

Capital Works Management Framework
Guidance Note

Glossary

GL 1

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A

Agreement	<p>The Contract Agreement is a signed and sealed agreement between the Employer and the Contractor, in which the Contractor agrees to execute the Works in accordance with the Contract, and the Employer agrees to pay the Contract Sum that is identified in the Agreement and any adjustment to that Sum arising out of the Contract.</p>
Appraisal Stage	<p>During the Appraisal Stage the needs are identified, the broad parameters of a solution are agreed, and an approval-in-principle is granted to the project. Appraisal is one of the major stages in the life cycle of a public works project.</p> <p>See also: Planning Stage, Implementation Stage, Post Project Review</p>
Approval-in-principle	<p>At the conclusion of project appraisal, the Sanctioning Authority grants approval-in-principle to proceed (or not), based on the broad parameters of the solution agreed. This allows the project to progress to the Planning Stage but without the placement of any major contracts or irrevocable commitments.</p>
Amber Light Review	<p>An amber light review is one that requires formal collection and reporting of evidence within the Sponsoring Agency and the Design Team to confirm that the project is on track. The Sanctioning Authority should be informed of the outcome of such reviews. The number and timing of amber light reviews varies depending on the type of project and the procurement route.</p> <p>See also: Red Light Review</p>
Arbitration Rules	<p>The <i>Arbitration Rules</i> (AR 1) are referenced by the Contract Conditions and are standard for all forms of contract. The Arbitration Rules apply in relation to disputes referred to arbitration. Disputes not resolved by conciliation are referred to arbitration under the Arbitration Rules, as set out in the Schedule.</p>
Authorised Economic Operator	<p>An Authorised Economic Operator is one that is reliable throughout the EU in the context of their customs-related operations, and is therefore is entitled to enjoy benefits throughout the Community.</p> <p>The Authorised Economic Operator (AEO) programme is primarily a trade facilitation measure, and operators who meet specific qualifying criteria, may apply for and receive AEO certification.</p> <p>For more information, see www.revenue.ie.</p>

B

Base Date	<p>The Base Date defines the end of the fixed-price period within which the Contractor accepts the risk of normal inflation. The definition of the Base Date depends on which Price Valuation method is used with the Contract, PV1 or PV2:</p> <p>PV1 Base Date is the first day of the 31st calendar month after the Contract Date.</p> <p>PV2 Base Date is the date of the first day of the 37th calendar month after the Designated Date or the Recovery Date if there is one.</p> <p>The Base Date is only applicable to contracts that are longer than 36 months duration from the Designated Date/Recovery date in the case of PV2, or contracts that are longer than 30 months duration from the Contract Date in the case of PV1.</p> <p>See also: Fixed-price Period</p>
Bid Bond	<p>A bid bond is effectively a contract of guarantee whereby the guarantor or surety (authorised to do guarantee business) undertakes to pay damages to a second party, in this case the Employer, when the Contractor does not honour his tender. In essence, the guarantor undertakes to be answerable for losses suffered by the Employer if the Contractor withdraws following a bid.</p> <p>The Employer does not need to prove loss before calling in this bond. When a bond is called in, the Employer has a guarantee that funds up to the amount of the bond will be available to defray the Employer's losses resulting from the Contractor's default.</p>
Bill of Quantities	<p>A Bill of Quantities is a document that describes and quantifies the work to be undertaken in the carrying out of a particular project in accordance with a standard method of measurement (amended where necessary). The Bill of Quantities provides work descriptions and quantities to tenderers to enable them to submit a fixed-price lump-sum tender.</p>

C

Capital Costs (Initial)	<p>Capital costs (initial) are those costs that are necessarily incurred in providing and equipping a construction facility. They do not include any costs properly chargeable to current expenditure</p> <p>For more information on project budgeting, see <i>Budget Development</i> (GN 1.3).</p>
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Capital Works Management Framework (CWMF)	The Capital Works Management Framework (CWMF) is a structure that has been developed to deliver the Government’s objectives in relation to public sector construction procurement reform. It consists of a suite of best practice guidance, standard contracts and generic template documents that form the four pillars that support the Framework.
Certificate of Substantial Completion	When the Contractor is satisfied that the Works (or a section of work) is complete, the Contractor requests a Certificate of Substantial Completion from the ER. The ER is required to issue the certificate to both the Contractor and the Employer within 20 days of receiving the request from the Contractor, or to give reasons for not issuing the certificate. The certificate may list defects and outstanding work.
Change Order	<p>A change order is an instruction of the ER to change (e.g. to add to or omit from) the Works or to change (impose or remove) constraints in the Contract on how the Works are to be designed or executed.</p> <p>Instructions that are change orders are supplementary to the Works Requirements.</p>
Client	<p>The term Client is a generic term referring to a Sanctioning Authority, Sponsoring Agency or Contracting Authority acting as client.</p> <p>The Sponsoring Agency becomes the Contracting Authority for a project once it becomes a party to any contract relating to the project. And from the time the Works Contract is signed, the Sponsoring Agency is referred to as the Employer.</p> <p>See also: Contracting Authority, Employer, Sponsoring Agency</p>
Collateral Warranty	<p>A collateral warranty is a form of deed that seeks to guarantee the performance of a contract to a third party (who is not party to the contract). For example, a specialist service provider under contract to the main works Contractor may be required to enter into a collateral warranty that will guarantee the performance of that contract to the Employer (the third party in this case).</p> <p>The Employer should state in the Works Requirement tender document for a design-and-build contract that collateral warranties will be required for all specialist work including design.</p>
Compensation Event	<p>A compensation event is one that in the course of any construction project has the effect of changing the cost of the project; such an event may be either:</p> <ul style="list-style-type: none"> ▪ <i>To the benefit of the Contractor</i>, for which the

