FRAMEWORK SERVICE CONTRACT
CONCERNING THE PROVISION OF SERVICES
TO THE EUROPEAN AVIATION SAFETY AGENCY
BY THE [Service provider]

CONTRACT NUMBER - EASA.2012.FCXX

The European Aviation Safety Agency (hereinafter referred to as "the Agency"), represented for the purposes of the signature of this contract by (EASA representative),

of the one part,

and

the [name of service provider], (hereinafter referred to as "the service provider"), whose principal office is:

[Address 1: Street / P.O. Box]

[Address 2: City]

[Address 3: Country]

VAT: [VAT Number]

represented for the purposes of the signature of this contract by [name representative], [function representative],

of the other part,

HAVE AGREED

The Special Conditions and the General Conditions below and the following Annexes:

Annex A List of experts available at the service provider for the execution of tasks

Annex B Scope of accreditation for

- Products certification tasks
- Organisations approval and surveillance tasks
- Flight Standards activities
- ATM/ANS

Annex C Conditions relating to the reimbursement of travel expenses

Annex D Management Reporting Forms

Annex E Sample form Change control notice

Annex F Flat rates /Special arrangements

Annex G Tender Specifications No. [xxx]

Annex H Service provider's tender of [date]

which form an integral part of this contract (hereinafter referred to as the "Contract").

The terms set out in the Special Conditions shall take precedence over those in the other parts of the Contract. The terms set out in the General Conditions shall take precedence over those in the Annexes. The terms set out in the tender specifications (Annex G) shall take precedence over the tender (Annex H).

Subject to the above, the several instruments forming part of the Contract are to be taken as mutually explanatory. Ambiguities or discrepancies within or between such parts shall be explained or rectified by a written instruction issued by the Agency, subject to the rights of the Contractor under Article I.12, should it dispute any such instruction.

I – <u>SPECIAL CONDITIONS</u>

ARTICLE I.1 - SUBJECT

I.1.1 The Contract establishes the conditions under which the service provider will assist the Agency in the execution of its tasks as specified in Articles 20(1)(e) and (2)(a), 21(1)(a) and (2)(a), 22a(a), 22b(a), and 23(1)(a) and (2)(b) of Regulation (EC) No 216/2008, and by providing other related services as described in this Contract, including the tender specifications (Annex G).

I.1.2 Signature of the Contract imposes no obligation on the parties to purchase or provide services. Only implementation of the Contract through requests for services (also called purchase orders) as described under Article I.4.2 is binding on the parties.

I.1.3 Once implementation of the Contract has been asked by the Agency or has commenced, the service provider shall reply and execute the tasks in accordance with all terms and conditions of the Contract.

I.1.4 The Contract does not confer on the service provider any exclusive right to provide the services described in Annex G to the Agency.

ARTICLE I.2 - DEFINITIONS

I.2.1 In the Contract and in any annex the following terms shall have the following meanings (except as the context shall require otherwise) and cognate expressions shall be construed accordingly:

a) "EASA Regulation" or "Regulation (EC) No 216/2008" – Regulation (EC) No 216/2008 of the European Parliament and the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC;

b) "fees and charges Regulation" – Commission Regulation (EC) No 593/2007 of 31 May 2007 on the fees and charges to be levied by the European Aviation Safety Agency;

c) "services" – the services in connection with the object of this contract and agreed between the parties, to be provided by the service provider pursuant to this Contract (including the related annexes);

d) "the parties" – the Agency and the service provider;

e) "annex" – any of the annexes to the Contract;

f) "providers" – persons or organisations (if any) acting on behalf of the service provider, e.g. under a subcontract;

g) "charges" – the sums to be paid for the services pursuant to Article I.8;

h) "secondment": the assignment of a service provider's employee (or provider) to perform certain technical tasks/services for the Agency on a temporary basis under the direct technical management of the Agency;

i) "days" – calendar days, except if otherwise specified;

j) "allocation" – the assignment of the performance of a technical task/service including the technical management functions;

k) “Member States” or “EASA States” – the EU Member States plus European third countries that have entered into agreements with the European Union in accordance with Article 66 of the EASA Regulation (i.e. for the time being Norway, Switzerland, Liechtenstein, Iceland);

l) “Agreed Best Practices” – The interpretation document initially established by the Agency, then updated by the Agency (in agreement with the service providers per the mechanism described therein), which establishes the best practices to be used in the implementation of this Contract;

m) “Frequently Asked Questions (FAQ)” – The non-binding document maintained by the Agency for clarification of implemented practices in the performance of this Contract.

I.2.2 Terms not defined in this article shall have the meaning defined in the EASA Regulation and rules taken for its application.

I.2.3 References to any statute, statutory instrument and Agency rules, procedures and policies shall include any amendments or consolidations thereof.

I.2.4 Headings are for convenience only and shall not affect the interpretation or meaning of the articles.

ARTICLE I.3 – SCOPE OF SERVICES

I.3.1 Where so requested, the service provider shall contribute to the execution of the Agency’s tasks, where relevant under the conditions laid down by the EASA Management Board, and within the scope of the service provider’s accreditation, by providing the following services:

I.3.1.1 Product certification

a) The secondment to the Agency on a case-by-case basis of experts (among those experts listed in Annex A) for certification tasks within the list in Annex B;

b) The technical investigations for certification tasks allocated to the service provider by the Agency within the list in Annex B.

I.3.1.2 Organisation approval and surveillance

a) The secondment to the Agency on a case-by-case basis of experts (among those experts listed in Annex A) for the approval of organisations and continuing oversight thereof within the list in Annex B;

b) The assessment/verification of capability and continued oversight of organisations allocated to the service provider by the Agency within the list in Annex B.

I.3.1.3 Flight standards activities

a) The secondment to the Agency on a case-by-case basis of experts (among those experts listed in Annex A) for flight standards activities within the list in Annex B;

b) The technical investigations for flight standards tasks allocated to the service provider by the Agency within the list in Annex B.

I.3.1.4 ATM/ANS systems

a) The secondment to the Agency on a case-by-case basis of experts (among those experts listed in Annex A) for ATM/ANS systems activities within the list in Annex B;

b) The technical investigations for ATM/ANS systems related tasks allocated to the service provider by the Agency within the list in Annex B.

I.3.1.5 <u>General technical advice services</u>

The provision on a case-by-case basis, either through secondment or allocation, of general technical advice services related to paragraphs I.3.1.1, I.3.1.2, I.3.1.3 and I.3.1.4 above.

I.3.2 The services shall be executed in accordance with:

a) This Contract,
b) The EASA Regulation,
c) The Agency's technical implementing regulations,
d) The conditions laid down by the EASA Management Board,
e) The Agency's rules, procedures and policies (including Agreed Best Practices); and
f) International bilateral agreements and working arrangements (as published on the Agency's website) applicable to the concerned organisations, products, flight standards and ATM/ANS (as the case may be).

The services shall consist of the related technical investigations and findings and take the form of recommendations to the Agency for the issuing, revocation or suspension of the necessary certificates, approvals and airworthiness directives, including associated conditions, restrictions or limitations, or any other form of deliverable specified by the Agency.

The service provider shall ensure that reports are delivered as required by Agency policies, procedures, work instructions, agreed best practices and frequently asked question documents.

I.3.3 The service provider shall exercise all reasonable care, skill and diligence in providing the services.

I.3.4 The service provider shall provide the requested services on the basis of the available competent staff or providers amongst those experts listed in Annex A.

<u>ARTICLE I.4 – IMPLEMENTATION OF THE CONTRACT</u>

I.4.1 When requesting services from a service provider the Agency shall apply the principal allocation criteria specified in the tender specifications and as updated from time to time.

I.4.2 **<u>Request for services (by means of a Purchase Order)</u>**

I.4.2.1 Requests for services by the Agency (through Purchase Orders) shall take the form of either task allocations or requests for secondment. The Agency establishes the timeframe for the provision of the services taking into account the urgency of the specific task and provides an estimate of the work volume and travel costs (if any) for its execution.

I.4.2.2 Requests for services shall be issued by the Agency electronically (from the Agency's ERP system) and be deemed valid and binding in that format. A request for services is regarded as accepted by the service provider unless the service provider notifies the Agency in writing within 10 working days after receipt of the related request that the request for services is refused.

I.4.2.3 In the event of disagreement on the initial timeframe or work volume, the service provider shall notify the Agency in writing within 10 working days after receipt of the request for services.

I.4.2.4 Without prejudice to Article II.16, if during the performance of the service it is identified that the timeframe cannot be met and/or the work volume and/or the travel costs will be exceeded, the service provider shall inform the Agency without any delay. Failure to do so shall lead to partial/reduced payment / partial reimbursement.

I.4.3 Task allocation

I.4.3.1 The Agency shall assign the performance of the technical investigations or technical advice related to a product certification, organisation approval/surveillance, flight standards or ATM/ANS activity including the technical management functions to the appropriately accredited service provider.

I.4.3.2 The allocation shall commence with the acceptance (express or tacit, as per the above) by the service provider of the task allocation (purchase order) made by the Agency. The service provider shall not accept an assignment of a technical investigation for which it is not appropriately accredited or a technical advice task for which it is not appropriately qualified. The performance of a task shall be subject to a valid purchase order. The allocation shall normally end with the issue of the technical closure document for the related project or as specified in the related purchase order, whichever occurs first.

I.4.4 Secondment

I.4.4.1 The Agency shall assign a secondee from the service provider to perform such duties as the Agency may reasonably require of him/her for the purpose of its business, in accordance with the activities set out in Article I.3. – Scope of Services.

I.4.4.2 The secondment shall commence with the acceptance by the service provider of the request for services/secondment (purchase order) made by the Agency. The performance of a task shall be subject to a valid purchase order. The secondment shall normally end when all the related tasks are completed as specified by the Agency or as specified in the related purchase order, whichever occurs first.

ARTICLE I.5 – PERSONNEL

I.5.1 Notwithstanding the provisions of Article I.5.2, the services shall be carried out either by the service provider's own staff or by providers who, in either case, shall be competent to perform the tasks assigned to them and for whose negligent acts or omissions in connection therewith or acts or omissions in breach of contract hereunder the service provider shall remain responsible.

I.5.2 Subject to the provisions of Article II.13 the service provider may replace the staff or the providers on reasonable notice to the Agency provided that it shall replace them with staff or providers with equivalent competence, including accreditation, where applicable, and subject to the Agency's prior approval.

I.5.3 The service provider or the providers may utilise the staff for other purposes than the provision of the services covered by this Contract, provided that the provision of the services can and shall be fulfilled in an adequate manner.

I.5.4 The basic and recurrent training of personnel involved in the provision of services is to be provided by the service provider.

I.5.5 The service provider shall accept the involvement of the Agency's staff in the tasks covered by this Contract for training or monitoring purposes.

I.5.6 In the event of any (service) provider's staff becoming unavailable during the execution of a task, the service provider shall without undue delay contact the Agency in order to find a solution.

I.5.7 The service provider shall have sufficient capacity to ensure high availability and mobility of the staff involved in performance of the Contract and shall grant high priority to any mission(s) necessary for the execution and fulfilment of tasks under the Contract.

ARTICLE I.6 – THIRD PARTY LIABILITY

This article governs the relationship between the contracting parties in case of liability claims against any of them by a third party. It does not provide the legal basis for a liability claim by a third party against any of the contracting parties. Such legal basis can only be found in EU or national law as the case may be.

I.6.1 Except for cases where the provision of services by the service provider is made through the secondment of experts, the service provider will accept third party liability for personal injury or death or for loss of or damage to property caused by its negligence (in German: Fahrlässigkeit) or by its intentional/wilful misconduct (in German: Vorsatz) or by the negligence or intentional/wilful misconduct of its staff or providers whilst acting within the course of their employment or duties.

I.6.2 Except in cases of intentional/wilful misconduct the service provider shall not be liable for any special damages or for any indirect or consequential losses or expenses (including loss of contracts, savings, business or goodwill) that are incurred by the Agency as a result of the services provided.

I.6.3 The Agency agrees to waive any claim in negligence it may have against the service provider's staff or providers (within the meaning of Section 278, Bürgerliches Gesetzbuch - BGB) personally in connection with their performance of this Contract but without prejudice to any claim it may have against the service provider under this Contract or in negligence or for intentional/wilful misconduct as a result of their or their staff's acts or omissions.

I.6.4 The Agency will provide assistance or co-operation to the service provider, its staff and providers, in case of legal action related to the execution of this contract, and vice-versa.

I.6.5 The Agency shall indemnify the service provider, its members, staff and providers against any actions or claims brought against them by any third party in connection with the services provided under allocation and against any liabilities, including any legal costs, any damages and any expenses arising from or incurred due to or in connection with such actions or claims, except and to the extent that the actions or claims are brought as a result of the negligence or the intentional/wilful misconduct of the service provider, its members, staff or providers.

I.6.6 Without prejudice to the requirements contained in the tender specifications with respect to liability insurance the service provider shall in general ensure that all risks and potential damage relating to performance of the Contract are duly covered – including especially where required by relevant applicable legislation (either by adequate insurance policy or state guarantee). Proof of such coverage shall be provided to the Agency upon request.

ARTICLE I.7 - DURATION

I.7.1 The Contract shall enter into force upon signature by both contracting parties. However, the Contract shall initially only apply with respect to new remits[1], whilst with

[1]As defined in section 2.1 of the tender specifications (Annex G).

respect to existing remits[2] it shall only start to apply upon expiry of the current service contracts covering these existing remits, namely as of 1st July 2013[3].

1.7.2 In addition, in both cases, i.e. for both the new and existing remits, the Contract shall be limited in scope to the extent of accreditation obtained and maintained by the service provider at any time.

I.7.3 The Contract shall remain in force until [expiration date] unless terminated earlier by either party.

I.7.4 Upon expiry of this Contract any tasks assigned under it shall –unless terminated or otherwise specified by the Agency– remain validly assigned to the service provider until their completion or until expiration of the corresponding purchase order, whatever occurs earlier, and this Contract and its respective terms shall be deemed to remain in force for such limited time and for this sole purpose only.

ARTICLE I.8 – CHARGES

I.8.1 The Agency shall compensate the service provider for the experts listed in Annex A, at the rate of [hourly rate] EUR per working hour, or at another rate, however calculated, which would result in a lower total cost for the Agency, as specifically agreed by the parties on a case by case basis or at any other flat rate or other special arrangement as defined in Annex (F).

I.8.2 Travel time shall be compensated only in case of transport outside the territory of the Member States.

I.8.3 Any fractions of working hours shall be calculated on a pro rata basis.

I.8.4 The rates mentioned in Article I.8.1 may be revised, on one occasion only, upwards or downwards on January 1st after the second anniversary of the contract, where such revision is requested by one of the contracting parties by registered letter received by the other no later than three months before that date.

Such revision shall not apply retroactively. It shall only apply to all initial requests for services (purchase orders) issued on or after the date of revision. Such revision shall furthermore not apply if the cumulative inflation rate over the two year period starting as of September following the signature is equal to or below 3,0 %[4].

