ANNEX L

OPERATIONAL AND FINANCIAL GUIDELINES

These guidelines are designed to help tenderers learn about some procedures and standards.

A. GOOD PRACTICE AND ETHICS

Accuracy

A high-level of accuracy and attention to detail in the delivery of services and products is required. Quality control should be ensured by the contractor.

Customer oriented approach

The contractor should demonstrate competence in delivering customer-oriented solutions both to Cedefop and to its invitees.

Effective planning and timing

An excellent knowledge of planning processes, consistent use of planning tools and respect for deadlines to facilitate timely implementation of activities are essential.

Expertise and problem solving

Staff should be highly qualified and consistently trained to ensure continuity and the same methodology for all Cedefop events. Professional advice, a proactive approach and the capacity to anticipate needs and potential last minute problems are additional requirements.

Flexibility

The contractor should be able to accommodate requests for new activities other than those scheduled or with a shorter lead time than planned.

Negotiation capacity

The contractor should have the capacity to negotiate competitive rates with the needed third party suppliers as well as to operate in all venues required for a Cedefop event.

Responsiveness

The contractor should handle queries and respond to Cedefop and external participants quickly and accurately.

Sound financial management

Event budgets should be managed thoroughly at all stages. Thorough management of the event budget at all stages of the event, from estimation to closure including continuous monitoring during the implementation activities. Budget over-estimations should be avoided.

Sustainability awareness

Up-to-date knowledge of best practices and ways to minimise the environmental impact of meetings and consistency in its application to Cedefop events.

Conduct

The contractor shall act loyally and impartially and as a faithful advisor to Cedefop in accordance with the rules and/or code of ethics of its profession.

Confidentiality

The contractor must ensure that staff assigned to the execution of each order form will act with appropriate discretion at all times and treat any information they acquire in the course of carrying out their duties as confidential, even after completion of the contract. It shall, in particular, refrain from making any public statements concerning the project or the services without the prior approval of the Cedefop (see Articles I.15.2 and II.8 of the draft contract Article).

Equal opportunities

Cedefop applies a policy of equal opportunities and takes care to avoid any form of discrimination. This must be reflected in the contractor's approach.

B. FINANCE ISSUES AND BUDGET MANAGEMENT WORKFLOW

FINANCE

Cedefop's best financial interests

For each individual assignment, the contractor shall ensure that its proposal is in Cedefop's best financial interests. In negotiating the price, conditions and complementary services with the service provider the contractor will ensure that Cedefop benefits from promotions and special rates and will inform Cedefop where such rates have been obtained.

Cedefop legal commitment

The only formal legal commitment of Cedefop is the Order Form for each assignment. Any expense incurred by the contractor before the date of issue of the Order Form will not be eligible for funding.

Cancellation of activities

In principle, cancellations entailing costs should be avoided by the contractor. If events are cancelled for which an advance or a deposit has been paid by the contractor to a supplier on behalf of Cedefop following an Order Form assignment, Cedefop will be responsible for such expenses. However, the contractor shall act diligently and in the best interests of Cedefop, negotiating the best conditions for cancellations. Cedefop should be warned timely and in advance if a situation becomes critical and may entail budgetary implications for Cedefop.

Market competition

The contractor shall ensure that the supply and service providers are selected on the basis of efficiency, value for money and fair and transparent market competition. For certain services, the contractor may be asked to provide a selection of up to three price quotations for any requested service. Upon specific request only, the contractor shall submit a copy of the original offer received from suppliers.

TIMETABLE AND BUDGET MANAGEMENT WORKFLOW

Cedefop's events and meetings are managed by its internal Financial and Budgetary system called FIBUS. Cedefop's Conference service (event officer) in the Communication Department is the managing officer for events and meetings in Fibus and responsible for the day-to-day management of the PCO Framework contract.