	<p>Contractor may seek additional payment; or</p> <ul style="list-style-type: none"> ▪ <i>To the benefit of the Employer</i>, for which the Employer may seek a reduction in the Contract sum
Compulsory Purchase Order (CPO)	The legal mechanism that enables local authorities to exercise legal power for the acquisition of land required for the construction of a project.
Conciliator	The Contract provides for the appointment of a conciliator for the resolution of disputes. The parties to the dispute appoint an independent conciliator and where they cannot agree, the appointment is made by the person or organisation named in the Schedule of the Contract.
Conciliator's Agreement	The Conciliator's Agreement is a signed and sealed agreement between the Employer, the Contractor and the Conciliator in which the conduct of the conciliation process is agreed.
Constraints Report	<p>The Constraints Report sets out the many variables that may influence the location, alignment or feasibility of a design for a civil engineering project.</p> <p>Preparation of this report may require the appointment of specialist subcontractors in areas such as archaeology and ecology to assist the Design Team Leader in the identification of potential constraints.</p>
Contingency Fund	The contingency fund is a budgetary provision for contingencies informed by experience of similar projects and by reference to social, political, historical and economic considerations particular to the proposed location.
Contract Conditions	<p>The Contract Conditions set out the legal obligations, roles and responsibilities of the parties (and those of their agents) in a contract. The Conditions have been drafted so that, to a very large extent, they are generic and to the greatest extent possible they are the same for PW-CF1 to PW-CF5.</p> <p>They vary to a small extent in each form due to the nature of work being unique for that particular type of public works contract.</p> <p>The Contract Conditions document is often loosely referred to as 'the Contract'.</p>
Contract Date	The Contract Date is the date the Employer issues the Letter of Acceptance; the date the Contract is awarded.
Contract Sum	The amount identified in the Agreement as the initial Contract Sum, as adjusted in accordance with the Contract.
Contracting Authority	The organisation that procures the construction contract. See also: Client .

Contractor	The organisation entering into a contract with the Employer with responsibility for construction on a project. The Contractor agrees to execute the Works on behalf of the Employer and in accordance with the Contract. See also: Works Contractor.
Contractor-Designed Contract	A Contractor-designed contract is one where the Contractor offers to design and build the required works. Throughout the CWMF, this is also referred to as a design-and-build contract. See also: Employer-Designed Contract
Contractor's Documents	The Contractor's documents consist of drawings, specifications, manuals, reports, and other written material relating the Works that the Contractor uses, prepares or gives to the Employer or any other person.
Contractor's Personnel	The Contractor's personnel include the Contractor's representative, supervisor and subcontractors, employees and other persons working on or adjacent to the site for the Contractor or subcontractors, and other persons assisting the Contractor to perform the Contract.
Contractor's Things	Contractor's things consist of equipment, facilities, and other things the Contractor (or Contractor's Personnel) use on or adjacent to the site to execute the Works, with the exception of Works items.
Corrective Action	Where a requirement to make a design change is identified at some stage during the design process and the Sponsoring Agency decides that there are no grounds for a budget adjustment, it can instruct the Design Team to take a <i>corrective action</i> . Such an action involves identifying a saving that might be made in some particular that could offset the cost of the required design change and leave the budget unaffected.
Cost Adviser	The Cost Adviser's role is to manage the project capital costs during the design development process.
Cost-holding Category	Key component of a facility, for example, roof, used in preparing a budget.
Cost Planning	Cost planning is a system of integrating cost-based intelligence into the design process.
Cost Plan	The Cost Plan for the project is developed from the original budget and is managed through review processes, which are part of the design development process.
Cost Control	Cost control is the management of the design process to achieve a pre-defined capital budget.

D

Daily Delay Rate	The tenderer is asked to submit daily delay rates relating to expenses unavoidably incurred as a result of a delay – this is the expected daily cost of unavoidable delay. The tender invitation specifies the Delay Period (number of days) to which the Contractor’s tendered daily delay rate is applied for tender evaluation purposes.
Date for Substantial Completion	The Date for Substantial Completion is the date by which the Works, or part of the Works (Section), must be ready to be taken over and used by the Employer. On building contracts this has traditionally been referred to as the Date for Practical Completion. See also: Certificate of Substantial Completion
Defect	A defect is non-compliance of the Works or a works item with the Contract (including a failed test and, after Substantial Completion, work that has not been completed).
Defects Certificate	The Defects Certificate is issued by the ER at the end of the Defects Period; it certifies that defects have been satisfactorily addressed.
Defects Period	The Defects Period is the period after Substantial Completion during which any defects must be rectified by the Contractor. The Defects Period is stated in the schedule and usually lasts 12 months. It may be extended under sub-clause 8.6.2 of PW-CF1 to PW-CF5.
Definitive Project Brief	The Definitive Project Brief is a complete statement of the client’s budget, functional and operational requirements for a project. There are six project activities that give substance to the project definition and they are development of: <ul style="list-style-type: none"> ▪ Preliminary Project Brief; ▪ Preliminary Output Specification; ▪ Feasibility Study / Preliminary Report; ▪ Design Brief; ▪ Final Output Specification; and ▪ Definitive Project Brief.
Delay Event	A delay event is an event that affects the time-to-completion only of the project. Some delay events also involve compensation to the Contractor – in other words, prolongation of the works may also add to the cost. See also: Compensation event .