This revision shall be determined by the trend in European Union inflation as measured by the Harmonised Index of Consumer Prices published monthly as a Eurostat News Release, and shall be calculated in accordance with the following formula:

$$Ar=(Ao) \times (1 + Ir)$$

where:
Ar = revised amount;
Ao = previous amount;
Ir = Arithmetic sum of the annual percentage change –over 24 months of the HICP all items (EU 27, 2005 = 100) as published in September of the relevant year in the Eurostat monthly bulletin (Theme 2 – Economy and finance);

[2] As defined in section 2.1 of the tender specifications (Annex G).
[3] As regards existing remits any tasks assigned under current contracts in their respect shall remain validly assigned until their completion or until expiration of the corresponding purchase order, whatever occurs earlier, and the current contracts and their respective terms shall be deemed to remain in force for such limited time and for this sole purpose only.
[4] To be understood as the arithmetic sum of the annual percentage change of the Harmonised Index of Consumer Prices (HICP) within the two year period starting in the month of September of the year in which the Contract is signed being equal to or below 3,0 %.

I.8.5 In addition to the sums specified in Article I.8.1, travel and subsistence expenses in respect of the personnel listed in Annex A, directly related to the services shall be reimbursed on the basis of costs incurred in accordance with Annex C of this Contract.

I.8.6 Payments under the Contract shall be made in accordance with Article II.4.

I.8.7 No other charges shall be payable by the Agency to the service provider.

ARTICLE I.9 – BANK ACCOUNT

Payments shall be made to the service provider's bank account denominated in Euro, identified as follows:

Name of Bank :	
Address of Bank :	
Account name:	
Account Number (and sort code as appropriate):	
SWIFT Bank Identifier Code (BIC):	
International Bank Account Number (IBAN):	

ARTICLE I.10 – CO-OPERATION AMONG THE PARTIES

I.10.1 Both parties shall co-operate in good faith to achieve the objectives specified in the EASA Regulation.

I.10.2 The parties agree to establish and maintain the Agreed Best Practices document which establishes the best practices to be used in the implementation of the Contract. The parties may suggest further interpretations and/or additional practices in relation to certain provisions in the Contract. The Agency may incorporate such proposals in the document after consulting all the affected service providers.

I.10.3 The Agency and the service provider shall monitor the day to day implementation of this Contract and take the necessary measures to allow the fulfilment of clause I.10.1 and of the commitments of either party under this Contract. They shall in particular ensure that the information contained in the annexes to this Contract, on the basis of which payments are to be made, is current and valid by updating the information using the procedure established in Article II.18.6.

I.10.4 Reserved.

I.10.5 Should either party encounter problems in the course of its respective contribution the parties shall examine ways of achieving the planned contributions. In particular, the parties shall closely monitor the staff available to carry out duties under this Contract and make the necessary arrangements by mutual agreement to ensure that there is no disruption to activities performed under this Contract.

I.10.6 Subject to applicable rules and regulations on confidentiality, the service provider shall inform the Agency of any agreements concluded with third parties in the fields covered by this Contract, if they have consequences on the services provided.

I.10.7 Reserved.

I.10.8 Without prejudice to applicable national rules and regulations and except as otherwise provided, parties shall not disclose any information exchanged in connection with this Contract except (on a need-to-know basis) to persons employed by them or acting on their behalf or officially entitled to handle such information. The respective party shall ensure (under its full responsibility) that these persons shall be bound by the same confidentiality restrictions applicable to the parties. In any case the parties shall not use it for commercial purposes.

I.10.9 Progress meetings shall take place when deemed necessary at the Agency's headquarters, or such other venue as the parties agree, to review inter alia past and planned activities, performance and potential new requirements.

ARTICLE I.11 – GENERAL ADMINISTRATIVE PROVISIONS

Any formal communication relating to the administration of the Contract shall be made in writing and shall bear the Contract number. It shall be sent to the following addresses:

Agency Contact	Title:	Head of Applications & Procurement Services Department
Operational Communication	Title:	Certification Outsourcing Manager
	Location:	European Aviation Safety Agency Postfach 10 12 53 D - 50452 KÖLN
SERVICE PROVIDER Contact	Title:	
Operational Communication	Title:	
	Location:	

ARTICLE I.12 - Applicable Law and Settlement of Disputes

I.12.1 The Contract shall be deemed to have been made in Germany, in the English language, and shall be governed by European Union law, complemented, where necessary, by the national substantive law of Germany.

I.12.2 Any disputes between the service provider and the Agency in connection with any matter arising under the Contract shall be settled amicably. In such process of amicable settlement, the provisions of the Agreed Best Practices document and the Frequently Asked Questions document shall be used as an aid in the interpretation of any provision in question under the Contract. If a dispute cannot be settled in an informal manner, the parties shall seek to settle it through a joint escalation process in accordance with Article I.12.5.

I.12.3 If a dispute between the service provider and the Agency in connection with any matter arising under the Contract cannot be settled through a joint escalation process, the parties may agree to settle the dispute through arbitration. In such case the parties shall also agree on the arbitration procedure to be pursued.

I.12.4 If a dispute between the service provider and the Agency in connection with any matter arising under the Contract cannot be settled in accordance with the previous articles, the dispute shall be brought before the courts of Cologne (Germany).

I.12.5 **Joint Escalation Process**

I.12.5.1 In the event of a dispute between the service provider and the Agency in connection with any matter arising under the Contract which cannot be settled in an informal manner, the parties shall follow a joint escalation process as detailed in below.

I.12.5.2 During the joint escalation process the parties shall continue to perform all of their respective obligations under this Contract, subject to any cessation or delay as a direct result of compliance with the dispute resolution procedure or unless otherwise agreed between the parties. This shall not prevent the Agency from suspending payments in case of irregular invoice/work.

I.12.5.3 The escalation steps are as follows:

Level	**EASA**	**SERVICE PROVIDER**
1	Certification Outsourcing Manager	
2	Head of Applications & Procurement Services Department	
3	Executive Director	

I.12.5.4 Either party may, by notice in writing, escalate an issue to the next level under Article I.12.5.3 if the issue has not been resolved within ten (10) working days or if a party considers it necessary to escalate the issue sooner.

I.12.5.5 The parties shall formally discuss all issues and any corrective action agreed shall be documented.

I.12.5.6 The service provider's focal point for contracts shall ensure that progress towards the resolution of issues and any corrective actions for which the service provider is responsible is reported to the service provider relationships managers at a frequency agreed with the service provider relationships managers.

I.12.6 **<u>Severability</u>**

The parties agree that each provision in the Contract shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. This shall in particular be the case with regard to Article I.6 and the individual sections thereof.

If one or more of the provisions contained in this Contract shall for any reason be held to be excessively broad as to its scope, activity or subject so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the maximum extent compatible with applicable law. This shall in particular be the case with regard to Article I.6 and the individual sections thereof.

ARTICLE I.13 – DATA PROTECTION

Any personal data included in the Contract shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community [/ European Union] institutions and bodies and on the free movement of such data. The data shall be processed solely for the purposes of the performance, management and monitoring of the Contract by the Agency without prejudice to possible transmission to the bodies charged with a monitoring or inspection task in application of European Union law. The service provider shall have the right of access to his/her personal data and the right to rectify any such data. Should the service provider have any queries concerning the processing of his/her personal data, s/he shall address them to the Agency. The service provider shall have right of recourse at any time to the European Data Protection Supervisor.

Where the Contract requires the processing of personal data, the service provider may act only under the supervision of the data controller, in particular with regard to the purposes of the processing the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.

The data shall be confidential within the meaning of Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by Community [/ European Union] institutions and bodies and on the free movement of such data. The service provider shall limit access to the data to the staff strictly necessary for the performance, management and monitoring of the Contract.

The service provider undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned in order to:

a) prevent any unauthorised person from having access to computer systems processing personal data, and especially:
aa) unauthorised reading, copying, alteration or removal of storage media;
ab) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
ac) unauthorised persons from using data-processing systems by means of data transmission facilities;
b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
c) record which personal data have been communicated, when and to whom;
d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;
e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
f) design its organisational structure in such a way that it meets data protection requirements.

<u>ARTICLE I.14 - FRAMEWORK SERVICE CONTRACT AND ARCHIVING</u>

I.14.1 GENERAL REQUIREMENTS

I.14.1.1 The service provider shall at its own expense retain and maintain complete and accurate records of, and supporting documentation for, non-technical and technical records (including superseded records). These documents shall form part of the Agency's archives and shall enjoy the privileges afforded under the Protocol of Privileges and Immunities of the European Union as generally described in paragraphs I.14.2 and I.14.3 and as further specified in the relevant Agency's record retention policy (and/or instructions) or certification procedures.

I.14.1.2 The service provider shall ensure that the processes surrounding the creation, maintenance and retrieval of records are transparent to the Agency.

I.14.1.3 Without prejudice to national law and internal procedures or instructions, the service provider shall retain such records in accordance with the Agency's record retention policy (or, subject to the Agency's specific approval, in accordance with the respective service provider's equivalent record retention policy), irrespective of whether such records are created by the service provider, any agent or subcontractor (provider) of the service provider and provided that such records have been provided to and received by the service provider.

I.14.1.4 Even in the event that the service provider has been authorised by the Agency to retain its records related to this Contract under the service provider's record retention policy, the service provider shall ensure that all such records are kept and maintained in a manner and format that ensure they are complete and accurate and that they can be retrieved at a later date and be accurately reviewed as required in accordance with the provisions of Article II.17 (Checks and audits).

I.14.1.5 The service provider shall without undue delay grant the Agency effective access to any records related to this Contract for the entire duration of the Contract, and thereafter for the period during which the Agency is required to maintain such records as stipulated in the Agency's record retention policy, unless otherwise agreed with the Agency.

I.14.1.6 The service provider shall provide the Agency at its request, with paper and/or electronic copies of all documents and information as the Agency may deem necessary to verify the service provider's compliance with this Contract.

I.14.1.7 Notwithstanding any termination or expiry of this Contract, the accounting records shall be retained and maintained by the service provider at its cost and expense for seven (7) years from payment of the balance by the Agency (or longer if required by national law).

I.14.2 NON-TECHNICAL RECORDS

I.14.2.1 The service provider shall maintain the following open book accounting records:

a. copies of all invoices and credit notes submitted to the Agency;

b. for each invoice and per project full particulars of the costs of performing the services, including related technical visas (if any), records of the working hours, travel hours, transport costs, costs of accommodation, the incidental expenses and the travel allowances paid to staff involved;

c. tax invoices and records related to VAT charged in respect of the services (if any).

I.14.2.2 In addition the service provider shall maintain following other non-technical records:

a. records of all task performed under the Contract on behalf of the Agency, i.e. as a minimum:
   i. Task allocation / request for secondment by the Agency,
   ii. Identification of involved service provider experts,
   iii. Relevant communication with applicants,

b. Up to date records relating to the service provider's and (if any) subcontractor's personnel involved under the contract, i.e. the name and contact details, their expertise and training, the date of their appointment and replacement;

c. manuals, procedures and records relevant for the provision of the services, related to:
   i. the implementation of Agency working procedures;
   ii. the expertise and training of staff;
   iii. subcontracting to third parties (if any);
   iv. internal quality reports and corrective actions;

d. documents relating to events of force majeure, delays and the consequences of the same;

e. all formal notices, reports or submissions made to or received from the Agency;

f. documents related to referrals to the escalation process and settlement of disputes procedure (Article I.12);

g. all other reports, records, notices or certificates required to be produced and/or maintained by the service provider pursuant to the Contract.

I.14.3 TECHNICAL RECORDS

I.14.3.1 The service provider shall keep technical records.

These shall contain records of all documents generated and received (including the related forms) during the approval process and the subsequent continued surveillance process, unless otherwise specified in the relevant Agency's record management instructions.

All records in the technical file shall be kept up to date at all times.

ARTICLE I.15 – ADMINISTRATIVE PRODUCTIVITY IMPROVEMENT

I.15.1 For certain administrative practices the Agency shall have the right to establish and monitor related key performance indicators, against which the service provider shall be assessed and may be granted conditional administrative alleviations or further/specific requirements or remedies.

I.15.2 The performance indicators shall in particular relate to the delivery of reports and invoices required under this Contract and assess the quality and timeliness of these data.

I.15.3 The performance indicators shall be reviewed by the service provider and the Agency during the regular Contract meetings held by the parties.

I.15.4 If the analysis of the indicators reveals a deterioration of the service performance, the service provider shall, in coordination with the Agency and without undue delay, implement adequate corrective measures.

ARTICLE I.16 – MANAGEMENT REPORTING

I.16.I The service provider shall provide management reports using the forms, method and frequency defined in Annex D. The reports shall be provided not later than 10 days after the reporting period has expired.

I.17 – TERMINATION BY EITHER CONTRACTING PARTY

Without prejudice to Article II.19, either contracting party may, of its own volition and without being required to pay compensation, terminate the Contract by serving six months' formal prior notice. Should the Agency terminate the Contract, the Contractor shall only be entitled to payment corresponding to the services ordered and executed before the termination date. On receipt of the letter terminating the Contract, the Contractor shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce his commitments. He shall draw up the documents required by the Contract for the services rendered up to the date on which termination takes effect, within a period not exceeding sixty days from that date.

II – GENERAL CONDITIONS

ARTICLE II.1 – PERFORMANCE OF THE CONTRACT

II.1.1 The service provider shall perform the Contract to the highest professional standards in the aviation industry and in accordance with the procedures agreed during the Agency's accreditation process under the Management Board Decision on guidelines for the allocation of certification tasks to national aviation authorities and qualified entities.

II.1.2 The service provider shall have sole responsibility for taking the necessary steps to obtain any permit or licence required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to them are to be executed.

II.1.3 The service provider shall perform the contract in accordance with its accreditation status. Where the accreditation is revoked, the performance of the contract shall be suspended.

II.1.4 Without prejudice to Article II.3 any reference made to the service provider's staff in the Contract shall relate exclusively to individuals involved in the performance of the Contract.

II.1.5 The service provider shall ensure that its staff and its providers' staff performing duties under this Contract have the professional qualifications and experience required for the execution of the tasks assigned to them, including sound technical and vocational training, the greatest possible technical competence and adequate experience.

II.1.6 The service provider (and its providers) shall have sole employment responsibility for their (respective) staff executing the tasks assigned to them. The Agency may not under any circumstances be considered to be the staff's employer and the said staff shall undertake not to invoke in respect of the Agency any claims arising from the working relationship between the Agency and the service provider.

II.1.7 Without prejudice to Article I.10.5, in the event of disruption resulting from the action of a member of the service provider's or its providers' staff working on the Agency's premises, or unsatisfactory performance by, or lack of expertise of a member of the service provider's or its providers' staff, the service provider shall replace him without undue delay. Without prejudice to the provisions of article II.1.3, the Agency shall have the right to request the replacement of any such staff member, stating its reasons for so doing. Replacement staff must have the necessary qualifications and be capable of performing the Contract under the same contractual conditions. The service provider shall be responsible for any delay in the execution of the tasks assigned to it resulting from the application of this Article.