The standard lead time for the preparation of events and meetings is 2-3 months, with some flexibility depending on their size and complexity. Exceptions to this timing are possible; based on the size, the urgency and the complexity of an event, additional services may be required and will have to be provided in a shorter time.

Pre-event

1. Request of offer

In normal circumstances, 2 or 3 months ahead of an event, the *event officer* submits to the contractor a request for PCO services with a description of the event requirements, in view of obtaining a budget proposal and a first cost estimate for the event in question.

For several services (for example: Catering, meals and refreshments, Facilitation/moderation, Special programme and entertainment, Venue) the contractor may be requested to submit up to three offers for each individual event.

2. Submission of budget proposal

On the basis of the Event Profile request and a briefing with Cedefop' s *event officer*, the contractor submits within one week a *draft budget proposal* (named b*udget proposal v.00*) to the *event officer* (conference service). The budget proposal should include: name of the assigned staff, logistical proposal and its rationale, budget estimation (excluding VAT), any relevant deadline (the template with all information required for Cedefop will be provided to the contractor upon contract signature).

For events held abroad or for complex events, in particular when communication with service providers can be slow or difficult, two weeks may be allowed for the contractor to submit the draft budget proposal.

When so requested for specific services (e.g. accommodation, catering, venue etc.), the contractor will submit up to three offers; the estimated real service cost must be included in the contractor's overall budget proposal for a specific event, along with the applicable service fee.

Cedefop comments on the draft budget proposal shall be integrated in the Draft proposal. In case the first budget proposal needs to be substantially revised, a new version (named budget proposal v.00_Rev1) shall be submitted by the contractor to the event officer, in principle 1 to 3 working days following receipt of Cedefop's comments (this deadline may be extended depending on the number/level of difficulty of the modifications required). As a rule, there should be no more than the above three versions of the budget proposal.

Following Cedefop's acceptance of one offer (out of the submitted offers), the related estimated cost (excluding VAT) must be included in the final estimated budget proposal.

The final Budget proposal is checked by Cedefop's event officer and the responsible event owner.

3. Cedefop's acceptance of the budget proposal and budget commitment

Upon approval of the budget proposal submitted by the contractor, the event officer will initiate the necessary internal budgetary and administrative process of the financial commitment (contract is based on provisional commitment). The financial commitment is completed in Fibus.

The event officer informs the contractor that Cedefop has accepted the budget proposal. Cedefop's procurement service prepares the related order form to the contractor.

The draft order form which will include all essential data related to the financial commitment and the specific event is attached to the draft Framework Contract in Annex B of the Tendering Specifications, for information purposes.

The procurement service issues two copies of the order form in reference to the framework contract and submits the two original copies to the contractor for signature.

The order form is the only formal legally binding commitment which can initiate the activities and services by the Contractor (**see also section 1.5 Value or quantity of purchase in the Tender Specifications).**

If the event requirements change and budget for a specific event for which an order form has been signed needs to increase during the preparation period, an additional budget proposal may be requested from the contractor. Following acceptance of the additional budget proposal, the event officer will make the necessary internal budgetary and administrative arrangements for an additional financial commitment and request an amendment of services and budget related to the signed order form from the procurement service. The procurement service issues two copies of the amendment to the order form and submits the two original copies to the contractor for signature.

4. Acceptance of the service by the contractor

Upon receipt of the order form, the contractor will confirm acceptance of the service by signing the two copies received and by returning them to Cedefop's procurement service.

Cedefop signs both copies upon return. **The date to be taken into account for the entry into force of the order form is the one signed by Cedefop. The countersigned order form (or amendment, when applicable) is the legally binding commitment that can initiate the PCO activity.**

One original copy of the signed order form is kept at Cedefop, the other one is given to the contractor.

No activity should be carried out before the order form is countersigned.

5. Preparation of accepted services

Subsequently, for the preparation of the assignment, the contractor contacts the *event owner* or the Cedefop the staff member appointed as *logistics coordinator* for the specific event.

