# Glossary of Contract Terms

**ACCREDITATION**

Recognition issued by a national accrediting organization to behavioral healthcare and human services providers for their compliance with the established evaluation criteria for service quality. Commonly know accrediting organizations include the Rehabilitation Accreditation Commission (CARF), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation (COA).

**ADDENDUM**

A document used to expand or more fully explain the terms of a solicitation which is incorporated as part of the original solicitation. This modification becomes a legal part of the solicitation. This term should not be confused with a contract amendment as it is not used to change the terms of a contract.

**ADMINISTRATIVE STANDARDS**

Criteria for evaluating a provider’s compliance with contract provisions.

**ADVANCE PAYMENTS**

ADVANCE PAYMENTS. A payment situation whereby under certain circumstances it is possible to make a portion of the contract funds available to a provider prior to the delivery of services and or expenditure of funds by the provider.

**AMENDMENT**

A document by which significant changes are made to the terms of an executed contract. Changes requiring an amendment include, but are not limited to adjustments in costs, services, time period, and method of payment. The amendment is incorporated as part of the original contract.

**ATTACHMENT I**

The unique, program-specific part of a contract that contains the statement of work for each provider including services to be provided, manner of service provision, method of payment, and special provisions.

**AUDIT TRAIL**

A recorded flow of transactions from initiation to finalization with supporting documentation to justify each transaction.

**BEST VALUE**

The highest overall value to the procuring agency based on objective factors determined by the procuring agency.

**BID OPENING CLERK**

The individual charged with the responsibility of receiving, logging, and opening bids.

**BIDDER**

See Offeror.

**BIDDERS’ CONFERENCE**

See Offerors’ Conference

**BREACH OF CONTRACT**

A condition that results from the failure of a party to a contract to abide by all material terms or conditions of the contract such that one party loses the value of its bargain with the other party. Breach is a sufficient condition for contract termination but not an automatic reason.

**BUDGET**

A plan that outlines expected revenues and expenditures.

**CERTIFICATION OF ASSURANCES**

A written and signed list of performance requirements and business conditions to which the potential vendor agrees to be bound.

**CERTIFICATION REGARDING DEBARMENT AND SUSPENSION**

See the definition of Debarment and Suspension, Certification Regarding.

**CERTIFIED MINORITY BUSINESS ENTERPRISE**

A minority-owned business which has been certified by the certifying organization or jurisdiction in accordance with subsection 287.0943, F.S.

**COMMODITY**

A tangible, specific item or product, such as: desk, toothbrush, bed, etc.

**COMPETITIVE SEALED BID PROPOSAL REPLY**

The receipt of two or more sealed bids or proposals or replies submitted by responsive and qualified bidders or proposers, or persons responding to a formal competitive procurement instrument.

**COMPLIANCE**

The fulfillment of the terms and conditions of the contract in accordance with applicable policies, rules and regulations.

**CONFIDENCE INTERVAL**

The range of values that has a given probability of including the actual population statistic based on the sample of the population studied.

**CONFIDENCE LEVEL**

The likelihood that a population statistic falls within a range specified based on a studied sample. For example, the 95% confidence level indicates that 95 of 100 times the range reported in the sample findings includes the value that would have been determined if the whole population had been included in the study or that the assertion made based on the sample is also true for the population as a whole..

**CONFLICT OF INTEREST QUESTIONNAIRE**

A questionnaire to be completed by those individuals taking part in any procurement which attests that none of the participants in the evaluation have a conflict of interest in the project.

**CONTACT PERSON**

The staff person responsible for a responding to inquiries concerning a solicitation or contract.

**CONTRACT**

For the purposes of this document, a contract is a formal written agreement between two or more individuals or organizations for the procurement of services.

**CONTRACT CLAUSE**

A provision or condition which is part of the contact.

**CONTRACT CLOSEOUT**

The final process or steps to be taken upon completion or termination of a contract. This may include, but is not limited to (1) processing the final payment; (2) recovering any overpayment; or (3) recovering equipment purchased and to be returned in accordance with the terms of the contract.

**CONTRACT DEFAULT**

The failure to perform or meet contract terms and conditions.

**CONTRACT DURATION**

The length of time for which a contract is legally binding on both parties. It is normally specified in the contract under "effective" and "ending" dates.