II.1.8 The service provider shall notify the Agency of any change in its legal, financial, technical and/or organisational situation, which could affect the performance of the services under this Contract and/or which could reduce the service provider's scope of accreditation.

II.1.9 Should any unforeseen event, action or omission directly or indirectly delay execution of the tasks, either partially or totally, the service provider shall without undue delay and on its own initiative record it and report it to the Agency. The report shall include a description of the problem and an indication of the date on which it started. In such event the parties shall give priority to solving the problem rather than determining liability.

II.1.10 Should the service provider fail to perform its obligations under the Contract in accordance with the provisions laid down therein, the Agency may – without prejudice to its right to terminate or suspend the Contract – reduce or recover payments in proportion to the scale of the failure in respect of the tasks deemed to be executed in breach of this Contract. In addition, the Agency may impose liquidated damages, as provided for in Article II.16.

II.1.11 In the application of the Contract, the parties shall follow the provisions of the Agreed Best Practices document and shall be further guided by the Frequently Asked Questions document.

ARTICLE II.2 - RESERVED

ARTICLE II.3 - CONFLICT OF INTERESTS

II.3.1 The service provider shall take all necessary measures to prevent any situation that could compromise the impartial and objective performance of the Contract. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests, which could arise during performance of the Contract, must be notified to the Agency in writing without delay. In the event of such conflict, the service provider shall immediately take all necessary steps to resolve it.

II.3.2 The Agency reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The service provider shall ensure that its (and its provider's) staff are not placed in a situation, which could give rise to conflict of interests. Without prejudice to Article II.1 (Performance of the Contract) the service provider shall replace, without undue delay and without compensation from the Agency, any staff member exposed to such a situation.

II.3.3 The service provider shall abstain from any contact likely to compromise its independence.

II.3.4 The service provider declares:

- that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract, and
- that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

II.3.5 The service provider shall communicate all the relevant obligations in writing to its staff, as well as to third parties (including providers) involved in performance of the Contract, and ensure that any such staff, third parties / providers and third parties' / providers' staff sign a declaration confirming their personal undertakings with respect to all obligations covered by this Article II.3 prior to working on any project/task assigned under this Contract. A copy of the instructions given and the signed undertakings made in this respect shall be sent to the Agency upon request.

ARTICLE II.4 – INVOICING AND PAYMENTS

II.4.0 Payment shall be made upon presentation by the service provider of an invoice comprising the following elements:

a) An activity report describing the services provided pursuant to the approved service requests during the preceding period, detailed in working hours and travel expenses, and

b) Supporting documents to justify claims for reimbursement of mission expenses in accordance with II.4.2, and
c) Subject to the admissibility of a) and b) above, a formal request for payment making reference to the Contract, the applicable activity report, the activity period covered, and the amount to be paid (in Euro) to compensate the related cost to the service provider in accordance with Article I.8.1 (Charges).

II.4.1 Format and content of activity reports

Activity reports shall be provided electronically. They must be created using the activity report template (provided by the Agency on request).

II.4.2 Supporting documents

II.4.2.1 Original supporting documents or certified copies thereof to support claims for reimbursement of mission expenses must be provided to the Agency.

II.4.2.2 In line with Article I.15.1 but subject to the EU/EASA Financial Regulations in force, if the Agency is satisfied of the integrity, quality and dependability of the service provider invoicing system by other means, the Agency may authorise (expressly and in writing) that the above-mentioned supporting documents may be retained by the service provider and not delivered to the Agency except by special request.

Under these circumstances the Agency shall still have the right to see the original documents at any time in accordance with the provisions of Article I.14. In addition the service provider shall correct any errors identified in either the activity report or the invoice.

All original documents (e.g. boarding cards, tickets and receipts) related to missions carried out by the service provider's (or its providers') staff on behalf of the Agency are subject to the provisions described under Article I.14.

II.4.3 Obligations of the service provider

II.4.3.1 Schedule and Time Limits

Unless otherwise agreed in writing between the parties, the submission of an activity report (and supporting documents as necessary) in accordance with indents a) and b) of Article II.4.0 describing all chargeable work which was undertaken in a particular month shall take place within 45 days after the end of that month.

Following the Agency's receipt of the above-mentioned submission, the parties shall work to agree on its admissibility. The timescales described in Article II.4.4 are applicable for this period of verification.

Once mutual agreement on the admissibility of the activity report (and supporting documents) has been reached, the service provider shall submit the formal request for payment in accordance with indent c) of Article II.4.0 for the work described in that activity report within 15 days.

Pursuant to the EASA Financial Regulation, invoices claiming reimbursement for activities that took place in year *n* must be reimbursed by the end of year *n + 1*. In order to ensure that this is the case, invoices shall be delivered in good time, i.e. with enough time remaining for the Agency's internal verification and payment processes to run their course. Therefore the service provider agrees that all invoices claiming reimbursement for activities that took place in year *n* shall be delivered by October 31st of year *n + 1* at the latest. Failure to meet this requirement will lead to the Agency's inability to settle the claim for reimbursement.

II.4.3.2 Quality

Invoice components (documents, data and supporting documents) shall be an accurate and transparent reflection of the work carried out by the service provider's (and its provider's) staff on behalf of the Agency. The service provider shall acknowledge data errors that are identified by either party and correct them as appropriate.

II.4.4 Obligations of the Agency

On receipt of an activity report (and supporting documents as necessary) in accordance with Article II.4.1 the Agency shall have 45 days:

1. to approve it, with or without comments or reservations,
2. to request clarification, further information and/or new or additional documents or data, or
3. to suspend with comments or reject it, the latter through the dispatch of a formal letter including a justified statement of objections, and delivered by registered mail with acknowledgement of receipt or equivalent. Rejection shall take effect from the date of dispatch of the letter.

For the purpose of conveying the above-mentioned approvals or requests described in indents 1 and 2 of the previous paragraph, e-mail is considered an acceptable means of communication.

If the Agency does not react within the 45 days, the activity report shall be deemed to have been approved and thereby admissible. Approval of the activity report does not imply recognition either of the regularity or of the authenticity, completeness or correctness of the declarations or information enclosed.

Where the Agency requests clarification, further information and/or new or additional documents or data in order to satisfy itself of the validity or accuracy of the activity report, the service provider shall have a maximum of 10 days to provide the requested data, unless otherwise agreed in writing between the parties. After the service provider has provided all requested data, the time limits mentioned above apply again. Both parties shall apply their best efforts to achieve the necessary clarification and expedite the related payment.

Payments shall be made within 45 days, following approval of the invoice, unless otherwise agreed in writing between the Agency and the service provider on a case by case basis.

ARTICLE II.5 – General provisions concerning Payments

II.5.1 Payments shall be deemed to have been made on the date on which the Agency's account is debited.

II.5.2 On expiry of the time limits laid down in Article II.4.4 and subject to any invoice suspension due to any irregularity, the service provider shall be entitled to interest pursuant to the provisions of the EASA Financial Regulation and their Implementing Rules.

ARTICLE II.6 – RECOVERY

II.6.1 If total payments made exceed the amount actually due or if recovery is justified in accordance with the terms of the Contract, the service provider shall reimburse the appropriate amount in Euro on receipt of the debit note, in the manner and within the time limits set by the Agency in accordance with Article II.6.3.

II.6.2 In the event of failure to pay by the deadline specified in the request for compensation/reimbursement, the sum due shall bear interest at the rate indicated by reference in Article II.5.2. Such interest rate is published in the C series of the Official Journal of the European Union. Interest shall be payable for the time elapsed between expiry of the payment deadline and the date of payment.

II.6.3 The Agency may, after informing the service provider, initiate the recovery of amounts receivable. This recovery may be done, as decided by the Agency, either directly, by issuing a debit note/invoice which shall be paid by the service provider within 30 days after receipt, or by off-setting the amounts receivable from invoices payable to the service provider.

ARTICLE II.7 – REIMBURSEMENTS

II.7.1 The Agency shall reimburse the travel and associated expenses in accordance with Article II.4 and Annex C.

ARTICLE II.8 - OWNERSHIP OF THE RESULTS - INTELLECTUAL AND INDUSTRIAL PROPERTY

II.8.1 Without prejudice to any pre-existing intellectual property rights of the service provider, ownership of all copyright and other pre-existing intellectual or industrial property rights, including any documentation, data, technical information and know-how provided to the service provider (or its providers) in performance of the Contract remains vested to the Agency. All such information shall be held in confidence and may not be disclosed or copied to third parties, without the express written permission of the Agency.

II.8.2 Any results or rights on the results of the services provided under this contract, including copyright and other intellectual or industrial property rights, obtained by the service provider in performance of the Contract, remains property of the service provider until payment of the services at which time it becomes property of the Agency, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation, except where industrial or intellectual property rights already exist. This will not affect the Agency's right to use the information for the intended purpose.

ARTICLE II.9 - CONFIDENTIALITY

II.9.1 Subject to applicable national rules and regulations, and the provisions of Article 58 of the EASA Regulation, the service provider undertakes to treat in the strictest confidence and not to divulge to third parties any information or documents which are linked to the performance of this Contract. The service provider shall continue to be bound by this undertaking after completion of the tasks.

II.9.2 The service provider shall provide the Agency its confidentiality policy and procedures thereof for approval prior to actual performance of the Contract. The Agency, after reviewing the submitted policy, may impose additional confidentiality measures to the service provider prior to its approval. Where the confidentiality policy is found to be inadequate and corrective measures cannot be implemented, the Agency may suspend the performance of the Contract and/or reduce the scope of accreditation

II.9.3 All such confidential information and confidential materials are and shall remain the sole and exclusive property of the rightful owner. The disclosure of confidential information to the recipient shall not under any circumstances grant any express or implied intellectual property rights on the revealed information to the recipient.

II.9.4 Both parties acknowledge that monetary damages may not be a sufficient remedy for damages resulting from the unauthorised disclosure of confidential information and that each party shall be entitled, without waiving any other rights or remedies, to seek such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

II.9.5 The service provider shall obtain from each staff member involved in the performance of the Contract an undertaking that they will respect the confidentiality of any information which is linked, directly or indirectly, to execution of the tasks and that they will not divulge to third parties or use for their own benefit or that of any third party any document or information not available publicly, even after completion of the tasks.

ARTICLE II.10 - USE, DISTRIBUTION AND PUBLICATION OF INFORMATION

II.10.1 The Agency shall be entitled to use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, information relating to the Contract, in particular the identity of the service provider, the subject matter, the duration, the amount paid and the reports. Notwithstanding applicable national rules and regulations any distribution or publication by the service provider of documents or information supplied in performance of this Contract for commercial purposes is subject to a prior agreement between the parties.

II.10.2 The Agency shall not be required to distribute or publish documents or information supplied in performance of the Contract. If it decides not to publish the documents or information supplied, the service provider may not have them distributed or published elsewhere without prior written authorisation from the Agency.

II.10.3 Any distribution or publication of information relating to the Contract by the service provider shall require prior written authorisation from the Agency. It shall state that the opinions expressed are those of the service provider only and do not represent the Agency's official position.

II.10.4 The use of information obtained by the service provider in the course of the Contract for purposes other than as specified in this Contract or in applicable regulations and procedures shall be forbidden unless the Agency has specifically given prior written authorisation to the contrary.

ARTICLE II.11 - TAXATION

II.11.1 The service provider shall have sole responsibility for compliance with applicable regulations on tax.

II.11.2 The service provider recognises that the Agency is, as a rule, exempt from all taxes and duties, including value added tax (VAT), pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities [/European Union].

II.11.3 The Contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the goods and services required for performance of the Contract are exempt from taxes and duties, including VAT.

II.11.4 The service provider shall submit invoices that will indicate his place of taxation and clearly separate the amounts not including VAT and the amounts including VAT.

ARTICLE II.12 – FORCE MAJEURE

II.12.1 Force majeure shall mean any unforeseeable and exceptional situation or event beyond the control of the contracting parties which prevents or delays either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, internal labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.

II.12.2 Without prejudice to Article II.1.9 if either of the contracting parties is faced with force majeure, it shall notify the other party without delay by registered letter with acknowledgement of receipt or equivalent, stating the nature, likely duration and foreseeable effects.

II.12.3 Neither contracting party shall be held in breach of its contractual obligations if it has been prevented or delayed from performing them by force majeure. Where the service provider is unable to perform their contractual obligations due to force majeure, the service provider shall have the right to remuneration only for tasks actually executed.

II.12.4 The contracting parties shall take the necessary measures to reduce damage to a minimum.

II.12.5 Delays attributable to force majeure and which result in an increase in the performance costs or mitigation costs incurred by the service provider are not considered to be compensable delays, and any such increase in costs (in particular those costs related to the performance of assignments away from the normal place of work) shall be borne solely by that party.

The Agency accepts however that delays attributable to force majeure and any subsequent mitigation efforts may have a potential impact on project schedules related to requests for service.

ARTICLE II.13 – SUBCONTRACTING

II.13.1 The service provider shall not subcontract nor cause the Contract to be performed in fact by third parties without prior written authorisation from the Agency. Where performance of the contract has commenced, subcontracting will not be authorised save for temporary and urgent cases where the Agency may decide otherwise.

II.13.2 Even where the Agency authorises the service provider to subcontract to third parties, the service provider shall nonetheless remain solely bound by his obligations to the Agency under the Contract and shall bear exclusive liability for proper performance of the Contract.

II.13.3 The service provider shall ensure that the subcontract does not affect rights and guarantees to which the Agency is entitled by virtue of the Contract, notably Article II.17 “Checks and Audits” and Article I.14 “Records and Archiving”. More generally, under his own responsibility the service provider shall ensure that each of its providers shall (prior to doing any work under the Contract) sign a strict formal undertaking by which they shall be contractually bound, and committed to abide, by all obligations applying to the service provider under this Contract, thereby also ensuring and guaranteeing that all Agency’s (and, as the case may be, third parties’) rights under the Contract shall be duly preserved at all times, including in particular and without limitation those on confidentiality, intellectual property, conflict of interests, use/distribution/publication of information etc.

ARTICLE II.14 – ASSIGNMENT

II.14.1 The service provider shall not assign the rights or obligations arising from the Contract, in whole or in part, without prior written authorisation from the Agency.

II.14.2 In the absence of the authorisation referred to in 1 above, or in the event of failure to observe the terms thereof, assignment by the service provider shall not be enforceable against and shall have no effect on the Agency.

