

ANNEX M

BUDGET MANAGEMENT WORKFLOW

1. PRE-EVENT

1.1 Request of offer

The *event officer* submits the request of services with a description of the event requirements (*Event Profile, a template will be provided to the contractor upon signature of the contract*) to the Contractor for obtaining a *Budget proposal* for a specific event two to three months before the event. Exceptions to this timing are possible based on the size, the urgency and the complexity of the event.

1.2 Submission of Budget proposal

On the basis of the *Event Profile request* and a briefing with Cedefop's *event officer*, the contractor submits a *draft budget proposal (named Budget proposal v.00)* to the *event officer (conference service)* within one week. 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*. For specific services (eg. accommodation, catering, etc.), Cedefop's *event officer* may request the contractor to submit up to three offers. Following Cedefop's acceptance of one offer of the offers, the related estimated cost must be included in the *Draft budget proposal*.

The *Budget proposal* is checked by Cedefop's *event officer* and the responsible *event owner*. 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 from the receipt of comments by Cedefop (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 two versions of the Budget Proposal.

1.3 Cedefop process and budget commitment

Upon approval of the *Budget proposal* submitted by the contractor, the *event officer* will initiate the necessary internal budgetary process of the financial commitment (contract is based on provisional commitment). The *event officer* informs the contractor that Cedefop has accepted the *Budget proposal* and that the *Procurement Service* will dispatch the related *Order Form* for the contractor's signature. The *Procurement Service* prepares the related *Order Form* to the Contractor.

The *Order Form* is attached to the draft Framework Contract in Annex B of the Tendering Specification, for informative purposes.

The *Procurement service* issues two copies of the *Order Form* in reference to the Framework Contract and sends the two copies to the contractor for signature.

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

1.4 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 dispatching 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.

One original copy of the signed Order Form is kept at Cedefop, the other one is sent back to the contractor.

1.5 Preparation of accepted services

Subsequently, for the preparation of the assignment, the contractor contacts the *event owner* or the Cedefop 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.

1.6 Pre-balance

A *pre-balance* of the needed services and goods may be needed about 7 -10 days before the event for specific services (eg. catering, accommodation, conference material and documents). The *event owner or his/her logistics coordinator* will communicate to the contractor the **final expected** number of participants so that the quantity of the requested services/goods can be adapted on time. This will have an impact on the estimated budget and reduce in most cases the cost of the accepted services from the Budget Proposal.

2. EVENT

2.1 Implementation of services

The contractor implements the accepted services in close cooperation with Cedefop's event owner.

3. POST-EVENT

3.1 Pre-invoicing reporting/financial verification

Following the conclusion of an event, the contractor sends to the *event officer (conference service)* a pre-invoicing report named *Financial Verification* which includes the **real total amounts** for each of the service provided. Any related documents such as a list of participants related to hotel accommodation shall also be forwarded. Under no circumstances, the total cost of the *Financial Verification* may exceed the accepted Budget Proposal and the total amount indicated in the related Order Form.

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

3.3 Invoice

Following acceptance of the pre-invoicing report and in prior agreement with Cedefop, the contractor will provide Cedefop with a *valid invoice* within sixty (60) days of completion of the tasks. As indicated under point 1.3.1 above, the invoice is based on the **real** cost of services provided.

The reimbursable costs for the meeting, such as hotel accommodation, meeting rooms, catering, technical equipment, interpretation, and –in general – all goods and services provided by suppliers, will be supported by a copy of the suppliers' invoice.

To be valid, an invoice should:

- Be on headed paper;
- Be dated and numbered
- Be addressed to Cedefop;
- Report 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.

- Include the supporting documents (copies of the suppliers' invoice).

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

Upon the invoice's receipt, Cedefop shall have 20 working days from receipt to approve or reject the documents and the contractor shall have 20 working days in which to submit additional information or new documents.

Within thirty (30) days of the date on which the documents are approved 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 paying invoices directly to the PCO contractor. Direct invoices from suppliers will **not** be accepted for payment.

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 all other costs for services like for example in the case of catering for which each time the contractor will be requested to submit three offers. Following Cedefop's acceptance of one of the offers, the said service cost must be included in the contractor's *overall budget proposal* for a specific event and in his invoice.

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 by the contractor to Cedefop.