**CONTRACT FILE**

The official record for the procuring agency which must be maintained for a period of five (5) years following contract closeout or resolution of pending action (e.g., legal, audit, etc.) whichever is later.

**CONTRACT MANAGER**

The employee designated by the contract signer to serve as the primary point of contact, who is responsible for the success of the contract.

**CONTRACT NUMBER**

A unique number assigned to each contract.

**CONTRACT RENEWALS**

Contracts for commodities or contractual services may be renewed. Renewal of a contract shall be by mutual consent in writing and shall be subject to the same terms and conditions set forth in the initial contract.

**CONTRACT SIGNER**

An individual authorized by a party to a contract to bind that entity through signing a contract.

**CONTRACT TERMS**

Conditions, obligations, rights, price, etc., as specified in a contract.

**CONTRACT YEAR**

An accounting period of twelve consecutive months based on the terms and agreements on the contract.

**CONTRACTOR**

A person or entity that contracts to sell contractual services or commodities to another entity, also referred to as a “provider”.

**CONTRACTUAL SERVICES**

The rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors, and such services may include, but are not limited to: evaluations, consultations, maintenance, accounting, security, management systems, management consulting, educational training programs, research and development studies or reports on the findings of consultants engaged thereunder, and professional, technical, and social services.

**CORRECTIVE ACTION PLAN**

A written plan developed by the provider that responds to findings of substantial deficiencies in contract compliance. Each deficiency is to be identified along with steps and time frames for correction.

**CORRECTIVE ACTIONS**

Remedial revisions that the provider is required to make resulting from findings of a reviewing entity.

**COST PRINCIPLES**

The explanation of contract pricing which includes provisions for allowable and unallowable costs.

**COST REIMBURSEMENT**

Method of payment used when the contract payor reimburses the provider for actual expenditures incurred in accordance with a line item budget.

**DATA SECURITY**

The protection of information from unauthorized use, modification, destruction or disclosure.

**DEBARMENT AND SUSPENSION, CERTIFICATION REGARDING**

Prohibition from contracting with a provider for $25,000 or more in federal moneys if a provider has been debarred, suspended, declared ineligible or voluntarily excluded from receiving federal funds. This prohibition is also true of providers who audit federal programs, regardless of the amount of federal moneys involved in their contracts. The Certification Regarding Debarment and Suspension form states that the provider is not ineligible to receive federal moneys.

**DEFAULT**

Failure to perform to contract terms and conditions.

**DEPARTMENT**

Florida Department of Children and Families, unless otherwise stated.

**DISCOVERY SAMPLING**

A type of sampling used commonly by auditors. A sample is drawn to discover whether the records contain critical errors due to shortcomings in an entity's internal control process.

**DISPUTE**

A disagreement brought to the attention of the other party or parties to an agreement.

**EVALUATION CRITERIA**

A list of questions used in a competitive solicitation to determine which potential vendors have submitted the winning proposal(s).

**EXECUTED CONTRACT**

A contract that has been signed and dated by authorized representatives of all parties.

**EXHIBIT**

An attachment to an Attachment I or any other contract attachment. The use of the word “exhibit” avoids confusion and allows for clearer referencing. All exhibits to an attachment must be referenced in that attachment.

**EXTENSION**

An increase in the time allowed for the contract period, with or without an increase in the total dollar amount, with any increase to be based on the method and rate previously established in the contract.

**FEDERAL FISCAL YEAR**

An accounting period of twelve consecutive months starting on October 1, and ending on the last day of September.

**FINDINGS**

Material results and observations derived from the contract monitoring that identify the provider's failure to comply with specific terms and conditions of the contract which relate to the provider's service delivery, operations and/or financial stability.

**FISCAL YEAR**

An accounting period of twelve consecutive months ending on the last day of any month selected as a basis for auditing and reporting.

**FIXED PRICE**

Method of payment used when the service provided can be broken down into unit cost (e.g., hours, client days, etc.), or a fixed fee (e.g., payment based on delivery of a complete service).

**FORMAL SOLICITATION**

A written, competitive solicitation instrument requiring a public opening of responses to the solicitation at a specific time or date.

**FUNDING PARTNERS**

Entities (either public or private) which have contractual arrangements with the same provider.