ARTICLE II.15 – TERMINATION AND SUSPENSION

II.15.1 The Agency may terminate the Contract or, as the case may be, a request for services (purchase order) in the following circumstances:

a) where a change in the service provider's legal, financial, technical or organisational situation, in particular with respect to the scope of its accreditation, could have a significant effect on the Contract or a request for service; or any information or declaration provided which was necessary to obtain the contract is no longer valid/accurate;

b) where execution of the tasks has not actually commenced within a reasonable time from acceptance of the purchase order, and the date for commencement proposed by the service provider, if any, is considered unacceptable by the Agency;

c) where the service provider is unable to obtain any permit or licence required for performance of the Contract;

d) where there has been

   i. an irremediable breach of the terms of this Contract by the service provider, or

   ii. a remediable breach of any of the terms of this Contract by the service provider and the service provider has failed to remedy the same within 30 days of receipt by the service provider of a notice from the Agency defining the breach and requiring its remedy; or

   iii. persistent remediable breaches of any of the terms of this Contract and the service provider fails to desist from such breaches having been given reasonable notice to do so;

e) where the service provider has been found guilty by judicial bodies of serious professional misconduct;

f) where the service provider has made false, incomplete or incorrect statements or has failed to provide information in an attempt to obtain the Contract or any benefit resulting there from, or where this was the effect of its action;

g) in the event of fraud, corruption or any other illegal activity detrimental to the European Union's financial interests on the part of the service provider.

h) where the service provider is in breach of any of the criteria stipulated in Annex V of the EASA Regulation;

II.15.2 Reserved.

II.15.3 In case of force majeure, notified in accordance with Article II.12, either contracting party may terminate the Contract and/or any request for services.

II.15.4 Where appropriate and not already done, prior to termination, the service provider shall be given the opportunity to submit his observations.

Without prejudice to Article II.19 (Exit Management), termination shall take effect on the date on which a registered letter with acknowledgment of receipt terminating the

Contract is received by the service provider, or on any other date indicated in the letter of termination.

II.15.5 Consequences of termination

In the event of the Agency terminating the Contract or a request for services (/ purchase order) in accordance with this Article, the service provider shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the notification of the termination, the service provider shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce their commitments. The service provider shall draw up the documents and report for the tasks executed up to the date on which termination takes effect, within a period not exceeding sixty days from that date.

The service provider shall be entitled to remuneration for the tasks actually and duly carried out under the contract. The service provider shall accept as the aggregate liability of the Agency payment for the services already provided in accordance with the Contract at the effective date of termination. However, in the event of termination on the grounds set out in points b, c, d, e, f or g of Article II.15.1, the Agency may recover payments in proportion to the scale of failure and in respect of the tasks deemed to have been executed in breach of this Contract.

Where the service provider fails to take all appropriate measures to minimise costs, prevent damage, and cancel or reduce their commitments the Agency reserves the right to claim damages in proportion to the scale of failure and in respect of the tasks deemed to have been executed in breach of this Contract

II.15.6 Suspension of the Contract

Without prejudice to the Agency's right to terminate the Contract, the Agency may at any time and for any reason suspend execution of the Contract or a request for services (/ purchase order), or any part thereof. Suspension shall take effect on the day the service provider receives notification by registered letter with acknowledgment of receipt or equivalent, or at a later date where the notification so provides. The Agency may at any time following suspension give notice to the service provider to resume the work suspended. The service provider shall not be entitled to claim compensation on account of suspension of the Contract, of the orders or purchase orders, or of part thereof.

II.15.7 Cancellation of a request for services (purchase order)

Without prejudice to Article II.15.1, the Agency may cancel such purchase order with immediate effect through notification thereof to the Contractor in the following situations:

a) where execution of a purchase order has not commenced within a reasonable time from the date foreseen for the commencement of execution and/or the new date proposed for commencement, if any, is considered unacceptable by the Agency, or
b) where the Agency has decided to internalise or reassign the task(s) in the interests of safety or as required by it's overall outsourcing strategy, or
c) where the certification application has been withdrawn by the certification applicant.

The Agency may cancel a purchase order at any time during execution thereof on the grounds and under the conditions set out in Article II.15 with respect to the part still outstanding, with immediate effect and without compensation for the Contractor (other than payment for the services performed up to the effective date of cancellation).

ARTICLE II.16 – LIQUIDATED DAMAGES – OTHER COMPENSATIONS

II.16.1 Should the service provider fail to perform its obligations under the Contract within the time limits set by the Contract, then, without prejudice to the service provider's actual or potential liability incurred in relation to the Contract or to the Agency's right to terminate the Contract, the Agency may decide to impose liquidated damages.

II.16.2 The liquidated damages mentioned under Article II.16.1 above shall amount to 0.2% of the value of the request for services / purchase order in question, per day of delay. The maximum liquidated damages imposed on the service provider per year in such cases shall be 20 % of the total value of the purchase orders issued in the related calendar year. The determination of the value of the request for services / purchase order will be based on the number of working hours required for its performance and the service provider's hourly rate as well as any other directly related costs (e.g. travel costs).

II.16.3 The service provider may submit arguments against such a decision within thirty days of notification by registered letter with acknowledgement of receipt or equivalent. The Agency shall provide its position in writing within thirty days. In the absence of written withdrawal of the decision by the Agency within thirty days of the receipt of such arguments, the decision imposing liquidated damages shall become enforceable. In the absence of a reaction from the service provider within the thirty days of notification of the Agency's decision imposing liquidated damages, the decision shall become enforceable on the day following the expiration of this delay.

II.16.4 In the event of the Agency sustaining any damages (in its dealings with applicants) which arise due to factual errors in invoices as described in Article II.4., the service provider shall compensate the Agency for all its costs, including administrative costs.

ARTICLE II.17 – CHECKS AND AUDITS

II.17.1 The service provider shall provide free of charge all the detailed information requested by the Agency or by an outside body of the Agency's choice with a view to checking that the Contract is being properly performed.

II.17.2 The Agency will perform accreditation investigations and relevant surveillance inspections, in accordance with its accreditation procedure.

For this purpose, the Agency may, at any time arrange for an audit to be carried out. In good time before the audit the Agency shall inform the service provider of the audit and of the identity of the auditors. The cost shall be borne by the Agency for audits within the territories of the EASA member states.

II.17.3 The Agency's internal/quality auditors are also authorised to perform audit tasks at the service provider. The Agency shall notify the service provider of the audit in good time before and shall bear the corresponding costs.

II.17.4 In order to carry out these audits, the audit team shall have unrestricted on-the-spot access, notably to the service provider's offices, at normal office hours and to all the information needed to check that the service provider has complied with the Contract, including information in electronic format.

II.17.5 The European Court of Auditors and the European Anti-Fraud Office shall have the same rights as the Agency, notably right of access, for the purpose of checks and audits (including, as the case may be, in accordance with Council Regulation (Euratom, EC) No 2185/96 and Parliament and Council Regulation (EC) No 1073/1999).

II.17.6 In the area of records retention the service provider shall grant the Agency or its authorised representative the right to perform operational audits with respect to the service provider's performance under the Contract. The Agency shall notify the service provider in good time in advance.

ARTICLE II.18 - CHANGE CONTROL

II.18.1 Amendments to the Contract shall be the subject of a written agreement concluded by the contracting parties. An oral agreement shall not be binding on the contracting parties.

II.18.2 Should either party see a need to change the Contract (on non-substantial terms only) or its Annexes, it shall request such a change to be effected through the Change Control Procedure as set out in paragraph II.18.6 below.

II.18.3 Reserved.

II.18.4 Until such time as a change is made in accordance with the Change Control Procedure, the service provider shall, unless otherwise agreed in writing, continue to supply the services under this Contract as if the request or recommendation had not been made.

II.18.5 Any work undertaken by the service provider or its sub-contractors outside the scope of the unchanged Contract, which has not been authorised in advance by a corresponding change to the Contract or its Annexes and which has not been otherwise agreed in writing, shall be undertaken entirely at the expense and liability of the service provider without prejudice to the Agency's right to otherwise apply any further remedies.

II.18.6 CHANGE CONTROL PROCEDURE

II.18.6.1 Request for any changes to the Contract or its Annexes have to be made in the form of a Change Control Notice (CCN), using the template form shown in Annex X of the Contract or a substantially similar format.

II.18.6.2 The service provider shall send Change Control Notices to the responsible section of the Agency, who shall issue a unique sequential number to the CCN, and acknowledge its receipt together with the sequential number. The Agency shall send its Change Control Notices with a sequential number on them to the focal point nominated by the service provider in the Contract.

II.18.6.3 Either party shall, as soon as practicable after receipt of a new CCN from the other party, review and evaluate the requested change and take all necessary steps to reach a decision on the CCN.
The outcome may be to:

- request further information; or
- approve the CCN, or
- reject the CCN, or
- defer a decision pending internal review/discussion, or
- propose a modification of the CCN

II.18.6.4 An approved CCN signed (including electronically) by both parties shall constitute an amendment to the Contract or its Annexes.

II.18.6.5 Both parties shall maintain a register of all outstanding and completed CCNs.

ARTICLE II.19 - Exit Management

II.19.1 The service provider shall provide exit management services to the Agency during the period preceding:

- **a)** the early termination by the Agency or the service provider of a request for services / purchase order under this Contract, and
- **b)** the early termination by the Agency or the service provider of this Contract, and
- **c)** the regular expiry of this Contract.

II.19.2 Both Parties shall inform each other without undue delay when they become aware of any cause for a premature termination of the Contract or a request for services / purchase order under the Contract.

II.19.3 Unless otherwise specified by the Agency on a case by case basis the exit management services of the service provider shall consist of:

- **a)** The provision of all relevant information to enable the Agency to reallocate the task(s) to replacement service providers or its in-house resources, including as a minimum:
  1) an overview of all task to be terminated, and for each task,
  2) a detailed status report covering all technical and administrative activities performed, and
  3) all relevant technical documents as specified in Article I.14.3,
  4) all relevant communication with the applicant,
  5) all relevant communication with any involved third parties.
- **b)** The participation in meetings and any other cooperation with the Agency and/or replacement service providers, as necessary, in order to clarify information provided pursuant to this paragraph and ensure due continuity of projects; and
- **c)** The provision of access to its and its subcontractors' sites for the Agency and/or replacement service providers, where such access is required for the efficient and effective transition of the task; and
- **d)** The arrangement and hosting of visits to its and its subcontractors' sites as necessary or requested; and
- **e)** The cooperation to find an appropriate arrangement for all documents and records retained by the service provider under Article I.14.

II.19.4 Unless otherwise instructed by the Agency the service provider shall commence the provision of the exit management immediately upon termination notification or, in case of normal Contract expiry, at least six months prior to such expiry.

II.19.5 Unless instructed otherwise by the Agency, the service provider shall provide the exit management services until:

- **a)** the day when a replacement service provider formally takes the task over, or
- **b)** the day when the Agency's in-house resources formally take the task over, or
- **c)** any other date as agreed between the Parties.

II.19.6 The service provider shall ensure that the information provided during the performance of exit management services is true and accurate. It shall advise the Agency (or, as specifically requested by the Agency), any third party acting on behalf of the Agency) of any fact, matter or circumstance of which it may become aware which would render any such information to be inaccurate.

II.19.7 The Agency may disclose information about the services performed by the service provider under the Contract as necessary in order to support the transfer of the services to a replacement service provider or its in-house resources.

II.19.8 The provision of exit management services shall not relieve the service provider of its obligations to deliver the operational services or to comply with its other obligations pursuant to the provisions of this Contract.

II.19.9 If the Contract expires before the completion of the exit management services its duration shall be deemed to remain valid for such period as found necessary and for the sole purpose of completing the exit management services as required for business continuity.

ARTICLE II.20 – SIGNATURES

For the service provider:		For the Agency: [EASA representative]	
Signature:		Signature:	
Done at:		Done at:	
Date:		Date:	

This signature implies acceptance of the Agreed Best Practices document as last amended, it being understood that any subsequent amendment thereof shall be agreed to by both parties following the mechanism described therein.

Signed in duplicate in English language.

Annex A

List of experts available at the service provider for the execution of tasks

Annex B

Scope of accreditation for [service provider]

Products certification tasks:

-
-
-

Organisations approval and surveillance tasks

-
-
-

Flight Standards activities

-
-
-

ATM / ANS

-
-
-

Annex C

Provisions for the Reimbursement of Travel and Subsistence Expenses

In accordance with Article I.8.5, the service provider may be reimbursed the travel and subsistence costs which arise when experts perform assignments under the Contract away from their normal place of work.

REIMBURSABLE EXPENSES

The table below illustrates, in general, which types of expense may be reimbursed and under which conditions – on the overall understanding that the principles of economy are applied in selecting the means of transportation (including the travel time).

	Within the EASA Member States	Outside the EASA Member States
Per diem allowance (in accordance with section 2 of this Annex).	Yes	Yes
Flight costs [1)]	Yes	Yes
Travel agency handling fee / reservation fee	Yes	Yes
Rail fare [2)]	Yes	Yes
Ferry / sea crossing [3)]	Yes	Yes
Travelling time costs (travel hours) [4)]	No	Yes
Bus / shuttle / airport transfer fare [5)]	Yes	Yes
Private car costs [6)]	Yes	Yes
Visa costs	Yes	Yes
Medical test costs	Yes	Yes
Travel insurance costs	Yes	Yes
Car hire [7)]	Yes	Yes
Taxi costs[8)]	Yes	Yes
Parking costs (e.g. at airport)[6)]	Yes	Yes

[1)] In economy class or equivalent, at the lowest available rates and otherwise following the principles of economy.

[2)] Rail fares will be reimbursed on the basis of the shortest first class return route between the place of residence or work and the place of assignment. Where the journey includes not less than six hours of night travel between 22.00 hours and 07.00 hours the cost of a twin sleeper will be reimbursed on production of tickets. The cost of seat reservations and transport of necessary luggage as well as supplements for special fast trains may also be reimbursed.

[3)] The costs related to the transport of a car by ferry shall not be reimbursed.

[4)] Note that an Agency-approved table of standard journey durations is available on request, and may facilitate the invoice-creation and verification process.

[5)] Bus / shuttle / airport transfer fare costs may only be reimbursed where they arise during the outward journey from the place of residence or work to the place of assignment, or during the return journey from the place of assignment to the place of work/residence. Local transport at and in the vicinity of the place of assignment shall be covered by the per diem allowance.

[6)] When justified (by for example, inadequate public transport or demonstrated cost-effectiveness), a claim for reimbursement of the costs incurred in the use of an expert's private car may be approved. In such cases, the basis for reimbursement is 0.22 € per kilometre. Other expenses related to the use of private car (such as motorway tolls or parking costs) may also be reimbursed on presentation of the corresponding supporting documents. Nota bene: private car costs may only be reimbursed where they arise during the outward journey from the place of residence or work to the place of assignment, or during the return journey from the place of assignment to the place of work/residence. Local transport at and in the vicinity of the place of assignment shall be covered by the per diem allowance.