Design	Design is a creative activity by which a client's needs and objectives are collected, interpreted and expressed in three-dimensional physical solutions.
Design Brief	A design brief represents a complete statement of the Sponsoring Agency's functional and operational requirements for the project. This will be passed to the designers as part of the Definitive Project Brief.
Design-and-Build Contract	See: Contractor-Designed Contract
Design Programme	The Design Programme sets out the timeframe for the development of the scheme design, procurement and construction. Normally, this is incorporated into the Project Execution Plan.
Design Service Provider	The design service provider is appointed to aid the principal designer in preparing design/advising in respect of specialist inputs, for example, in preparing specific aspects of environmental impact statements.
Design Team	<p>The Design Team is a multi-discipline team of experts who are employed to provide a range of construction related-services on a project. A key part of the service would be to carry out the design of a project.</p> <p>On building projects the Design Team typically includes architects, quantity surveyors, a cost adviser, civil and structural engineers, and M&E engineers. Other specialists such as landscape designers, interior designers etc may be required depending on the nature of the project. The Design Team of a building project is led by a designated Design Team Leader.</p> <p>On civil engineering projects the Design Team typically consists of civil engineers, M&E engineers, a cost adviser and structural engineers. The Design Team of a civil engineering project is led by a designated Lead Consultant.</p>
Design Team Leader / Lead Consultant	<p>The Design Team Leader is the principal professional designated by the Client to be in charge of design on the project and to lead the Design Team. This would normally be the service provider with the majority of the design work. The Design Team Leader also carries responsibility for assisting other members of the team to co-ordinate their services in relation to content and timing and to resolve where necessary conflicts in the co-ordination.</p> <p>On civil engineering projects, the Design Team Leader is usually referred to as the Lead Consultant.</p>
Design-and-Build Contract	See: Contractor-Designed Contract

Designated Date	The Designated Date is the date 10 days before the last day for receipt of tenders for the Works from potential contractors.
Developed Sketch Scheme	The Developed Sketch Scheme is a stage during which the design solution is developed further in order to achieve greater certainty of design and cost. Where design-and-build procurement is being used, the development of the design may be left to the successful design-and-build Contractor who emerges from the tender process. See also: Outline Sketch Scheme
Developed Cost Plan / Outline Cost Plan (revised)	The Developed Cost Plan [building] /Outline Cost Plan (revised) [civil engineering] is a key cost control document in which the high level cost holding categories listed in the Outline Cost Plan (for a building project) are developed and adjusted in line with design developments and set out in greater detail. Civil engineering works may need to be reviewed to allow for the measurement and valuation at current prices. Measurements should be based on the documents being submitted for statutory approval. cost-holding categories should be reassessed if there are delays which attract inflation costs or if additional risks emerge.

E

Employer	The Employer is the Client organisation in the context of the construction Contract Conditions. The Employer agrees to pay the Contractor the Contract Sum that is identified in the Contract (and any adjustment to that Sum arising out of the Contract) on the Date of Substantial Completion of the Works in accordance with the Contract. See also: Client, Contracting Authority, Sponsoring Agency.
Employer-Designed Contract	An Employer-designed Contract is one where the Employer includes detailed designs in the tender documentation, and prospective contractors bid for the build element of the Contract only. This is also referred to throughout the CWMF as a Traditional Contract. See also: Contractor-Designed Contract
Employer's Personnel	The Employer's personnel includes any of the following: <ul style="list-style-type: none"> ▪ The Employer's Representative; ▪ The Employer's employees, agents, and consultants in connection with the Contract when acting on behalf of the Employer but not when exercising authority under Law; ▪ Other contractors of the Employer working on the site when acting within the scope of their contracts with the

	<p>Employer; and</p> <ul style="list-style-type: none"> ▪ Anyone else the ER notifies the Contractor is Employer's Personnel
Employer's Representative (ER)	<p>The Employer's Representative (ER) is a person appointed to administer the Contract on behalf of the Employer and to represent the Employer's interest. In most cases this is the same person who acts as Design Team Leader / Lead Consultant in advance of the contract award.</p> <p>The ER can be appointed from within the Employer's organisation; or the role may be filled by a consultant architect, engineer, surveyor or other person capable of carrying out the required responsibilities.</p> <p>See also: Design Team Leader / Lead Consultant, Project Coordinator.</p>
Employer's Things	<p>Employer's things consist of equipment, facilities, and other things the Employer or the Employer's Personnel own on or adjacent to the site.</p>
End User	<p>End users are the people who will eventually benefit from the provision of the works. Their role in the project management structure is to influence the project brief during the planning stage, and they are usually involved in the design process and at project reviews (where appropriate).</p>
Environmental Impact Statement	<p>An environmental impact statement is an environmental assessment prepared under Statutory Instrument S.I. No. 349 of 1989 '<i>European Communities (Environmental Impact Assessment) Regulations 1989</i>'.</p> <p>The instrument determines the criteria for where the process is applied.</p>
ER	<p>See Employer's Representative.</p>
EU Rules	<p>EU procurement rules (Directive 2004/18/EC and SI No. 329 of EC [Award of Public Authorities' Contracts] Regulations 2006 and Directive 2004/17/EC and SI No. 50 of EC [Award of Contracts by Utility Undertakings] Regulations 2007) must be applied to the procurement of public contracts above specific thresholds in the following areas:</p> <ul style="list-style-type: none"> ▪ Government Departments and Offices; ▪ Local and Regional Authorities and other bodies providing public services; and ▪ Utilities – that is entities operating in the water, energy, transport and postal services sectors.

F

Feasibility Study / Preliminary Report	<p>A Feasibility Study (building projects) / Preliminary Report (civil engineering projects) considers key quantitative aspects of the project in sufficient detail to inform a final and reasoned decision on whether or not to proceed.</p>
Final Output Specification	<p>An output from project definition that sets out the scope of the project clearly in output terms; this is expressed in terms of functionality, rather than in physical form.</p> <p>All information required for the realisation of optimal designs, within budget, should be defined and provided as clearly and efficiently as possible in the Final Output Specification. Issues, assumptions and relevant research gathered for earlier studies should be clearly presented.</p>
Fixed-Price Lump Sum	<p>Contracts are to be awarded on a fixed-price lump-sum basis for a defined scope of work, and are to be awarded on a competitive basis following a tender competition. This fixed price lump-sum may not be altered except in very limited circumstances.</p>
Fixed-Price Period	<p>For Public Works contracts, the Contractor tenders a price that is fixed for a defined fixed-price period, and within this period, the Contractor accepts the risk of normal inflation. The fixed-price period and the commencement date depends on the Price Variation method that is used:</p> <p>PV1 30 months from the Contract Date.</p> <p>PV2 36 months from the Designated Date / Recovery Date.</p> <p>See also: Base Date, Contract Date, Designated Date, Recovery Date.</p>
Form of Tender	<p>The Form of Tender is issued as part of the tender documents in the tender invitation. It is the basis for the tender submission that is subsequently included in the Contract as the Contractor's tender submission.</p> <p>See also: Tender Process</p>
Formula Fluctuations Method (PV2)	<p>The Formula Fluctuations Method (PV2) is one of two methods that may be used to calculate adjustments to the Contract Sum for changes to the cost of labour and materials that are allowable under the Contract.</p> <p>PV2, uses formulae to calculate the appropriate Contract Sum adjustment for recovery of material cost changes. The formulae are based on price indices for materials, fuel and the Consumer Price Index published by the Central Statistics Office in its monthly <i>Statistical Release</i>.</p> <p>See also: Proven Cost Method (PV1).</p>