**INFORMAL SOLICITATION**

Either a written or oral quotation not requiring a public opening of responses to the solicitation at a specific time or date.

**INITIAL SCREENING CRITERIA**

A list of "fatal" or mandatory criteria used to screen replies to a formal solicitation to determine which potential vendors are responsive.

**INSTRUCTIONS TO BIDDERS RESPONDING TO A SOLICITATION**

Specific instructions to parties responding to the solicitation describing the content, format, and manner of submission for their responses.

**JOINT MONITORING**

Administrative and programmatic oversight and review shared among funding partners.

**LICENSING**

As defined by subsection 120.52(10), F.S., the issuance, denial, renewal, revocation, suspension, annulment, withdrawal, or amendment of license or imposition of terms for the exercise of a license.

**LICENSING AGENCY**

As defined by subsection 435.02 (3), F.S., any state or county agency which grants licenses or registration permitting the operation of an employer or is itself an employer. When there is no state licensing agency or the county licensing agency chooses not to conduct employment screening, “licensing agency” means the Department of Children and Family Services.

**MANAGERIAL DATA**

The provider’s internal budget, personnel, inventory, policies and procedural records.

**MANNER OF SERVICE PROVISION**

A section of an Attachment I including outcome measures and performance standards for the contract. This section details the service tasks, staffing requirements, service location and equipment, deliverables, performance specifications, provider responsibilities, and contract funder responsibilities.

**MATCH**

Refers to a specified percentage of program or project costs, cash or in-kind, that must be contributed by a grantee in order to be eligible for funding. This requirement may either be stated as a specified minimum percentage of total allowable costs or a maximum percentage of participation in such costs.

**METHOD OF PAYMENT**

A section of an Attachment I specifying the total or maximum dollar amount of the contract, the manner in which contract costs will be displayed on invoices, the frequency with which invoices will be submitted, and any special conditions pertaining to payment of contract invoices.

**MINOR ERRORS**

Unintentional and non-systematic mistakes that do not result in reduced or substandard program service nor are fraudulent transactions. Minor errors can be readily adjusted without the need of a corrective action plan or penalties.

**MINORITY BUSINESS ENTERPRISE**

Any small business enterprise which is organized to engage in commercial transactions and which is at least 51 percent owned and controlled by minority persons who are members of an insular group that is of a particular racial, ethnic, or gender makeup or national origin, which has been subjected historically to disparate treatment due to identification in and with that group resulting in an underrepresentation of commercial enterprises under the group’s control, and whose management and daily operations are controlled by such persons. A minority business enterprise may primarily involve the practice of a profession. [subsection 288.703(2), F.S.]

**MONITORING**

The acquisition, review, and reporting of information about the provider's compliance with the terms and conditions of a contract.

**MULTIPLE YEAR CONTRACTS**

One contract which covers more than twelve months.

**NATIONAL STANDARDS**

Criteria established by national accrediting organizations, (i.e., the Council on Accreditation, the Rehabilitation Accreditation Commission, the Joint Commission on Accreditation of Healthcare Organizations, the National Committee for Quality Assurance and the Utilization Review Accreditation Commission) to evaluate organizational and service delivery quality.

**NOTICE OF INTENT TO SUBMIT PROPOSAL**

A response from a prospective bidder indicating interest in a formal solicitation.

**OFFEROR**

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

**OFFERORS’ CONFERENCE**

A meeting held by a procuring agency with interested bidders to answer questions concerning a formal solicitation.

**PERFORMANCE BASED CONTRACT**

A contract which contains quantitative or qualitative indicators (performance measures) used to assess a provider’s performance against a specified level of performance of an output or outcome (performance standard). Examples of performance measures include: improved scores on achievement tests, increased level of function or ability, increased quality of water, and reduced requirements for subsequent services. Examples of performance standards include: a target number of clients to be served (output), a target number of activities completed on time (output), a 25% reduction in the child abuse/neglect reports for the population served (outcome), and a 10% increase in level of function or ability of the clients served (outcome).

**PERFORMANCE SPECIFICATION**

The section of an Attachment I that specifies the performance standards, definiitions of performance measurement terms, and information about evaluating each performance measure.