7) When justified (by for example, inadequate public transport or demonstrated cost-effectiveness), a claim for reimbursement of the costs incurred in the use of a rental car may be approved. Other expenses (such as motorway tolls, parking costs or petrol costs) may also be reimbursed on presentation of the corresponding supporting documents. Nota bene: car hire costs may only be reimbursed where they arise during the outward journey from the place of residence or work to the place of assignment, or during the return journey from the place of assignment to the place of work/residence. Local transport at and in the vicinity of the place of assignment shall be covered by the per diem allowance.

8)Taxi costs may only be reimbursed under the following circumstances:

- In the event of early departure from the place of work/residence (in order to catch a train/flight that departs before 7:00) and/or late return to the place of work/residence (train/flight arrives after 20:00).
- Under exceptional circumstances (for example, lack of public transport or demonstrated cost-effectiveness) taxi costs may be reimbursed where they arise during the outward journey from the place of residence or work to the place of assignment, or during the return journey from the place of assignment to the place of work/residence.

Otherwise taxi costs that arise at and in the vicinity of the place of assignment shall not be reimbursed.

PER DIEM ALLOWANCE

With respect to assignments performed by the service provider under this contract, a per diem allowance (or the relevant portion of it) shall be payable in respect of the experts listed in Annex A where assignments are carried out away from the expert's normal place of work. The following conditions shall apply to the payment of the allowance:

The amount of the allowance may not exceed the standard rate published by the European Commission for the country in question: (http://europa.eu.int/comm/europeaid/perdiem/perdiem.pdf). It is intended to cover <u>all</u> expenses at the place of the assignment. Examples of such expenses include, but are not restricted to:

- Accommodation (hotel costs)
- Travel agency handling fee for accommodation reservation
- Local transport within the place of assignment
- Meals (breakfast, lunch, dinner, snacks)
- Fees and tips for persons who provide services, such as food servers and luggage handlers.
- Room service
- Laundry, dry cleaning, and pressing of clothing
- Miscellaneous expenses at the place of assignment
- Internet or telephone expenses

Full or partial per diem allowances may be payable, depending on the circumstances. Detailed conditions under which full or partial per diems are payable can be found in the Agreed Best Practices document.

A per diem allowance may also be paid in the following circumstances (always for the avoidance of doubt subject to the principles of economy):

- where the interval between two meetings is insufficient for the expert to return to his/her point of departure;
- if exceptional circumstances prevent him from leaving the place of assignment (notwithstanding Article II.12.5 on delays attributable to force majeure);
- where the expert has travelled on an economy ticket requiring him to spend a certain number of days at the place of assignment.

EXCHANGE RATES

Conversion between the EURO and another currency shall be carried out using the monthly accounting rate of published by Inforeuro.

The rates are available at: http://ec.europa.eu/budget/inforeuro/

The service providers must always use the exchange rate relevant to the month in which the payment was made.

Annex D

Management Reporting Forms

In accordance with Article I.16. the service provider shall provide detailed and regular management reports for the services provided using the forms listed in this Annex (as may be amended by the Agency from time to time) or substantially similar formats

- EASA Form 89 - Status report on Ongoing Activities
- EASA Form 95 - TC Technical Visa
- EASA Form 96 - Post-TC Technical Visa
- EASA Form 97 - ETSOA Technical Visa

Annex E

Sample form Change control notice

Annex F

Flat rates / Special Arrangements

Annex G

Tender Specifications No

Annex H

Service provider's tender

Agreed Best Practices in the application of the Framework Service Contract concerning the provision of certification services to the Agency

1 PURPOSE

The European Aviation Safety Agency (hereinafter referred to as "the Agency") has developed this document to enable Certification Service Providers (hereinafter "service providers", a term which encompasses both National Aviation Authorities and Qualified Entities) and their subcontractors to identify and make use of proven and agreed best practices related to the implementation of the Framework Service Contract (hereinafter "the Contract"). This document applies both to Contracts concluded in 2009 and expiring on 30th June 2013, and also those concluded in 2012 and expiring on 7th April 2017.

It is intended that this document describes as far as possible the best practices that the parties agree to follow and that will enable smooth and efficient administrative co-operation.

However, experience shows that during daily co-operation working practices may change and additional best practices may need to be developed. Therefore, without prejudice to the provisions of the Contract, in particular Article II.18, this document should not be regarded as all-encompassing and regular amendments are envisaged.

2 AGREEMENT AND MAINTENANCE

Reference is made to Article I.10.2 of the Contracts between the Agency and service providers:

"The parties agree to establish and maintain the Agreed Best Practices document which establishes the best practices to be used in the implementation of the contract. The parties may suggest further interpretations and/or additional practices in relation to certain provisions in the contract. The Agency may incorporate such proposals in the document after consulting all the affected [service providers]."

The following process principles for amendments of this document shall be adhered to:

- both parties, the Agency and the service provider, are entitled to propose changes to this document; proposals for such change shall be made to the nominated Contract focal point of the other party in writing (e-mail is acceptable);
- if the proposed changes are in principle acceptable to both parties, the text for the new or amended paragraphs shall be drafted cooperatively;
- the Agency shall circulate the draft text to all other service providers' focal points, who shall be invited to respond within 30 calendar days from the dispatch of the proposed modification by the Agency and express their agreement or disagreement with comments;
- if the service providers agree to the proposed changes unanimously, the draft text shall be included in the next issue of this document; no reaction from a service provider within the above-mentioned period will be construed as agreement;
- if the service providers do not agree unanimously, but the Agency nevertheless regards the proposed change as useful guidance material, the Agency may decide to incorporate the draft text in the EASA-service provider FAQ document distributed by the Agency, and thereby be applied by those service providers which have agreed; at a later stage the text may be reconsidered for incorporation into the Agreed Best Practices if appropriate.

3 PROJECTS AND PURCHASE ORDERS

3.1 Purchase Order (hereinafter "PO") financial and temporal constraints

By way of clarification of Articles I.4.2.1, I.4.2.2 and I.4.2.3 of the Contract, the amounts specified in the PO to fund work and / or travel activities constitute hard budgetary limits i.e. the number of working hours stated on the PO shall be the maximum that may be paid, at the specified hourly rate, and the amount available for travel and subsistence the overall maximum that may be reimbursed.

Requests for new or additional funding of work and/or travel and subsistence budget may be authorised at the Agency's discretion. Such requests must be made sufficiently far in advance to allow the new or amended PO to be issued before the related work and/or travel activities are undertaken.

The issue and expiry dates which appear on a PO limit the timeframe over which funded work and any related travel activities may be performed.

Failure to respect these principles may lead to partial payment by the Agency of costs claimed by the service provider.

3.2 Cancellation of projects

If a service provider is notified by the Agency or, in exceptional cases, directly by the applicant, of the withdrawal or cancellation of an application, the service provider shall establish and declare in writing the details of any authorised and chargeable costs incurred up till the date of cancellation. For the purpose of this communication, email is acceptable.
Cancellations may result in the related PO being withdrawn or otherwise restricted.

3.3 Performance of further related work after the issuance of a Technical Closure Document

The issuance of a Technical Closure Document (such as a "Technical Visa") at the end of a project formally concludes the certification task and may lead to the Agency's issuance of the related certificate to the applicant.

Working hours expended or other related costs incurred after the Technical Closure Document has been issued are in principle not due and are not chargeable.

4 INVOICING AND PAYMENTS

The paragraphs below supplement both the provisions on Invoicing and Payments described in Article II.4 of the Contract and the conditions relating to the reimbursement of travel expenses described in Annex IV/C* of the Contract.

4.1 Reported activity periods

An individual invoice or activity report may not relate to multiple invoice periods. Expenses arising from business trips that span several invoice periods shall be proportionally divided between these invoice periods, unless otherwise agreed.

* Annex IV in Contracts concluded in 2009; Annex C in Contracts concluded in 2012

4.2 Corrections or cancellations of invoices

Where either party identifies an error or omission in an invoice that affects the total claim for reimbursement, it may be corrected through the issue of:

- A credit note (which cancels an entire invoice; the expectation is that a replacement invoice will be issued) or
- A supplementary invoice (which increases the amount previously claimed where the intended correction leads to an increase of this amount).

Note: Partial credit notes may not be accepted.

Credit notes and supplementary invoices should be presented in the same format as an invoice, and make clear reference to the initial invoice and the costs which are cancelled or corrected. Credit notes and supplementary invoices shall not form part of another invoice but shall be issued as a separate document.

4.3 Explanatory information regarding the activity report template (Article II.4.1 of the Contract)

To assist service providers' preparation of activity reports, the Agency intends to provide a pre-filled copy of its activity report template on a monthly basis. Use of this template is either recommended (in the 2009 Contracts) or mandatory (in the 2012 Contracts). In either case, the following serves as an explanatory guide to the minimum information that service providers shall provide in an activity report:

Data element	**Description**
CSP Number	Certification service provider number, as stated on the PO.
CSP Name	Certification service provider name, as stated on the PO.
Contract ref.	Framework service contract reference, as stated on the PO.
Purchase Order number	Purchase Order (PO) number, as identified at the top of the PO.
Purchase Order Line	Item reference line of the PO element corresponding to working hours or travel costs. Typically 10 or 20.
Project Number	SAP Project Number, as stated on the PO.
Project Type	Type of project as specified on the PO.
Project Description	Project title or a description as specified on the application form / PO.
Old project Number	If applicable
Applicant Number	SAP generated applicant number (for internal use only)
Applicant Name	Applicant company name as specified on the PO.
Service Number	Service number, as provided by EASA in the activity report template, and which corresponds to a specific expert or type of travel cost.
Service Description	Description of the service provided; see Service Number above.
Sales Tax Code	For Germany-based CSP, L0 (0%) – For reporting purposes, the "Sales Tax Code" may be changed into L1 (7%) or L2 (19%) according to applicable German tax rate. For Switzerland-based CSP, E0 (0%) For all other CSP, I0 (0%)
Tax rate	See Sales Tax Code above.
Quantity Allocated (For info. only)	Number of working hours allocated (typically item line 10) or mission budget unit (typically item line 20), as stated on the PO.

Data element	**Description**
Unit (For info. only)	H = Working Hours AU = Activity Unit (signifies travel expenses)
Rate (For info. only)	Applicable hourly rate (typically item line 10) or mission budget amount (typically item line 20)
Curr. (For info. only)	Currency, exclusively in Euros. The rates used for the conversion of currencies into Euros are defined at: http://ec.europa.eu/budget/inforeuro/
Net Value (For info. only)	“Quantity Allocated” multiplied by the applicable “Rate”
Curr. (For info. only)	Currency, exclusively in Euros. The rates used for the conversion of currencies into Euros are defined at: http://ec.europa.eu/budget/inforeuro/
Qty invoiced to date (For info. only)	Number of working hours invoiced to date for a given item line (only applicable for working hours)
Unit (For info. only)	H = Working Hours AU = Activity Unit (signifies travel expenses)
Qty Open (For info. only)	Difference between “Quantity Allocated” and “Qty invoiced to date (only applicable for working hours)
Unit (For info. only)	H = Working Hours AU = Activity Unit (signifies travel expenses)
Open Amount (For info. only)	Net Value – Value invoiced (i.e. for working hours, “Qty invoiced to date” * “Rate”)
Status (For info. only)	By default “Waiting for activity report”
Activity Report Ref.	Unique reference number for the activity report itself provided by EASA. This should be identified for each item where costs are reported.
Mission Destination	Place of assignment. City, country (ISO country code)
Mission start date	Date of the expert’s departure from the place of origin
Mission end date	Date of the expert’s return to the place of origin
Quantity reported	- Number of working hours (per expert) performed on the project (either in total, or distinguishing between hours performed in the office and on mission, in accordance with 4.7.1.1) in the reference charging period, or - Number of travel hours (per expert) performed on the project in the reference charging period, or - Number of Activity Units (e.g. per diems, km) incurred during the reference charging period.
Unit	H = Working Hours AU = Activity Unit (signifies travel expenses)
Rate	- Applicable hourly rate as specified on the PO, or - - Applicable rate for Km/Miles, or - Applicable per diem rate (these are defined at: http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm), or - Total cost of travel activity (e.g. travel by air, train, etc. in accordance with Annex IV/C of the Contract).
Curr.	Currency, exclusively in Euros. The rates used for the conversion of currencies into Euros are defined at: http://ec.europa.eu/budget/inforeuro/
Net Expenditure	Total amount claimed for this project item. Equal to Quantity multiplied

Data element	Description
	by Rate.
Tax amount	“Tax rate” applied to the “Net Expenditure”
Activity Rep Start Date	Start date of the time period in which the reported project activities took place.
Activity Rep End Date	End date of the time period in which the reported project activities took place.
Item Line	Sequential numbering of line items
Proportional distribution	Where applicable (i.e. in case in mission): - - Proportion (transport costs/ per diem/ non-EU travel time). A cost-distribution factor, to be provided if one mission entailed work on more than one project. -
Project distribution	Where applicable (i.e. in case in mission): - Number of projects performed on behalf of EASA/CSP (e.g. 2EASAP/0CSPP)
Traveller name	Where applicable (i.e. in case in mission): Name of the expert travelling (required only for mission related services)
Miscellaneous service	Where applicable (i.e. in case in mission): - Description of the service (to be used only in case the service is not included in the existing list of travel services)
Remarks	Where applicable (i.e. in case in mission): - Mission start/end times. The start/end times of the expert’s departure from and return to the place of origin. - Mission reference number. A number providing a clear reference to the mission supporting documents. - Place of departure/arrival in case of km/miles costs invoiced - Any remark or additional explanation you may wish to give.
Last Activity Report	An indicator of PO financial closure. An “x” indicates that the costs now being charged against this PO are the last that will be charged. Note that the financial closure of a project is independent of its technical closure. The consequence of such a declaration is that the PO line is closed and that no further charges for work can be accepted. It also has the effect of removing the item from the activity report template provided to you on a monthly basis (this principle also applies to POs issued under a flat rate agreement).

4.4 Payment of Expenses by Third Parties (Payment in Kind)

Payments, even those made in kind, by third parties for travel and subsistence costs, for expenses actually and necessarily incurred by service providers whilst engaged on Agency business shall in general not be permitted. This is to avoid any potential conflict of interest in execution of the Contract. This practice provides the necessary transparency of invoices raised under the Fees and Charges Regulation and payments made under the Contract. Only in exceptional cases, where there are justified reasons to deviate from the general principle, may direct payment of transport costs be condoned. In such cases the agreement of the Agency must be acquired in writing in advance of the mission.

4.5 Per diem allowance

The paragraphs below supplement the provisions on per diem allowances described in Annex IV/C* of the Contract.

The standard per diem allowance is payable for each night that the expert is required to stay at or in the vicinity of the place at which the work assignment (e.g. certification task) is to be performed. A per diem allowance is not payable for nights spent while travelling.

Per diem allowances are to be calculated as follows:

4.5.1 Single day mission within the EASA Member States

- Depending on the circumstances the entitlement for reimbursement may be either zero (0) per diems or 25% of a per diem, in accordance with the logic described in the table below.