Function Analysis	<p>Function analysis is a way of breaking down project objectives into their component parts and determining how they contribute to the overall project objectives.</p> <p>A completed function analysis shows what the financial investment ‘buys’ for a client. Successful function analysis drives innovative project decisions, and also forms a basis for risk management and for value management.</p>
Functional Unit	<p>The rough estimate of global cost of the entire project is often based on <i>functional unit costs</i> multiplied by <i>number of units</i> according to the established norms in a sector.</p> <p>For example, construction costs for a school could be based on a norm of 6 m²/per pupil @ €100/m²; so, a rough estimate for a 1,000 pupil school would be 6 x 100 x 1,000.</p>

G

Government Construction Contracts Committee (GCCC)	<p>The Government Construction Contracts Committee (GCCC) is the body responsible for the operation of the public works forms of contract. It reviews the operation of the forms of periodically in the light of experience. Changes to contracts, practice and guidelines are incorporated in updated versions published at regular intervals. In the interim any necessary updates will be collected in an addendum to the <i>Publics Works Contracts</i> guidance note (GN 1.5) and published in association with it on the website.</p>
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Health and Safety Coordinator	<p>The appointment of a Health and Safety Coordinator is of special importance in a design-and-build contract or in a traditional contract where the main contractor has a significant input into design. The Coordinator must be appointed by the main contract applicant at the start of the tendering period and up to the end of the tender evaluation period. The purpose of this is to assist the Project Supervisor for the Design Stage (PSDP) appointed by the Contracting Authority prior to the tender competition. See also: Project Supervisors (PSDP and PSCS).</p>
Hyperinflation	<p>Hyperinflation is an extremely rapid rise in market prices over a very short period of time.</p>

I J

Implementation Stage	<p>The Implementation stage is the stage at which the solution is constructed. It begins once final approval for awarding the contract has been received. Implementation is one of the major stages in the life cycle of a public works project, and is commonly referred to as the construction stage.</p> <p>See also: Appraisal Stage, Planning Stage, Post Project Review</p>
Inception Report	<p>The inception report is a statement of the basis for a civil engineering project and a review of any historical supporting documentation or reports.</p>
Independent Specialist	<p>An independent specialist is a service provider engaged directly by the Contracting Authority to provide expert technical services to the Contracting Authority.</p> <p>See also: Service Provider, Specialist</p>
Interim Payment Certificate	<p>An Interim Payment Certificate is a certificate from the ER approving the Contractor's interim statement, and giving approval for an interim payment.</p>
Interim Statement	<p>Interim statements detailing amounts due to the Contractor are submitted by the Contractor to the Employer at intervals specified in the Schedule.</p>

K

Key Ratio Analysis	<p>Key ratio analysis is a technique that can help identify cost-efficient solutions. The output from key ratio analysis needs to be balanced with other factors such as quality and functionality in determining the final solution. The review of key ratio analysis against benchmark data can greatly assist in understanding the distribution of costs and the efficiency of the project.</p> <p>An example of a key ratio analysis in the building context would involve obtaining the <i>net to gross floor area ratio</i> in order to assess the proportion of circulation required, which could then be compared to sector norms.</p> <p>An engineering example might involve looking at the <i>cut and fill ratio</i> required and thus determine the cost effectiveness of a particular solution.</p>
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Lead Consultant	See Design Team Leader / Lead Consultant .
Lead-in Time	The Lead-in Time is the time between the Designated Date and the Contract award.

Letter of Acceptance	The Letter of Acceptance is a letter issued by the Employer accepting the successful Contractor's tender. The issue of the Letter of Acceptance creates a binding contract between the Employer and the Contractor.
Letter of Intent	<p>The Letter of Intent is a letter sent by the Employer to the Contractor whose tender is deemed to be the most economically advantageous (MEAT).</p> <p>It may require the Contractor to provide a performance bond before the Employer issues the Letter of Acceptance. The instructions for tendering can specify that the Contractor must provide documentation, within a stated period after issue of the Letter of Intent, failing which the Employer may go to the next bidder.</p>
Liquidated damages	<p>If the Contractor fails to achieve substantial completion by the agreed or extended agreed Date for Substantial Completion, the Contractor must pay the Employer liquidated damages to cover the period between the scheduled and actual completion dates. The amount due in liquidated damages is determined in the Schedule. It should be a genuine pre-estimate of the loss the Employer would incur, and may be deducted by the Employer from any payments due to the Contractor.</p> <p>There can be liquidated damages for sectional completion separate to the liquidated damages for the whole of the Works. Liquidated damages are taken for a section if the section is late. If a section and the whole Works are both late, then it is the liquidated damages for the whole Works that apply. Clause 9.8.2. of the Contract Conditions (PW-CF1 to PW-CF5) deals with the situation where a section is not completed by the Date for Substantial Completion for the section and the liquidated damages for the section is applied.</p>