The event owner or his/her logistics coordinator oversees the preparation of the assignment and works closely with the assigned PCO team to deal with all issues arising from the daily preparation of services.

Any difficulties, changes or questions that may arise concerning the accepted budget or services preparation, should be communicated to the events officer who will forward them to the hierarchy if need be.

6. Pre-final balance and budget consolidation shortly before the event

A pre-final balance of the needed services and goods may be needed about 5-7 days before the event for specific services (e.g. catering, meals and refreshments/accommodation/Documents and conference materials, special programme and entertainment).

The event owner or his/her logistics coordinator will coordinate with the contractor on the final needed services and communicate by e-mail to the contractor the final expected number of participants so that the quantity of the requested services/goods can be adapted on time. This communication should reflect all the modifications that occurred during the preparatory stages. For clarity, changes from the accepted version of the budget proposal should be highlighted.

The pre-final balance process will have an impact on the estimated budget and reduce in most cases the cost of the accepted services from the budget proposal. The pre-final balance will be the reference document/point against which the pre-invoicing report and invoice will be checked.

Event

1. Implementation of services

The contractor implements the accepted services in close cooperation with Cedefop' s event owner and/or logistics coordinator.

Any difficulties, changes or questions that may arise concerning the accepted budget or services preparation, should be communicated to the events officer timely before the event date who will forward them to the hierarchy if need be.

Post-event

1. Pre-invoicing reporting/financial verification

Following the conclusion of an event, the contractor shall send a pre-invoicing report named financial verification to the event officer (conference service) which includes the real total amounts for each of the services provided, taking into consideration the pre-final balance when applicable for an event so as to have a real total service cost based on the **final** agreed numbers of participants included in the report.

Any related documents (such as lists for hotel accommodation, catering or transfers) shall also be forwarded. The pre-invoicing report shall be accompanied by the contractor's report of the activities and services provided in the framework of the event preparation and implementation.

Under no circumstances, the total cost of the financial verification may exceed the accepted budget proposal (after the pre-final balance where applicable) and the total amount indicated in the related order form.

2. Acceptance of pre-invoicing reporting

The *event officer* and the *event owner* check the pre-invoicing report against the budget proposal and the **real** services and goods provided during the event. Services and costs in the pre-invoicing report should be consistent with the pre-final balance and any changes should be clearly explained and justified.

Upon the event owner's approval of the pre-invoicing report, the event officer informs the contractor that he/she can proceed with issuing the final invoice.

3. Invoice

Following Cedefop's acceptance of the pre-invoicing report, the contractor shall provide Cedefop with a valid invoice within twenty (20) days of completion of the tasks. It should be clear, complete and well-structured to allow for easy verification.

As indicated under the point **Pre-final balance and budget consolidation shortly before the event** and **Pre-invoicing reporting/financial verification above**, the invoice is based on the ***real cost*** of services provided.

Specific costs for the meeting, such as hotel accommodation, meeting rooms, catering, special programme and entertainment and – in general – all goods and services provided by suppliers, shall be supported by copies of suppliers' invoices.

To be valid, the contractor's invoice shall:

- be on headed paper;
- be dated and numbered

- be addressed to Cedefop;
- comprise a description of services/goods provided;
- indicate title, date and venue of the event;
- indicate the successive order form reference number;
- indicate the final amount which includes the contractor's service fee and the real total service cost (Net+Vat=Total).
- include the supporting documents (copies of the suppliers' invoice) which should be clearly legible

4. Payment period and terms (Article I.4 – Payments and implementation of the Contact and Article II.16 for check by procurement– General conditions for service framework contracts)

Cedefop will approve or reject the contractor's invoice within 20 working days following receipt, and the contractor will have 20 working days to submit additional information or new documents.

Within thirty (30) days of final approval of the documents by Cedefop, payment of the total amount based on the real services and on the accepted pre-invoicing report shall be made.