Case	Duration [hours]	Distance to Mission Destination	Additional Per Diem entitlement
1	>=6	>= 100km	25% x per diem rate
2	>=6	< 100km	0

4.5.2 Multiple day mission within the EASA Member States

- A full per diem may be claimed for each night that the expert is required to stay at or in the vicinity of the place at which the work assignment (e.g. certification task) is to be performed;
- An additional 25% of a per diem may be claimed for the last day of a multiple-day mission in accordance with the logic described in the table below.

Case	Distance to mission destination	Time of mission end	Additional per diem entitlement	Remarks
1	>= 100km	>= 20:00	25% x per diem rate	
2	< 100km	>= 20:00	25% x per diem rate	In this case, a justification for the overnight(s) stay is needed. Supporting document to be provided with the request for payment

* Annex IV in Contracts concluded in 2009; Annex C in Contracts concluded in 2012

4.5.3 Missions to destinations outside the EASA Member States

- A full per diem may be claimed for each night that the expert is required to stay at or in the vicinity of the place at which the work assignment (e.g. certification task) is to be performed;
- No per diem allowance is payable for nights spent while travelling. In such cases the expert's expenses are deemed to be covered by reimbursement of non-EU travel time costs.
- Partial per diems may not be claimed for the last day of the mission.

4.6 Calculation of travel time for journeys to destinations outside the EASA Member States

4.6.1 Maximum travel time per day

No more than 12 hours travel time may be charged to any calendar day.
In order to apply this 12 hour-cap, the reference time zone shall be the local time at the place of departure for each leg of the journey.

Example 1: Paris-Singapore (outward journey)
The expert leaves Paris at 11:00 (local time) on day 1 and arrives in Singapore at 9:00 (02:00 Paris Local time) on day 2. The Singapore local time shall be converted into the Paris local time.

Real number of hours for day 1: 13
Real number of hours for day 2: 2

Number of hours to be charged for day 1: 12 (12 hour-cap applied)
Number of hours to be charged for day 2: 2

Example 2: Frankfurt-Melbourne (outward journey)
The expert leaves Frankfurt at 16:00 (local time) on day 1 and arrives in Melbourne at 9:00 (01:00 Frankfurt local time) on day 3. The Melbourne local time shall be converted into the Frankfurt local time.

Real number of hours for day 1: 8
Real number of hours for day 2: 24
Real number of hours for day 3: 1

Number of hours to be charged for day 1: 8
Number of hours to be charged for day 2: 12 (12 hour-cap applied)
Number of hours to be charged for day 3: 1

4.6.2 Definition of travel time

Travel time is counted from the time of departure from the normal place of work of the expert (or home, if he/she leaves directly from home) to his/her arrival at the destination where the mission takes place. The destination shall be the place at which the expert is staying (if there is an overnight stay) or the place at which the certification task is to be performed, whichever is reached first.

4.6.3 Interrupted journey

If the outward or return journey is broken for reasons unrelated to the certification task in question, then travel time is counted from the start of the leg of the journey leaving the territories of the EASA Member States. In this case time of departure is taken to mean the time at which this leg of the journey commenced. For example, if an expert leaves Cologne to travel to the United States via London, where he/she spends one day on unrelated business and then takes a flight from London to the US, travel time is only chargeable from the time of departure from London (either the hotel or place of visit in London).

4.6.4 Change of mode of Transport

If the outward or return journey is broken only for a change of transport mode (e.g. connecting flight) then the total travel time is counted, including the break in the journey.

4.6.5 Delays

No travel time is payable for any kind of transport delay regardless of the cause.

4.6.6 Optional standardised journey durations

An Agency-approved table of standardised journey durations is available on request, and may facilitate the invoice-creation and verification process. Service providers should elect either to charge real travel time or use the table of standardised journey durations consistently.

4.7 Distribution of costs between multiple projects

4.7.1 Multiple projects and one destination

4.7.1.1 Working Hours

If feasible, the actual working hours per project performed at the place of assignment shall be reported separately from the working hours performed in the office.

The mission destination, the mission dates and the proportion of the working hours for each project (%) shall be reported in accordance with Article 4.3.

As a compulsory minimum, the proportion of the working hours for each project, expressed as a percentage (%), shall be provided. This enables EASA to verify that the apportionment of other forms of travel cost, which may be weighted by the working hours per project, has been calculated correctly.

Example: three projects (A, B, C) and one destination NEU (P1)

Number of working hours for project A: 9 (22,5%)
Number of working hours for project B: 16 (40%)
Number of working hours for project C: 15 (37,5%)
Total working hours: 40 (100%)

Results shall be rounded to two decimal places.

4.7.1.2 Travel Time

The travel time shall be distributed among the projects using the same percentage as for the working hours.

Example: three projects (A, B, C) and one destination NEU (P1)

Travel time (round trip) to destination P1: 11,08 hours (100%)

Number of travel hours for project A: 2,49 (22,5%)
Number of travel hours for project B: 4,43 (40%)
Number of travel hours for project C: 4,16 (37,5%)

Results shall be rounded to two decimal places.

4.7.1.3 Per Diem

The per diem allowances shall be distributed among the projects using the same percentage as the working hours.

Example: three projects (A, B, C) and one destination NEU (P1)

Total number of per diem allowances: 6
Number of per diem allowances for project A: 1,35 (22,5%)
Number of per diem allowances for project B: 2,4 (40%)
Number of per diem allowances for project C 2,25 (37,5%)

Results shall be rounded to two decimal places.

4.7.1.4 Other Travel Costs

The following travel costs shall be distributed among the projects using the same percentage as the working hours:

- Bus fare EU/NEU
- Train fare EU/NEU
- Km/miles costs EU/NEU
- Air fare EU/NEU
- Car rental EU/NEU
- Visa costs NEU
- Miscellaneous EU/NEU
- Taxis EU/NEU

Example: three projects (A, B, C) and one destination NEU (P1)

Total number of km: 300 km (100%)
Total price of air fare: 1.480 EUR (100%)
Visa costs: 100 EUR (100%)

Km/miles costs for project A: 67,5 km (22,5%)
Air fare for project A: 333 EUR (22,5%)
Visa costs for project A: 22,50 EUR (22,5%)

Km/miles costs for project B: 120 (40%)
Air fare for project B: 592 EUR (40%)
Visa costs for project B: 40 EUR (40%)

Km/miles costs for project C:112,5 km (37,5%)

Air fare for project C: 555 EUR (37,5%)
Visa costs for project C: 37,50 EUR (37,5%)

Results shall be rounded to two decimal places.

4.7.2 Multiple projects and multiple destinations

4.7.2.1 Working Hours

If feasible, the actual working hours per project performed at the places of assignment shall be reported separately from the working hours performed in the office.

The mission destination, the mission dates and the proportion of the working hours for each project (%) shall be reported in accordance with Article 4.3.

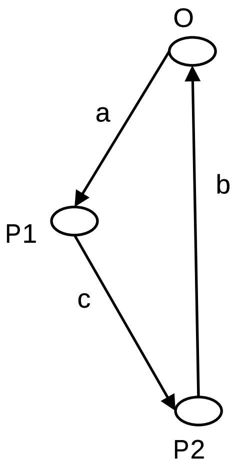
As a compulsory minimum, the proportion of the working hours for each project, expressed as a percentage (%), shall be provided. This enables EASA to verify that the apportionment of other forms of travel cost, which may be weighted by the working hours per project, has been calculated correctly.

Results shall be rounded to two decimal places.

4.7.2.2 Travel Time

The calculation should be carried out as described in the following paragraphs. Results shall be rounded to two decimal places.

A single mission covering 2 different projects in 2 destinations (one project per destination):



O: Place of origin
P1: Place of assignment No.1 (Project 1)
P2: Place of assignment No.2 (Project 2)

a: Real travel hours: Place of origin - Place of assignment No.1 (O-P1)
b: Real travel hours: Place of origin - Place of assignment No.2 (O-P2)
c: Real travel hours: Place of assignment No.1 - Place of assignment No.2 (P1-P2)

a*: Travel hours (with 12-hour cap applied): Place of origin - Place of assignment No.1 (O-P1)
b*: Travel hours (with 12-hour cap applied): Place of origin - Place of assignment No.2 (O-P2)
c*: Travel hours (with 12-hour cap applied): Place of assignment No.1 - Place of assignment No.2 (P1-P2)

The total real travel hours of all individual travelling time from the place of origin to the different places of assignment is: $(a+b)$

The proportional distribution of the travel hours among the two projects is:

Proportion project/destination 1 = $\left(\frac{a}{a+b}\right)$

Proportion project/destination 2 = $\left(\frac{b}{a+b}\right)$

Total chargeable travel hours for the round trip (with 12-hour cap applied): $(a*+b*+c*)$

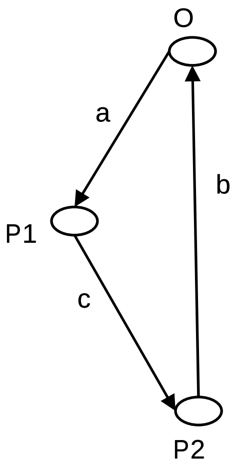
Total chargeable travel hours for Project 1: $\left(\frac{a}{a+b}\right)$ x $(a*+b*+c*)$

Total chargeable travel hours for Project 2: $\left(\frac{b}{a+b}\right)$ x $(a*+b*+c*)$

The resulting travel time has to be multiplied by the applicable hourly rate.

A single mission covering 3 different projects in 2 destinations (combination of one destination/one project and one destination/two projects):

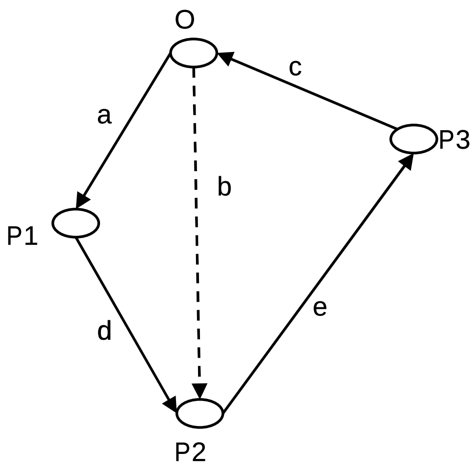
The logic described above also applies to a single mission covering 3 different projects in 2 destinations.



O: Place of origin
P1: Place of assignment No.1 (Project 1)
P2: Place of assignment No.2 (Projects 2 and 3)

The travel time for the place of assignment No.2 shall be distributed between projects 2 and 3 in proportion to the working hours for each project (%).

A single mission covering 3 different projects in 3 destinations (one project per destination):



O: Place of origin
P1: Place of assignment No.1 (project 1)
P2: Place of assignment No.2 (project 2)
P3: Place of assignment No.3 (project 3)

a: Real travel hours: Place of origin - Place of assignment No.1 (O-P1)
b: Theoretical travel hours: Place of origin - Place of assignment No.2 (O-P2)
c: Real travel hours: Place of assignment No.3 - Place of origin (P3-O)
d: Real travel hours: Place of assignment No.1 - Place of assignment No.2 (P1-P2)
e: Real travel hours: Place of assignment No.2 - Place of assignment No.3 (P2-P3)

a*: Travel hours (with 12-hour cap applied): Place of origin - Place of assignment No.1 (O-P1)
c*: Travel hours (with 12-hour cap applied): Place of assignment No.3 - Place of origin (P3-O)
d*: Travel hours (with 12-hour cap applied): Place of assignment No.1 - Place of assignment No.2 (P1-P2)

e*: Travel hours (with 12-hour cap applied): Place of assignment No.2 - Place of assignment No.3 (P2-P3)

The total real travel hours of all individual travelling time from the place of origin to the different places of assignment is: $(a+b+c)$

The proportional distribution of the travel hours among the three projects is:

Travel hours Project/Destination 1 = $\left(\frac{a}{a+b+c}\right)$

Travel hours Project/Destination 2 = $\left(\frac{b}{a+b+c}\right)$

Travel hours Project/Destination 3 = $\left(\frac{c}{a+b+c}\right)$

Total chargeable travel hours for the round trip (with 12-hour cap applied): $(a*+d*+e*+c*)$

The proportional distribution of the travel hours among the three projects is:

Travel hours Project 1 = $\left(\frac{a}{a+b+c}\right)\times(a*+d*+e*+c*)$

Travel hours Project 2 = $\left(\frac{b}{a+b+c}\right)\times(a*+d*+e*+c*)$

Travel hours Project 3 = $\left(\frac{c}{a+b+c}\right)\times(a*+d*+e*+c*)$

The resulting travel time has to be multiplied by the applicable hourly rate.

NOTA BENE: If the travel hours are taken from the EASA Standard Travel Time list, then a = a*, d = d*, c = c* and e = e*.

The travel hours b (theoretical number of hours) could be taken from the EASA Standard Travel Time list (one way) or any other reliable travel time tool using the following calculation: theoretical flight duration + 2 hours for transport to the airport (under 100 km), check-in and security control + 1 hour for transfers of over 100 km + 1 hour for each connecting flight.

4.7.2.3 Per Diem

The per diem allowances shall be distributed among the projects using the same percentage as the working hours per destination. Results shall be rounded to two decimal places.

A single mission covering 3 different projects in 2 destinations:

Number of working hours for project A at P1: AP1
Number of working hours for project A at P2: AP2
Number of working hours for project B at P1: BP1
Number of working hours for project B at P2: BP2
Number of working hours for project C at P1: CP1
Number of working hours for project C at P2: CP2

Total number of working hours for project A: AP1 + AP2
Total number of working hours for project B: BP1 + BP2
Total number of working hours for project C: CP1 + CP2

Number of per diem allowances at P1: pd1
Number of per diem allowances at P2: pd2
Total number of per diem allowances: pd1 + pd2

Number of per diem allowances for project A at P1: $\left(\frac{AP1}{AP1+BP1+CP1}\right)\times pd1$

Number of per diem allowances for project A at P2: $\left(\frac{AP2}{AP2+BP2+CP2}\right)\times pd2$

Number of per diem allowances for project B at P1: $\left(\frac{BP1}{AP1+BP1+CP1}\right)\times pd1$

Number of per diem allowances for project B at P2: $\left(\frac{BP2}{AP2+BP2+CP2}\right)\times pd2$

Number of per diem allowances for project C at P1: $\left(\frac{CP1}{AP1+BP1+CP1}\right)\times pd1$

Number of per diem allowances for project C at P2: $\left(\frac{CP2}{AP2+BP2+CP2}\right)\times pd2$

Example: three projects (A, B, C) and two destinations NEU (P1, P2)

Total number of working hours: 100
Number of working hours for project A at P1: 20 (20%)
Number of working hours for project B at P2: 30 (30%)
Number of working hours for project C at P1: 25 (25%)
Number of working hours for project C at P2: 25 (25%)

Per diem rate at P1: 329 EUR
Per diem rate at P2: 168 EUR

Number of per diem allowances at P1: 4
Number of per diem allowances at P2: 6
Total number of per diem allowances: 10

Number of per diem allowances for project A at P1: $\left(\frac{20}{20+25}\right)\times 4 = 1{,}78$

Number of per diem allowances for project A at P2: $\left(\frac{0}{30+25}\right)\times 6 = 0$

Number of per diem allowances for project B at P1: $\left(\frac{0}{20+25}\right)\times 4 = 0$

Number of per diem allowances for project B at P2: $\left(\frac{30}{30+25}\right)\times 6 = 3{,}27$

Number of per diem allowances for project C at P1: $\left(\frac{25}{20+25}\right)\times 4 = 2{,}22$

Number of per diem allowances for project C at P2: $\left(\frac{25}{30+25}\right)\times 6 = 2{,}73$

Per diem to be charged for project A at P1: 1,78 x 329 = 585,62 EUR
Per diem to be charged for project A at P2: 0 x 168 = 0

Per diem to be charged for project B at P1: 0 x 329 = 0
Per diem to be charged for project B at P2: 3,27 x 168 = 549,36 EUR
Per diem to be charged for project C at P1: 2,22 x 329 = 730,38
Per diem to be charged for project C at P2: 2,73 x 168 = 458,64 EUR

4.7.2.4 Other Travel Costs

The following travel costs shall be distributed among the projects using the same percentage as the travel hours. In the event that travel costs can be clearly attributed to one or several projects, they shall be distributed equally between these projects.