M

Most Economically Advantageous Tender (MEAT)	The most economically advantageous tender (MEAT) is the tender which, following assessment of its technical, management and commercial criteria, is the most beneficial to the Contracting Authority and represents value for money. For a tender to represent value for money (in regards to Government spending) the design should be economical and affordable by comparison with the pre-tender budget and the Sponsoring Agency's output requirements.
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N

Net Present Value	Net present value is the estimated value in today's terms of future income or costs. Within the CWMF, whole-life cost is expressed in terms of net present value.
Novation	<p>Novation is where the Contractor takes over the role and responsibilities of the Employer in relation to a contract that the Employer has with another party. This arises where an Employer enters into a contract with another party with the intention that at some time during that contract the main Contractor will replace the Employer through a novation arrangement.</p> <p>The Contractor effectively takes over the contract that the Employer has with the other party by stepping into the Employer's shoes, at which time the Employer's rights and liabilities cease. The novation agreement together with the original contract with the other party is all that is necessary – there is no need for a separate new contract between the main Contractor and the other party.</p>

O

Official Journal of the European Communities (OJEU)	The <i>Official Journal of the European Union (OJEU)</i> is the publication in which all contracts from the public sector that are valued above a certain threshold (currently, [April 2009] €5,150,000 excluding VAT) must be published.
Open Procedure	<p>The open procedure is one of two types of procedure to be used by the Contracting Authority for the procurement of a Service Provider or Works Contractor. Any applicant for the position may simultaneously submit suitability assessment material and a tender for evaluation in a tender competition; but only those that pass the suitability test progress to the tender evaluation. The procedure ends when an award is made.</p> <p>See also: Restricted Procedure</p>
Operational Risk	<p>Operational risk is risk that might affect the future operation of a facility by end users, after it has been handed over by the Client.</p> <p>See also: Programme Risk, Project Risk, Strategic Risk</p>
Outline Cost Plan	<p>The Outline Cost Plan is a schedule of cost-holding categories that are established at the start of the design development process and remain constant up to the analysis of outturn costs stage.</p> <p>The Outline Cost Plan is based on the Outline Sketch Design / Preliminary Design developed for the various options for a project, on assessment of the site and on</p>

	benchmarking.
Outline Sketch Scheme	Outline Sketch Designs are developed to meet the requirements for a building set out in the Definitive Project Brief (including design brief and output specifications) approved at the end of the Preliminary Planning phase. At outline sketch design stage, large-scale drawings are produced. The outline sketch phase also involves making initial contact with Planning/Statutory Authorities.
Output Specification	<p>The Final Output Specification is a specification that states the scope of the project in output terms and explains what is expected and when; it sets out clearly and unambiguously any perceived problems that still require resolution. It focuses on what the Sponsoring Agency wants to achieve with the project, and is based on the sixteen project parameters used for project definition.</p> <p>All information required for the realisation of optimal designs, within budget, should be defined and provided as clearly and efficiently as possible at this stage. Issues, assumptions and relevant research gathered for earlier studies should be clearly presented.</p> <p>See also: Project Parameters, Definitive Project Brief.</p>

P Q

Panel Procedure	<p>The panel procedure is one that may be used by the Contracting Authority for the procurement of a specialist works contractor. A panel of specialists is proposed by the Contracting Authority, and the main contract tenderers can then choose to use a panel specialist or propose an alternative specialist with their tender submission.</p> <p>Any applicant for the panel of specialist works contractors may express an interest in being included on a panel in the main contract tender invitation; but only those that qualify are placed on the panel.</p>
Parent Company Guarantee	<p>A Parent Company Guarantee may be required as a form of assurance that the Employer may have recourse to the parent company's financial standing, technical capability and resources.</p> <p>For example, if the partners in a joint venture propose to incorporate a new joint venture company (in a single purpose company) as the Contractor, but have been assessed suitable for selection on the basis of the partners' financial standing, technical capability or resources, such a guarantee should be required.</p> <p>If the financial capacity, technical capability or resources of a tenderer's parent company have been taken into account in a suitability assessment and the tenderer does not offer a guarantee from that parent company the tender</p>

	should not be accepted. The instruction to tenderers must make this clear.
Part 8 Planning	A Part 8 Planning / public consultation process is one that relates to developments that come under Part 8 of the Planning and Development Regulations, 2001 – i.e. where the developer is a local. Guidance in relation to this process can be obtained from the statutory authority.
Performance Bond	A performance bond is issued by a guarantor or surety (authorised to do guarantee business) to guarantee the Contractor’s successful completion of the project.
Planning Stage	<p>During the Planning stage, the needs are quantified and assumptions verified, the desired outputs are specified, and the solution is designed. Planning is one of the major stages in the life cycle of a public works project. This stage is further subdivided into Planning Initial and Planning Developed.</p> <p>See also: Appraisal Stage, Implementation Stage, Post Project Review</p>
Post-project Review	<p>The Post-project Review is carried out at the end of a project to assess how successfully the solution delivered addresses the needs identified at Planning Stage. Post Project Review is one of the major stages in the life cycle of a public works project.</p> <p>See also: Appraisal Stage, Planning Stage, Implementation Stage</p>
Preferred Route (Location) Report	<p>The Preferred Route (Location) Report assesses the location or preferred route of a civil engineering project, and may include preliminary design studies dealing with basic layout, point of discharge, assimilative capacity, site coverage (footprint and facility), block plan options to determine best land use, planning considerations and overall cost implications.</p> <p>The use of mapping and GIS systems can be particularly useful in helping to the required information quickly and economically.</p>
Preliminary Design	<p>Preliminary Design is developed to meet the requirements for a civil engineering project as set out in the Definitive Project Brief (including design brief and output specifications) approved at the end of the Planning Initial Stage.</p> <p>Preferred route proposals (road schemes) or location/treatment process options (water/wastewater treatment plants) are developed at this point taking into account the findings of the design standards, inception, constraints and route selection reports. The preliminary design stage also involves progressing planning and statutory processes,</p>