Please note that Cedefop will be exclusively pay invoices directly to the PCO contractor. Direct invoices from suppliers will not be accepted for payment. A complete service will be provided and no separate invoices outside this contract can be submitted to Cedefop.

Nota bene:

Calculation of the contractor's service fee and real service costs

The service fee covers only the contractor's fee. It does not include other costs for services like for example in the case of catering for which each time the contractor will be requested to submit up to three offers. Following Cedefop's acceptance of one of the offers, the contractor's service cost must be included in the contractor's overall budget proposal and in his invoice. Cedefop will calculate the total cost on the basis of the real number of participants.

The total service cost covers both the contractor's service fee and all other service costs. Where a service fee or total service cost per participant is requested, Cedefop will calculate the total cost on the basis of the real number of participants.

Cancellation policies

In principle, cancellations entailing costs should be avoided by the contractor. Therefore full and clear information about cancellation policies applied by suppliers (hotels or other service providers) shall be communicated to Cedefop by the contractor.

It is necessary that the contractor cooperates closely with Cedefop's event owner to ensure that hotel rooms are booked or cancelled on time and any unforeseen additional costs are avoided. Full and clear information about cancellation policies applied by suppliers (hotels or other service providers) shall be communicated by the contractor to Cedefop. Please note that if too many participants do not show up, ending with the hotel retaining parts or all of the deposit, Cedefop underwrites it. In other words, the contractor shall not be held responsible for any deposit lost in this manner.

Other services' costs

Accommodation

Pre-paid accommodation means that participants entitled to the reimbursement of accommodation expenses do not have to pay the hotel bill as all accommodation arrangements and payment will be dealt with by the contractor; the corresponding accommodation cost will be paid back to the contractor by Cedefop and the pre-paid participants will not receive any accommodation allowance from Cedefop.

Payment of an advance or deposit to the hotel when required is an obligation of the contractor but is not included here. (in this case the final bill of the hotel will be shown separately and the hotel cost will be included in the PCO's invoice for the event).

Cedefop will make no separate payments for accommodation other than to the PCO contractor.

Catering, meals and refreshments

When catering and/or meal services are needed, the contractor can be requested to submit up to 3 offers each time that include the real catering cost along with the contractor's service fee.

Following Cedefop's acceptance of one of the offers, the estimated catering cost from the selected offer will be included in the overall budget proposal.

The final invoice will include both the contractor's service fee and the real service cost.

Cedefop will make no payments for catering other than those to the PCO contractor.

Facilitation/moderation

Cedefop and the contractor will agree on the breakdown of the available budget regarding the facilitator's/moderator's fee and other costs like for travel and accommodation

Following Cedefop's acceptance of the PCO proposal, the estimated facilitation/moderation cost (facilitator/moderator fee and other costs) will be included in the overall budget proposal along with the contractor's service fee.

The final invoice will include both the contractor's service fee and the real service cost.

Cedefop will make no separate payments for facilitation/moderation other than to the PCO contractor.

On-site secretariat

The number of the PCO staff required per event category is already fixed by the contract with Cedefop.

On-site staff will have to cover the meeting hours and the necessary time before the start and after the end of a meeting to ensure smooth operation. This means that a half-day meeting may entail six hours of work and a full-day meeting 10 hours of work for the on-site PCO staff.

Special programme and entertainment

For each of the tasks under this section of the tender specifications the price includes only the contractor's service fee and the contractor may be requested to submit up to three proposals.

Following Cedefop's acceptance of one offer, each real service cost must be included in the contractor's overall budget proposal for a specific event and in the final invoice.

Cedefop will make no separate payments for special programme and entertainment services other than to the PCO contractor.

Venue

The contractor may be requested to submit up to three offers for an event venue. Following Cedefop's acceptance of one offer, the total cost of the event venue must be included in the contractor's overall budget proposal for a specific event and in the final invoice along with the service fee.