- Bus fare EU/NEU
- Train fare EU/NEU
- Km/miles costs EU/NEU
- Air fare EU/NEU
- Car rental EU/NEU
- Visa costs NEU
- Miscellaneous EU/NEU
- Taxis EU/NEU

Example: three projects with the following travel time percentages A (30%), B (25%), C (45%) and two destinations NEU P1 (projects A and B), P2 (project C only)

Total number of km: 300 km
Total price of air fare: 6.480 EUR
Car rental (only at destination P1): 520 EUR
Visa costs (only at destination P1): 100 EUR
Visa costs (only at destination P2): 90 EUR

Km/miles costs for project A: 300 km * 30% = 90 km
Air fare for project A: 6.480 EUR * 30% = 1.944 EUR
Car rental project A at destination P1: 520 EUR * 50% = 260 EUR
Visa costs project A at destination P1: 100 EUR * 50% = 50 EUR

Km/miles costs for project B: 300 km * 25% = 75 km
Air fare for project B: 6.480 EUR * 25% = 1.620 EUR
Car rental project B at destination P1: 520 EUR * 50% = 260 EUR
Visa costs project B at destination P1: 100 EUR * 50% = 50 EUR

Km/miles costs for project C: 300 km * 45% = 135 EUR
Air fare for project C: 6.480 EUR * 45% = 2.916 EUR
Visa costs project C at destination P2: 90 EUR * 100% = 90 EUR

Results shall be rounded to two decimal places.

4.8 Documents submitted in support of claims for travel and subsistence expenses

The paragraphs overleaf supplement the provisions for the reimbursement of Travel and Subsistence Expenses described in Annex IV/C* of the Contract.

* Annex IV in Contracts concluded in 2009; Annex C in Contracts concluded in 2012

Article II.4.2.1 of the Contract states that original supporting documents or certified copies thereof must be supplied to support claims for reimbursement of travel and subsistence expenses. In general however, if the ticket price is not mentioned on the ticket itself, a print-out of the on-line confirmation including the ticket costs would be sufficient. In those cases where documents supporting a travel reimbursement request are not supplied by the expert(s) who undertook the mission, a report issued by an acknowledged travel agent booking system clearly mentioning the name(s) of the passenger(s), the place of departure/ destination(s), the dates of departure and return and the applicable fare and price paid may constitute an alternative form of evidence. In this case a substantiating statement from the service provider regarding the status of the travel agent, e.g. as a certified supplier, is needed.

The following sub-paragraphs provide more detail on what kind of documentation and information must be provided when charging for the use of certain means of transport.

4.8.1 Flight costs

The service provider must provide supporting documentation stating the following information as a minimum: departure/destination, name of passenger, departure/arrival date, flight category/ fare, ticket cost.

4.8.2 Travel time (only when travelling to/from destinations outside the territories of the EASA Member States)

When charging the Agency travel time using the Agency-approved table of standardised journey durations described in paragraph 4.6.6, it must be substantiated by the same documentation as is presented in support of the related flight costs (see 4.8.1).

When charging the Agency travel time actually elapsed, it must be substantiated by the same documentation as is presented in support of the related flight costs (see 4.8.1), and any other supporting evidence attesting the exact place and time of departure/ arrival (e.g. detailed taxi bill), and be accompanied by a detailed breakdown of the calculation. An example of such a breakdown will be provided on request.

Travel time not substantiated by any supporting evidence shall not be reimbursed.

4.8.3 Bus / shuttle / airport transfer fare

The service provider must provide supporting documentation stating the following information as a minimum: price, place of departure and destination and date of travel.

4.8.4 Private car costs

A declaration of exact travel details (for each trip, the date, the place of origin, place of assignment, duration, distance, any other relevant information) may serve as proof of travel.

4.8.5 Car hire

A declaration of exact travel details (for each trip, the date, the place of origin, place of assignment, duration, distance, any other relevant information) may serve as proof of travel.

5 REPORTING

The paragraphs below supplement the provisions on Management Reporting described in Article I.16 of the Contract.

5.1 Procedure for reporting performed working hours and missions to the Agency

It is essential for the Agency to know the work volume performed on any project by the service provider. This information is crucial for project management purposes, for statistical purposes, third party scrutiny and invoicing purposes.

Normally this information shall be reported to the Agency through invoices, which must include activity reports (in accordance with Article II.4 of the Contract). The timely provision of invoices shall allow the Agency to retrieve all such relevant data.

The Agency however reserves the right to decide on the provision of separate or ad hoc reports on a case by case basis.

Frequently Asked Questions (FAQ) related to the Framework Service Contracts concerning the provision of services to the EASA by Certification Service Providers

1 Table of Contents

2 Preamble

This document is intended exclusively for the use of Certification Service Providers (CSP), namely National Aviation Authorities and Qualified Entities, that have entered into a framework service contract with EASA as a basis for the provision of services. It contains answers to some of the most frequently asked questions regarding the execution and administration of these contracts. It is intended as guidance material only and does not alter any provisions of the contract, nor applicable law or regulations.

This document is subject to regular updates and does not constitute any formal commitment on behalf of EASA.

3 On the contract

3.1 How can changes to the contract be agreed?

The goal of Contract Article II.18 on “Change Control” is to ensure that changes to the core contract or its Annexes are documented in a way that is clear and traceable to all parties concerned. This applies in principle to any amendment but is envisaged to occur most frequently to amend the contents of Annex 1 or Annex A (which describes the qualified experts potentially available to work on behalf of EASA and their skills).

Article II.18.6 explains the process which will be used to track changes; this will be applicable from the date of entry into force of the contracts onwards. It involves the submission and approval of Change Control Notices (CCNs), which may be submitted by either EASA or a CSP in order to initiate a contractual amendment. The following list of typical changes is given by way of example and is not intended to be exhaustive:

Core Contract:

- Changes of responsibility concerning the services to be provided
- Changes to the charging system (e.g. hourly rate indexation)
- CSP bank details (a new “third party information form” will need to be completed)
- Any changes that could reduce the CSP scope of accreditation (refer to Article II.1.8 of the contract, and the following FAQ)

Annexes:

- Amendment of list of qualified certification experts

3.2 What are so-called “liquidated damages”?

Any disputes between a CSP and the Agency are of course subject to the conditions laid down in Article I.12 (“Applicable Law and Settlement of Disputes”) which stipulates, amongst other things, that disputes shall be settled amicably and in keeping with the joint escalation process.

Notwithstanding this, Article II.16 empowers the Agency with the right to charge a CSP penalties or compensation under certain circumstances. It is envisaged that this right would only be exercised as a last resort and at the Agency’s discretion, following repetitive or continuous violation of the contractual obligations by the CSP. By way of illustration, such violations may include the non-submission of technical deliverables such as technical visas and statements of compliance, or financial and administrative deliverables such as activity reports, invoices and related supporting documents.

Should a situation arise which may lead to the levying of liquidated damages against a CSP, a rigorous process shall be set into motion; this shall include the following steps:

- Internal and bilateral discussions,
- Analysis of the potential impact on CSP-EASA relations, and
- The issue of a warning letter to the CSP in question.

3.3 'Conflict of interest' seems to be an EASA catchphrase these days. What is EASA's approach to ensuring there is no potential or actual conflict between work that is outsourced and competing interests?

In 2012 EASA published a Code of Conduct applicable to its own staff, including a policy on the prevention and mitigation of conflicts of Interest. A similar policy is also being adopted by the Members of EASA's Management Board.

The objective of the Code of Conduct is to maintain and further guarantee the high level of independence and impartiality of EASA opinions and decisions.

Cases of conflicts of interest are treated with the utmost seriousness and the onus is on the party to whom project work is entrusted to demonstrate that any potential or actual conflict is adequately avoided or mitigated. Should the measures in place be considered unsatisfactory, EASA reserves the right to reassign affected project work to alternate resources.

We therefore expect CSPs to be able to demonstrate, whether by law, policy, procedure or practice, that they have adequate measures in place to avoid and mitigate potential or actual conflicts of interest. Precisely how this is achieved will be evaluated in some detail during the next accreditation audit. To this end, we would like to draw attention to the requirements found in Article II.3 of the contract and, where appropriate, Annex V (Criteria for Qualified Entities…) of Regulation (EC) No 216/2008.

4 Projects & Purchase Orders

4.1 A Purchase Order (hereinafter "PO") contains a lot of information. What does it all mean and which aspects are important?

Please refer to the annotated sample provided in Annex A of this document.

4.2 What kinds of POs are there?

A PO is in general issued for each individual project involving work to be undertaken by a CSP (unless the project is 'grouped', see paragraph 4.16) In some cases multiple POs may be required for a single project, e.g. if the work is shared between several CSPs, or if the project spans several calendar years.

The only exception to this approach is a single PO issued to cover multiple allocated continued airworthiness projects. Such POs are sent to a very few CSPs who have the leading expertise for certain aircraft types. Due to the difficulty of financially planning for continued airworthiness work, which can be unpredictable at the level of an individual project, the funding for multiple projects is pooled on one PO that stipulates a budgetary limit intended to cover, in aggregate, the costs of working hours and any travel or subsistence costs.

4.3 To which number should reference be made in communication with EASA? The PO number or EASA's project number?

Each 10-digit project number is unique and with this as a reference EASA is able to identify all project-related data. It is regarded as the principal project reference number and will not change during the life of the project. It is also displayed on the certificate.

While a project may have only one project number, it may have more than one PO number. This would be the case for example, if experts from more than one CSP are involved, or if a PO is issued for an ongoing project for the following year.

When requesting increases in funding, reporting activities, raising invoices, or discussing any other aspect in connection with the financing of projects it is also necessary to make reference to the number of the PO in question.

4.4 What will happen at the end of the year?

In any given year, for outsourced projects which are expected to continue into the following year, and for which the PO is approaching its date of expiry, a new PO will need to be issued to allow work to continue.

In good time before the year end, EASA will seek to collaborate with the affected CSPs (for allocated projects) and its own PCMs (for projects involving seconded CSP expertise) in order to estimate the anticipated volume of work and planned business trips to be performed in the following year, and hence the costs to be committed on the new POs.

It is nonetheless the CSP's responsibility to ensure that it undertakes no work and incurs no costs without, or beyond the limits of, a PO issued to cover work in the following year.

4.5 Is it possible to issue POs in other European languages than English?

Purchase Orders are generated automatically by EASA's ERP system (SAP), and there is at present no provision for producing documents in other recognised European languages.

4.6 I need more time and / or travel funding to complete the task. How, when and to whom should I communicate this?

The provisions of paragraph 3.1 of the Agreed Best Practices document apply in all instances.

Requests for increases or reductions in funding (or other changes) shall be submitted by email to purchase.order@easa.europa.eu, and also to the EASA Project Manager if applicable (only when providing seconded expertise for an EASA-managed project).

If requesting additional budget, it will help us to expedite your request if you include in your email:

- The number of additional hours requested, and the resulting total if the request is accepted,
- The number of working hours consumed to date,
- Suitable substantiation for the increase in budgeted working hours, i.e. an explanation of the technical activities for which additional time is required, and
- The purpose and the proposed dates (if known) of any business trip for which you are requesting preliminary or additional funding, and a breakdown of the associated costs.

If the request is approved by an in-house technical representative EASA will subsequently issue a revised PO reflecting the agreed changes.

4.7 Will the Agency ensure a minimum reaction time for responding to requests for more time / funding?

EASA applies its best efforts to issue POs within a reasonable timeframe. However, as POs represent financial commitments, EASA is obliged to process them through a rigorous approval loop in accordance with its Financial Regulations.

As a guide, the processing of regular POs should last no longer than 5 working days. However, to be on the safe side, for regular cases we ask that you submit any requests for amendments 10 working days in advance. Requests that are urgent, and that are clearly indicated as such, will be processed and responded to within 2 working days.

4.8 I have been asked to undertake a task / business trip but have not received the related PO, or else the PO I have received is inadequate. Can I do the work now and sort out the administration later?

No. The PO constitutes both the legal request for services and the financial commitment to fund those services. Only requests for services made in the form of an official PO are valid. The Agency will not accept charges for any activities that have been carried out in the absence of, or in excess of, a PO.

4.9 This all sounds rather cumbersome. How can I streamline the process and ensure that technical project work can go ahead without being stalled by discussions of financial commitments?

The Agency encourages the agreement of flat rates or other special arrangements. Flat rates entail the agreement in advance of the number of working hours to be assigned, and upon the task's completion to be charged, for a certain type of project. With the financials established in advance, the technical work can proceed unimpeded, and any financial gains or losses on individual projects would not be reported to EASA.

Such an agreement should of course on average provide for the fair compensation for the real work performed. To ensure that any agreement remains equitable, it would be subject to an annual review. The non-provision of data suitable to perform an annual review may lead to the withdrawal of any agreement.

Agreement are recognised in writing as part of Annex F ("Flat rates / Special arrangements").

4.10 Who must officially notify the applicant if I do not agree with a project's initial classification and would suggest an alternative, perhaps more stringent classification?

The Agency will do that. According to Part-21 the classification of changes/repairs can only be made by the Agency or by appropriately-approved design organisations. The highest probability of reclassification exists in the area of minor changes/repairs, since any party can apply, even without further technical knowledge.

If a CSP to which a technical investigation has been allocated believes that the project in question has been inappropriately classified, it should inform the Agency without undue delay, as a change in classification may have an impact on the fees or charges that are to be levied. The official notification to the applicant though must be made by the Agency, as this allows it to assume full liability should a legal conflict with the applicant arise.

4.11 How can we ensure that a Purchase Order (PO) reaches the appropriate recipient?

In order to ensure that EASA and the CSP have matching records of all POs sent, it is preferable that they shall be sent electronically to a functional mailbox (rather than a personal email address) as specified by the CSP.