Preliminary Report	See Feasibility Study / Preliminary Report.
Preliminary Project Brief	The Preliminary Project Brief sets out all that is known from the Appraisal stage about the proposed project categorised under the sixteen project parameters. It should list alternative ways of satisfying the needs, and should set out the parameters and constraints that informed the approval-in principle.
Price Variation	The Contract must indicate the method to be used to calculate adjustments to the Contract Sum for changes to the cost of labour and materials that are allowable under the Contract. The options are described in Price Variation clauses attached to the Contract. See Proven Cost Method (PV1), Formula Fluctuations Method (PV2).
Pricing Document	The Pricing Document is a document in which the Employer prescribes to prospective tenderers how they should break down their tendered lump-sum price.
Prime Cost Sum	Prime Cost Sums are no longer permitted in any of the Public Works forms of contract. A Prime Cost Sum was a special sum included in the contract to cover work or services to be executed by a nominated sub-contractor or for materials or goods to be supplied by a nominated supplier. These works, goods and materials must now be fully detailed by the Employer in the tender documents to allow Contractors to competitively price them in their tender submissions.
Programme Contingency	The Programme Contingency is a contingency for delays to the Date for Substantial Completion of the Works caused by Compensation Events. The Contractor must factor in the Programme Contingency (as specified by the Employer in the tender documents) both in the Contractor's tendered price and in the Programme of Works for the project. This contingency must be reasonable and proportionate to the scope, complexity and duration of the Contract. Use of the contingency is at the Employer's discretion in accordance with the Contract.
Programme of Works	The Programme of Works (as part of the Works Proposal submitted with the tender) gives only an indication of when work is expected to commence on site. The actual Starting Date can only be determined after the Contract Date, in accordance with Contract. After the Contract has been awarded, but before the Starting Date, the Contractor must submit to the ER a realistic and detailed Programme of Works (i.e. with actual dates) in sufficient detail to permit effective monitoring of the works by the ER.

Programme Risk	<p>Programme risk impacts a portfolio of projects and is usually managed by a client programme team. Risk in this area takes in decisions that transform strategy into action, including those relating to funding, organisational and cultural issues, quality, business continuity, and so on.</p> <p>See also: Operational Risk, Project Risk, Strategic Risk</p>
Project Coordinator	<p>The Project Coordinator is the person within the Sponsoring Agency responsible for the execution of the decisions taken by the Sponsoring Agency in relation to the project regarding delivery, quality and budget.</p>
Project Definition	<p>Project definition is the single most important exercise in the design process. It consists of a set of activities that have as their final purpose the development of a Definitive Project Brief that can enable a responsive and efficient design process, with a minimum number of iterations arising out of amendments.</p> <p>See also: Definitive Project Brief.</p>
Project Execution Plan	<p>The Project Execution Plan is the primary expression of <i>how</i> the project will be executed.</p> <p>This is the core project management document, and it summarises the project management structure, roles and responsibilities, communication processes, reporting procedures and so on.</p>
Project Management Structure	<p>Projects undertaken within the Capital Works Management Framework are required to have an appropriate project management structure with clear definition of the following elements:</p> <ul style="list-style-type: none"> ▪ Key roles and responsibilities; ▪ Authority levels; ▪ Organisational relationships; ▪ Communication lines; ▪ Formal reporting mechanisms; and ▪ Administrative procedures.
Project Manager (Client)	<p>The Project Manager's role is to lead, manage and coordinate the design team on day-to-day basis.</p> <p>There is no automatic requirement to appoint a separate Project Manager, as the project management functions can be undertaken by a suitably experienced Project Coordinator, unless the project is large or complex.</p>
Project Parameters	<p>There are sixteen common parameters that make up the project definition: Objectives, Purpose, Scope, Deliverables, Performance, Assumptions, Governance, Options, Risks, Value Management, Plan, Functional Life, Design, Location, Budget, Constraints. The project definition activities refine, improve and quantify the</p>

	<p>sixteen parameters before the project is advanced to the next step, which is the determination of procurement strategy.</p> <p>See also: Definitive Project Brief</p>
Project Programme	<p>The Project Programme is drawn up by the Project Coordinator as the primary means of ensuring that all of the activities and processes on a project are sequenced and coordinated correctly, with adequate intervals between them, where appropriate.</p> <p>The Project Programme is the responsibility of the project coordinator. In summary, it should include the following:</p> <ul style="list-style-type: none"> ▪ All project activities in the entire life cycle of the project; ▪ Generic processes within the Client organisation; ▪ The scheduling and sequencing of project activities; ▪ Details of processes for engaging with stakeholders and the wider community.
Project Review	<p>Project reviews allow Sponsoring Agencies to review the project at key development stages. Typically there are seven project reviews, which can be tailored to suit individual departments and project circumstances.</p> <p>Project reviews 1 to 7 are all appropriate to traditional, Employer-designed projects. For design-and-build projects, Project reviews 1, 2 and 7 are always appropriate. Project Reviews 3, 4, 5 and 6 are appropriate only while the Client continues to retain the design risk.</p> <p>See also: Amber Light Review, Red Light Review</p>
Project Risk	<p>Project risk is risk that directly affects the successful delivery of a project, and is usually managed by the project team. Project risks are commonly quantified in terms of time, cost and quality.</p> <p>See also: Operational Risk, Programme Risk, Strategic Risk</p>
Project Supervisors (PSDP and PSCS)	<p>The Safety, Health and Welfare at Work (Construction) Regulations 2006 require the Employer for every project to appoint a competent Project Supervisor for the Design Process (PSDP) and a Competent Project Supervisor for the Construction Stage (PSCS). These are responsible for:</p> <ul style="list-style-type: none"> ▪ Advising on health and safety matters; ▪ Ensuring compliance with all the health and safety requirements in the <i>Safety, Health and Welfare at Work (Construction) Regulations, 2006</i> (and any updates to this document); and ▪ Ensuring that a safety file is held for the duration of the project and in perpetuity.

