREMENT AUDIT"

Lisboa, 14-15 October 2010

Public Procurement Glossary for workshops

Affordable

Something that can be done without risk to oneself; having enough money for a specific purpose.

Amendment

Changes arising to some of the terms of a contract after it has been signed.

Award

The issue of an order or contract to a supplier

Award Criteria

Criteria, set out in tender documentation, on which tenders will be evaluated and the award of the contract will be based, i.e. relating to how a tenderer addresses and proposes to perform or deliver the object of the contract and at what cost.

Base Case

Represents the financial model under the project awarded

Best Practice

The most effective and desirable method of carrying out a function or process derived from experience rather than theory.

Best Value

Arrangements to secure continuous improvement in the exercise of an Authority's functions, having regard to a combination of economy, efficiency and effectiveness; the relationship between worth and cost.

Bid

A proposal submitted in response to a solicitation from a contracting authority.

Bidder

An individual, organization or entity submitting a competitive proposal to a formal solicitation.

Buyer Profile

A dedicated online area containing procurement related information. The purpose of a Buyer Profile is to provide details about a contracting authority's procurement practices and intentions, so that potential suppliers will be better informed about the purchaser, and better able to judge whether they want to bid for a particular tender opportunity.

Competitive Tendering

Awarding contracts by the process of seeking competing bids from more than one firm.

Concession

A business operated under a contract or license associated with a degree of exclusivity in business within a certain geographical area.

Contract Notice

Notice published in the Official Journal of the European Union (OJEU) by contracting authorities, seeking expressions of interest or inviting companies to tender.

Contracting Authority

A Government department or office; local or regional authority; any public body, commercial or non commercial; a subsidiary or body established by a public body; any institution or entity funded largely from public funds.

Contractor

An organization or individual who has made a contract to undertake works, supply goods or provide services.

Debt capital

Funds obtained through various types of loan which normally comprehends debentures and bonds bearing fixed interest.

Dredging

An excavation activity or operation usually carried out at least partly underwater, in shallow seas or fresh water areas with the purpose of gathering up bottom sediments, to keep waterways navigable.

Due diligence

An investigation of a business or a person priorly to signing a contract. It refers to the care a reasonable person should take before entering into an agreement or a transaction with another party.

Equity

The extent of a person's beneficial ownership of a particular asset. This is equivalent with the value of the asset minus the liability to which the asset is subject.

Financial model

Represents the economic and financial conditions of the tender awarded, attached to the contract.

Financial Rebalance

Financial compensation in order to safeguard the financial condition initially agreed in the contract with the private partner

Grantor

An individual who conveys or transfers ownership of property.

Internal Rate of Return (IRR)

Indicator of profitability that measures the relationship between the funds invested and its return.

Memorandum of Understanding (MoU)

A document describing a bilateral or multilateral agreement between parties.

Outline business Case

Represents the reference project business, which will be contracted by a public partner.

Outsourcing

Proceed with the procurement of materials and resources outside the organization

PFI

Private Finance Initiative. A form of partnership between the private and public sector which is normally used for high risk/high value contracts, mainly to raise money for higher value projects.

PPP

Public Private Partnership. Very Similar to a PFI arrangement, but the aim is focused more on service delivery than finance.

Procurement

The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

Public Contract

A contract for the provision of works, supplies or services to a contracting authority. It includes all procurements, not just those which are undertaken on the basis of a full tendering process and formal signing of a contract.

Qualification Criteria

Exhaustive criteria (set out in Articles 45 to 48 of Directive 2004/18/EC) to be used in pre-qualifying/pre-selecting candidates who are invited to submit tenders.

Restricted Procedure

A procedure under EU procurement Directives whereby expressions of interest are invited through a notice in the OJEU (and other appropriate media) and only those who meet certain qualification criteria are issued with the full tender documentation and invited to submit tenders.

RFT (Request for Tenders)

All the documentation related to the tendering process. It normally includes a general overview of the tender requirements, a detailed specification of requirements, the format and structure for submission of tenders, how tenders will be examined and the criteria on which they will be evaluated, and some general conditions of tendering. The RFT should normally include a set of conditions for a contract which will be concluded with the successful tenderer.

Segmentation

Process by which the global value of a public contract is subdivided to prevent its coming within the scope of the Directive.

Shareholder

One who owns shares of stock of an enterprise.

Shortage

A deficiency or lack of something.

Shortlist

A list of suitable prospective suppliers that has been drawn up through a preliminary evaluation exercise for a particular contract or procurement activity.

Stakeholder

An individual or organisation that has an active interest or a stake in a particular organisation or issue. For example, funders, members, contractors, purchasers, trustees, beneficiaries, volunteers and paid staff are all stakeholders in a voluntary organization.

State Owned Enterprise (SOE)

The enterprises where the State has significant control, through full, majority, or significant minority ownership.

Tender

An official written offer to an invitation that contains a cost proposal to perform the works, services or supplies required, and is provided in response to a tendering exercise. This normally involves the submission of the offer in a sealed envelope to a specified address by a specified time and date.

Value for Money

The provision of the right goods and services from the right source, of the right quality, at the right time, delivered to the right place and at the right price (judged on whole life costs and not simply initial costs). An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.