**PERFORMANCE STANDARDS**

Quantitative statements that specify the level of accomplishment of an outcome or output measure contained in the Attachment I.

**POPULATION**

The aggregate of all individuals, entities, or instances that conform to a designated set of specifications.

**PRIMARY POINT OF CONTACT**

For the funder, the individual who is responsible for enforcing the performance of the contract terms and conditions and serving as liaison with the contractor. The provider's primary point of contact is the employee delegated to serve as the provider’s representative and liaison to the contract funder.

**PROCUREMENT**

The acquisition of goods or services in exchange for money.

**PROGRAMMATIC MONITORING**

The review, evaluation and validation of the provider’s actual program performance against the specific program goals and expected outcomes required by the contract.

**PROTEST**

An objection by any person or firm who has, or considers they have, been adversely affected by a decision or intended decision concerning a bid solicitation, or by a notice of contract award.

**PROVIDER**

An organization or individual providing services or materials in accordance with the terms of a contract. Also referred to as “contractor.”

**PROVIDER’S FISCAL YEAR**

An accounting period of twelve consecutive months selected by a provider as a basis for auditing.

**PUBLIC ENTITY CRIME**

A violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation. [10-22.-3(4), F.A.C.]

**PURCHASE ORDER**

A purchasing document to formalize a purchase transaction executed with a vendor.

**QUALITY ASSURANCE**

A process by which an entity reviews the effectiveness and the quality of its service provisions and deliveries.

**RANDOM SAMPLE**

A subset of the population selected by a method in which each unit in the population has an equal chance of being chosen.

**RATE CONTRACT**

A contract that establishes a rate of payment for a specified unit of service.

**RECORDS RETENTION**

The requirement to keep all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of five (5) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract.

**RECORD SAMPLING**

Selection and evaluation of a limited number of records to validate a provider’s compliance with the terms and conditions of a contract.

**RENEWAL**

Contracting for the same services with the same provider for an additional contract period after the initial contract period.

**REQUEST FOR PROPOSALS (RFP)**

RFP is a written solicitation for competitive sealed proposals with the title, date, and hour of the public opening designated. RFPs include a statement of the services sought, contractual terms and conditions applicable to the services, proposal evaluation criteria, and specific instructions for submitting proposals.

**SERVICES TO BE PROVIDED**

A section of the Attachment I which provides a detailed expression of the services to be provided.

**SINGLE SOURCE PROCUREMENT**

The purchase of a contractual service that is available from only one source.

**SMALL BUSINESS**

An independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than $5 million orany firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the $5 million net worth shall include both personal and business investments. [subsection 288.703(1), F.S.]

**SOLICITATION DOCUMENT**

A written, competitive procurement instrument.

**SOLICITATION OPENING CLERK**

The individual charged with the responsibility of receiving, logging, and opening solicitation documents.

**SPECIAL PROVISIONS**

A section of the Attachment I containing any special requirements not covered elsewhere in the contract.

**STATE FISCAL YEAR (SFY)**

For Florida, an accounting period of twelve consecutive months starting of July 1, and ending on the last day of June.

**STATEMENT OF NEED**

A narrative describing the circumstances which contribute to the necessity for the project to exist.

**STATEMENT OF PURPOSE**

A narrative relating to the Statement of Need describing what the project must accomplish.

**STATEMENT OF WORK**

A narrative describing what services are to be provided, how the services are to be provided, measurable objectives, products to be delivered, and schedules of performance.

**SUBCONTRACT**

A written contract between a contracted provider and another entity to deliver program services included within the provider’s contract with its funder.

**TERM CONTRACT**

An indefinite quantity contract wherein a party agrees to furnish commodities or contractual services during a prescribed period of time, the expiration of which concludes the contract.

**TRADE SECRETS**

The whole or any portion or phase of any formula, pattern, device, combination of devices, or compilation of information which is for use, or is used, in the operation of a business and which provides the business an advantage, or an opportunity to obtain an advantage, over those who do not know or use it.

**UNALLOWABLE EXPENDITURES**

Expenses that are not included in the contractual agreement and, therefore, are deemed inappropriate for payment.

**UNSCHEDULED VISITS**

On-site monitoring visits that are not pre-arranged with the provider.

**VENDOR**

A person who sells or offers to sell commodities or contractual services.