Proven Cost Method (PV1)	<p>The Proven Cost Method (PV1) is one of two methods that may be used to calculate adjustments to the Contract Sum for changes to the cost of labour and materials that are allowable under the Contract.</p> <p>PV1 requires the Contractor to provide evidence by way of invoices to support any claim for increases, including hyperinflation increases, in relation to the cost of materials used in the works and to also produce evidence of the cost of those materials at the Designated Date/Base Date. The Employer checks the validity of such claims independently by obtaining prices from a number of suppliers and other sources for the same materials in the same quantities and timeframes as in the project and compares them against the Contractor's claim.</p> <p>See also: Formula Fluctuations Method (PV2).</p>
Provisional Sum	<p>Provisional Sums are no longer permitted in any of the Public Works forms of contract.</p> <p>A Provisional Sum was a sum provided for work or for costs that could not be entirely foreseen, defined or detailed, as a result of incomplete design by the Employer at the time the tender invitation was issued.</p>
PSDP	See: Project Supervisors (PSDP and PSCS) .
PSCS	See: Project Supervisors (PSDP and PSCS) .
PV1	See: Proven Cost Method (PV1) .
PV2	See: Formula Fluctuations Method (PV2) .

R

Recovery Date	<p>The Recovery Date is the Designated Date adjusted by the period of delay to the Starting Date that results from the actions or omissions of the Contractor.</p> <p>See also: Designated Date</p>
Red Light Review	<p>A red light review is one that requires a report to be presented for the approval of the Sanctioning Authority in order for the project to proceed further. The report enables the Sanctioning Authority to evaluate the business case and the project parameters, and to confirm the budget.</p> <p>See also: Amber Light Review</p>
Restricted Procedure	<p>A restricted procedure is one of two types of procedure to be used by the Contracting Authority for the procurement of a Service Provider or Works Contractor. Any applicant for the position may express an interest in participating in a tender competition, but only those that qualify are subsequently invited to submit a tender. Following the</p>

	<p>tender competition an award is made.</p> <p>See also: Open Procedure</p>
Retention	<p>Retention is the practice whereby the Employer withholds until the end of the Defects Period (as specified in the Contract) part of the Contract Sum as security for the cost of any repairs that may be required. The Employer deducts from any interim payment to the Contractor the retention percentage stated in the Schedule.</p> <p>Upon the issue of the Defects Certificate at the end of the defects liability period, the Contractor can invoice the Employer for the balance of the money so retained.</p>
Retention Bond	<p>A retention bond is a bond by which the Contractor undertakes to repay any money that would otherwise be retained by the Employer upon receipt of a demand in writing from the Employer.</p> <p>If the Contractor provides the Employer with such a bond within ten working days of the issue of the Certificate of Substantial Completion, the Employer may release the balance of retention held on such substantially completed works, less any amount the Contractor owes to the Employer.</p>
Risk Levels	<p>Organisations with mature risk management programmes establish different levels of risk, usually categorised by type – including the following: Strategic, Programme, Project and Operational.</p> <p>See also: Operational Risk, Programme Risk, Project Risk, Strategic Risk,</p>
Risk Management	<p>Risk management runs for the entire lifetime of a construction project, and seeks to minimise exposure to events that might increase the cost or extend the time-span of the works.</p>
Risk Register	<p>The Risk Register is a risk management tool used to catalogue and communicate risks as they are identified.</p>

S

Sanctioning Authority	<p>The Sanctioning Authority is the Government Department or public body responsible for conveying approval to proceed with a construction project or programme, within a specified budget or funding, to specified standards and time limits, etc.</p> <p>See also: Client, Contracting Authority, Employer, Sponsoring Agency.</p>
Schedule	<p>The Schedule is the document that specifies the particular details relating to a particular contract. The Schedule refers to the detail contained in the Contract Conditions.</p>

	<p>The Schedule to PW-CF1 to PW-CF5 is in two parts:</p> <ul style="list-style-type: none"> ▪ Part 1 is completed by the Employer; and ▪ Part 2 is completed by the Contractor.
Service Provider	<p>Within the CWMF, a Service Provider is an independent service provider who is engaged by a Contracting Authority to provide expert technical services, including Category 12 services.</p> <p>Category 12 services are listed in the EC Directives under Annex XVII A of 2004/17/EC and SI No 329 of 2006, and Annex II A of 2004/18/EC and SI No 50 of 2007.</p>
Site Working Day	<p>A site working day under the Contract is to be interpreted as a day that is not a Saturday, a Sunday, a public holiday established under the Organisation of Working Time Act 1997 or Good Friday. All other days are site working days.</p>
Specialist	<p>A specialist is a key subcontractor or supplier who carries out specialist work or supplies special services or materials under the Contract. A specialist is engaged as a subcontractor by the main Contractor in order to satisfy a requirement of particular interest to the Contracting Authority on a project or the specialist may be an in-house employee of the Contractor satisfying that requirement.</p> <p>See also: Independent Specialist</p>
Specialist Service Provider	<p>A Specialist Service Provider is engaged by the main Contractor on a design-and-build contract or on a traditional contract where the main Contractor has a significant input into the design (for example, where there is design by the main Contractor of temporary works which are of particular interest to the Contracting Authority).</p> <p>See also: Service Provider</p>
Specialist Works Contractor	<p>A Specialist Works Contractor is engaged by the main Contractor to take on a specialist area of work on a project where that area is of particular interest to the Contracting Authority.</p>
Sponsoring Agency	<p>The Sponsoring Agency is the organisation that has overall responsibility for planning and managing a capital works project. The Sponsoring Agency may be a Government Department, local authority, health agency, state body or agency, or other body in receipt of exchequer funding to provide public services. Sponsoring agencies must report to and/or seek approvals from the relevant Sanctioning Authorities where required to do so. There may be instances where the Sponsoring Agency and the Sanctioning Authority are the same body.</p> <p>See also: Client, Employer, Contracting Authority, Sanctioning Authority</p>

Strategic Risk	<p>Strategic risk is risk that impacts the highest level of an organisation, and is usually managed by senior management.</p> <p>If strategic risks are realised, they could have a substantial negative impact on reputation, organisational efficiency, or high-level business performance.</p> <p>See also: Operational Risk, Programme Risk, Project Risk.</p>
Subcontractor	<p>An individual or company that contracts to perform part of all of the obligations of the main Contractor's contract.</p> <p>A domestic subcontractor is one who is employed by the main Contractor.</p> <p>See also: Specialist</p>
Stakeholder	<p>A stakeholder is any party involved in the use, financing and procurement/delivery of projects or any third parties with an interest or contact with the project. Stakeholders may include staff and visitors of a construction facility (students, patients, the general public, local residents, artists, motorists on road projects etc).</p> <p>Organisations involved in the financing of a project may include amongst others Sponsoring Agencies, Sanctioning Authorities, banks, charities, etc. Local Authorities and other statutory bodies and organisations from which approvals are required are also stakeholders. Clients, designers or contractors involved in adjacent projects or a larger programme of works of which the project is part of are also stakeholders.</p>
Starting Date	<p>The Starting Date is the date on which the Contractor proposes to start the works. This must be within the time limit set in the contract.</p>
Statutory Approval	<p>Statutory approval is any kind of planning or other approval that is required by any Irish law or statute enacted by the legislature.</p>
Steering Group	<p>The Steering Group is a group established for the purpose of overseeing the execution of the project on behalf of the Sanctioning Authority. A Steering Group is usually only required on complex and large-scale projects.</p>
Suitability Assessment	<p>Suitability assessment is the procedure by which applicants or tenderers are invited to submit information about themselves (and their named specialists where so requested by the Employer) in the form of a questionnaire, which is then used by the Employer to determine which applicants (under a restricted procedure) or which tenderers (under an open procedure) meet the suitability standards and which do not.</p>

The standard approach to suitability assessment is intended to ensure only those service providers or works contractors that qualify against certain (objective and transparent) criteria progress to the next stage of the procurement procedure for publicly funded projects.

T

Tender Process

The tender process is a regulated competitive process for awarding contracts for building and engineering works. It is an activity that takes place between final design input at the end of the Planning stage and before contract award at start of the Implementation stage. The tender process activity enables competitive tenders to be obtained for project designs, specifications, works proposals and programmes.

The overall aim of competitive tendering should be to establish, in a competitive environment, the market price of a project. An acceptable tender is an affordable *bona fide* competitive tender defined by the criteria of the competition, which meets the core objectives of the Definitive Project Brief.

Termination of the Contract

Termination of the Contract is the process by which the works specified in the Contract are brought to an end before they have been completed. There are three types of termination that can apply to a public works contract:

- Termination by the Contractor: the Contractor withdraws from the Works;
- Termination at the Employer's election: The Employer, at its discretion, elects to terminate the Contract; and
- Termination on Contractor default: the Employer terminates the Contract where the Contractor is in default of contract obligations.

Traditional Contract

See: **Employer-Designed Contract.**

U

Unfixed Works Items

Unfixed works items are items that have not yet been incorporated into the works – they may be either on-site or off-site and clearly marked as the property of the Employer. Part 1L of the Schedule indicates the maximum percentage of the contract value for unfixed works items that may be included in interim payments – typically, this is 90%.

V

Value for money	Value for money is the optimum balance between the benefits gained from a project and the investment made to acquire it.
Value management	Value management is a set of structured activities throughout the life of a project aimed at maximising value for money.
Value Metrics	Value metrics is a technique that is used for measuring improvements in value, including the value for money index. Using this technique enables a client to maximise non-monetary benefits, including aesthetic matters, staff well-being, and so on.
Value Profiling	Value profiling is a technique for defining how the Client defines value and of prioritising key value drivers based on the Client's preferences. This enables the Client and the project team to make informed value-based decisions.
Value Engineering (Value Management)	<p>Value engineering is a practice that involves continually monitoring project processes to determine if there are any alternative ways of proceeding or any innovative solutions that can enhance the value of the project without increasing the cost.</p> <p>Experienced project managers use a range of techniques to maximise project value including Value Profiling, Function Analysis and Value Metrics.</p>

WXYZ

Weather Event	<p>A weather event under the Public Works Contracts is an event that, provided certain conditions are met, can allow the Contractor extra time (arising out of bad weather) to complete the construction of a project. Established thresholds must be exceeded for any extra time to be considered. These thresholds are set out in Part 1 K of the Schedule in the Public Works Contracts and are the 90th percentile of a weather measurement for a month in a particular location where the:</p> <ul style="list-style-type: none"> ▪ Number of days with rainfall exceeding 10mm; ▪ Number of days with a minimum air temperature less than 0^o Celsius; or ▪ Number of days with maximum mean 10 minute wind speed exceeding 15 metres per second
Whole Life Costs	The Whole Life Costs of a building or other facility include the initial capital costs of building it (and all ancillary design and other costs) and the costs of operating and maintaining it over the period of its useful life.

	<p>Whole life costing is a technique for establishing the whole cost of a facility.</p>
Works Proposals	<p>The Works Proposals is the document in which the Contractor states how it proposes to carry out the works in response to the Employer's Invitation to Tender. Usually this will include method statements, Contractor's design and other information required by the Employer in relation to the carrying out of the Works.</p> <p>In particular, the Contractor must ensure that all Works Proposals comply with the Works Requirements.</p>
Works Requirements	<p>The Works Requirements is the document that sets out the Employer's requirements in relation to the proposed works, and which define the scope of the Works.</p> <p>The Works Requirements for a traditional (employer-designed) contract and those for a design-and-build contract differ primarily in that for the traditional contract, the fully developed design and detailed descriptive specifications are included as <i>input</i> specifications, while in the case of design-and-build the focus is on <i>output</i> specifications, standards and functional requirements.</p>