4.12 Working hours reported on Technical Closure Documents

The Agency no longer requires the reporting of working hours on Technical Closure Documents (Technical Visas or equivalent) for any type of task or project, including those which give rise to a fee calculated on an hourly basis (CSV, test witnessing, transfer of certificates, cancellation). The Technical Visa form will be updated in due course to reflect this procedural change.

4.13 Can an application expire, and if so, what happens then?

Yes – in accordance with Part 21A.17(c) and 21A.101(e) – projects are limited in validity to either three or five years. In 2012, EASA began following up such projects, contacting applicants and enquiring as to their intentions. Such enquiries may result in the validity extension, or the cancellation, of the projects in question. If your CSP is involved in an affected project you will be notified of the outcome when the time comes.

4.14 EASA sent me an email about 'Project & Budget Monitoring'. What is now expected?

As of 2013, EASA is taking steps to identify product-certification projects which are either dormant or moribund. For product-certification projects allocated to CSPs, and for which the time elapsed since the application exceeds the average by a considerable margin, EASA may send you periodic enquiries as to the status.

The aim of such enquiries is threefold:

- To ensure, when projects are cancelled or otherwise aborted, that our records reflect this and appropriate steps are taken,
- To avoid reserving budget needlessly to fund projects that are temporarily inactive, and hence
- To divert this budget to projects where it is really needed.

We view this as a continuous process that, if implemented collaboratively, would be of mutual benefit. Responding to such enquiries as well as you are able should help to reduce the number of projects that are questioned on the next occasion.

4.15 How should we handle dormant projects?

Product-certification projects allocated to your CSP in previous years which are temporarily or permanently dormant do not require immediate funding. Rather than assuming that all 'open' projects are active, and thus mechanically issuing corresponding purchase orders in a new year, EASA's preference would be to await your request for funding. When the applicant shows signs of wishing to commence, or recommence, the project, please send an email to *purchase.order@easa.europa.eu* announcing that the project is about to become active and detailing the budget you believe necessary. Provided that requested budget is reasonable, we can then issue a purchase order to allow work to proceed without delay.

4.16 What is 'project grouping'?

As a pilot project beginning in 2013, certain projects will be grouped within EASA's SAP system, meaning that multiple technical projects will be represented by a limited number of project numbers. For immediate purposes, insofar as it may affect your organisation, this will be confined to:

- The following Airbus Types: A300/A310, A318/A319/A320/A321, A330/A340, A380 and A400M.

- For the Airbus Types mentioned above, the following project types: simple major changes / repairs, standard major changes / repairs, stand-Alone FM Revision by the TC holder (classified as major) and AMOC.

Although the changes brought about will have most impact on EASA internal processes, they will also have some implications for the assignment, tracking and charging of work you perform under the framework service contract. In the event that your CSP is affected, we will discuss and monitor 'project grouping' in practice during our regular contract meetings.

4.17 Beyond what it written in Annex C of the contract, what is EASA's policy on business travel?

In the current economic climate, EASA as others is facing budget constraints, and increasingly comes under pressure from the aviation industry to reduce costs. In particular, charges arising from travel to territories outside of the EASA Member States are often challenged by applicants.

It is in the interests of fairness and to the benefit of the overall reputation of the European regulatory system that the travel policies applicable for EASA staff and its certification service providers are similar. A coherent and consistent approach to this matter would be welcomed by the aviation industry, and moreover it would result in the more efficient use of funds to advance safety.

When deciding on, or requesting permission for, travel activities for certification projects (notwithstanding the principles described in the framework contracts and its guidance material), we would therefore ask you to observe the following principles:

- Distinguish between essential and non-essential travel, and perform only essential trips as a priority;
- Use videoconferencing as far as practicable;
- Combine trips to save transport costs;
- Book early to get better rates;
- Draw up a travel plan in advance for the whole year with corresponding budget.
- When considering airfares, favour whenever possible booking conditions that will lead to the most competitive price.
- When planning business travel, seek EASA's permission in advance for any unusually high costs, in particular airfares in excess of 5000,00 € per traveller and car rental arrangements which exceed 85,00 € per day (excluding associated costs such as fuel).

5 Reimbursement

5.1 Under what conditions will the Agency reimburse CSPs for visits of their staff to the Agency?

For visits to the Agency which take place as part of a certification task carried out under the Framework Service Contract the travel and subsistence expenses will be reimbursed in accordance with the terms and conditions of the Contract as implemented by POs.

For visits on other business not related to specific projects such as expert working groups, PCM meetings, management or co-ordination meetings, the travel expenses incurred may be reimbursed under ED Decision 2009/002/F of 23rd March 2009 if this is stated in the invitation from the responsible Agency staff member. If the invitation does not contain such a statement and no other equivalent written confirmation is available, normally no reimbursement can be made.

Further details are specified in the specifications for the tender EASA/2011/RP.06.

5.2 Pre-filled activity report for projects booked against POs

To support CSPs' preparation of activity reports and invoices, EASA will supply a pre-filled activity report template. This lists the relevant POs issued, along with other pertinent reference information. The pre-filled activity report template will be updated and circulated on a monthly basis, but also can be supplied upon ad hoc request.

5.3 How can I simplify the calculation of travel time to destinations outside the territories of the EASA Member States?

In order to simplify and standardise the recording / calculation of journey durations, a table of standardised journey durations is available on request. It covers destinations outside the EASA States where Agency services, certification and organisation approval tasks are typically performed.

These data may be used to determine the number of "non-EU travel hours" incurred by an expert on mission on behalf of the Agency, and for which reimbursement may be claimed.

The table is subject to periodic updates to ensure the data keeps pace with changing airline routes. Should you wish an additional destination to be included, please contact us as soon as practicable.

5.4 What if I want to travel by a means of transport that is not yet explicitly recognised by the contract e.g. by private or company aircraft?

When travelling on EASA projects, should your experts wish to use a means of transport that is not explicitly mentioned in the contract, please contact us in advance. We can then discuss ways of recompensing you reasonably and fairly, whilst respecting the terms of the contract. Examples include travel by corporate or privately owned aircraft, or rail travel using a company subscription.

For costs that are neither easy to define nor demonstrate, we are willing to discuss and agree on reimbursement using an analogous means of transport. For instance, when preparing for a trip with a corporate aircraft, you could request as an equivalent an economy airfare quote from your travel agent. This quote would be documented and presented to EASA as a supporting document accompanying an activity report, and would serve to identify the value to be reimbursed by EASA.

5.5 Article II.4.2.2 suggests it might be possible to submit invoices without any supporting documents. Can we do this?

EASA is bound to an exacting financial regulation, and many of its tenets are in turn passed on to our providers. Nonetheless, within this framework there is some room for manoeuvre in the name of the proportionality of effort and benefit. It is in our mutual interest to reduce administrative effort where possible, while mitigating any resulting risks to an acceptable level. With this in mind, EASA continuously monitors the administrative performance of CSPs. Subject to certain defined criteria being met, you may be eligible for the conditional alleviation of the normal contractual requirement to submit supporting documents to substantiate claims for travel costs. Note that while this special dispensation entitles you to retain supporting documents as a matter of course, EASA reserves its right to inspect them, either during accreditation audits or on special request.

If we consider your CSP to be a potential candidate, we will approach you. However, please do not hesitate to enquire if you would like further information on the prerequisites and conditions.

5.6 Does EASA recognise electronic records as an admissible form of supporting document in place of hardcopies?

Notwithstanding the provisions of Article II.4.2.1 of the Contract, EASA accepts original supporting documents or certified copies thereof. The latter may either be provided as hardcopies or, as an alternative, electronically. Certified copies are required to be accompanied by a signed declaration that they are true, exact, complete and unaltered copies of the originals.

5.7 What is EASA's position on electronic boarding passes?

If, when organising business travel, you can choose between documents that your organisation can easily archive (e.g. printed boarding passes) and documents that may prove difficult to archive (e.g. paperless boarding passes issued on a mobile device), we would recommend the former. If documents which we would normally expect to be submitted in support of claims for business travel were issued in an electronic form that you are unable to retain, we would ask you instead to submit a suitable alternative supporting document, or a declaration that no printed document (e.g. boarding pass) was issued.

5.8 I received a new purchase order for work we already completed. Near the end of the document is a paragraph mentioning that it was issued "exceptionally". What am I supposed to do?

On occasion EASA creates so-called "exception purchase orders" to reconcile its books following the budgetary closure of the previous fiscal year. Such purchase orders are typically created during the invoice verification process and are provided to you automatically. They do not represent a new request for services, but are merely issued to facilitate reimbursement for services already performed. No action on your part is necessary – you may disregard them.

6 VAT (Value Added Tax)

The paragraphs below supplement the provisions on Taxation described in Article II.11 of the Framework Service Contract.

6.1 Payment of VAT by the Agency

The Agency is exempt from VAT via the Protocol on Privileges and Immunities of the Community Bodies. However, in cases where a CSP is obliged to invoice the Agency for VAT, the Agency will reclaim it from the responsible institution of the Member State.

6.2 Charging of VAT to the Agency

The Agency is not VAT registered in Germany, its host country, and subsequently cannot apply the reverse charge system in place between two taxable contractors located in two different countries of the EU. (i.e. the CSP reverses the VAT liability to the service taker and the service taker pays the VAT in the country where he receives the service, recovering the same amount at the same time; both operations are listed in his local VAT return, which generates no cash drain for the service taker).

Since the Agency has no VAT registration in Germany, there can be no VAT payment or recovery claim introduced for these specific intra-community services (the only exception is Portugal) as is the case for individuals.

To manage this VAT issue, a specific ruling regarding services provided to international institutions has been set up. The Agency is listed as such an international institution to which the direct exemption principle may be applied.

The direct exemption procedure considers the transaction as non-taxable.

All EU Member States except Portugal have recognized the direct exemption principle on intra-community services provided to international institutions as long as these conditions are fulfilled:

- the amount per invoice exceeds € 240 (vat included)
- purchase must be for the official use of the communities (here the Agency)
- the supplier is liable to VAT in the European Union
- The supplier receives from the customer a fully-completed ”form 15.10” (referring to article 15.10 of the 6th VAT directive).

The reference to the exemption article in the local language of the supplier is mentioned on the purchase order and should also be mentioned on each delivered invoice. (VAT exemption/international organisation/art 15.10 of the 6th vat directive).

6.3 Special conditions for local purchases/services

As the Agency is located in Germany services provided by a VAT-liable CSP based in Germany are considered as local purchases/services and are therefore subject to indirect exemption. In this case the CSP needs to apply VAT on the invoice which will be recovered by the Agency from the German tax authorities after the settlement of the invoice.

A VAT exemption certificate will not be issued for local purchases/services.

6.4 Payment of VAT-included invoices by the Agency

Where the direct exemption procedure is in place the member state in which the transaction is in principle taxable usually denies the right to recover the charged VAT.

Even if, through a ruling by the local VAT authorities, the Agency officials manage to get an agreement, the delay for refund is quite long.

6.5 Charge of VAT due to non-supply of exemption form 15.10

A cancellation must be requested in the form of a credit note for the VAT in question and another 15.10 form supplied for the purposes of correction. However, filing of a form 15.10 after the event must be regarded as an exceptional procedure.

6.6 Reimbursement of VAT to CSPs on Travel Costs

In general the Agency is exempted from all direct and indirect taxes on intra-community purchases if the Agency provides the contractor/CSP with an exemption. Subsequently, no VAT should be charged by CSPs/contractors on any of their cost to the Agency.

However, it may occur that a CSP has to pay VAT for its own purchases (travel-tickets etc.) which it cannot recover at all, e.g. due to some national fiscal contingencies. Consequently, those amounts (and only those!) which represent real costs should be presented by the CSP in the invoice and will be reimbursed. If these amounts include VAT it should, where possible, be visible on the supporting documents (ticket stubs, receipts etc.).

VAT by the CSP on top of amounts stated on supporting documents will not be accepted.

6.7 How and when will I get my VAT exemption certificate?

Unless otherwise agreed between the parties, EASA will supply VAT exemptions certificates for those CSPs that require them on an annual basis, one year in arrears. For example, an exemption certificate would be issued in early 2011 to cover the gross financial commitments for the year of 2010.

7 Glossary

7.1 What is meant by the "EASA States"

The EASA States are the EU Member States plus for the time being Norway, Switzerland, Iceland and Liechtenstein.

7.2 What is the meaning of the acronyms used in and in connection with the Contract?

BGB	Bürgerliches Gesetzbuch
CAO	Continuing Airworthiness Organisation
CCN	Change Control Notice
CSP	Certification Service Provider
DOA	Design Organisation Approval
EC	European Commission
ERP	Enterprise Resource Planning
EU	European Union
HICP	Harmonised Index of Consumer Prices
MOA	Maintenance Organisation Approvals
MOC	Maintenance Organisation Co-ordinator
MRB	Maintenance Review Board
MTOA	Maintenance Training Organisation Approvals
NAA	National Aviation Authority
OEB	Operational Evaluation Board
OLAF	European Anti-Fraud Office
OSD	Operational Suitability Data
PCM	Project Certification Manager
PO	Purchase Order
POA	Production Organisation Approval

EUROPEAN AVIATION SAFETY AGENCY Postfach 10 12 53 D-50452 Cologne Germany	**Purchase order** (to be mentioned in all correspondence) **No. 4500001234** Date 01.01.2011	No. of sheets 1 / Sheet 1 / Issue of the PO Initial CERTIFICATION SERVICE PROVIDER ADDRESS
Contact: Please address any questions to purchase.order@easa.europa.eu and if appropriate to the project manager where named below.	Contractor code: 4000000 Country of origin: XX Currency of payment: EUR	

Dear Sir or Madam,

In accordance with framework service contract number EASA/ED/2008/XX/02 between European Aviation Safety Agency (EASA) and CERTIFICATON SERVICE PROVIDER, EASA requests you to conduct the technical investigation for the following task:

Assignment type: Allocation

Description of the services	Project	Quantity	Unit	Unit price in EUR	Total in EUR
456789 XXWH-Task Allocation	4000000	100,00	H	100,00	10.000,00
123456 XXTRV-Travel	4000000	1,00	AU	1000,00	1000,00
TOTAL Service					**11.000,00**

The assigned project budget (estimated number of hours and estimated travel costs) stated above is valid until 31.12.2011.

Project related Data:

Certificate/Approval Holder:
Origin:
Description:
Certificate Number:
Other EASA reference:
Product Category:

Please conduct the technical investigation in accordance with the applicable procedures.

It is estimated that the above mentioned number of working hours and travel costs will be required for this task. Please immediately advise the project manager if it becomes apparent that either estimate is inadequate. Travel costs will be reimbursed in accordance with the framework service contract.

Note: Please note that this purchase order may be reissued during the course of the project as necessary. This purchase order cancels and replaces any previous issues thereof.

Yours faithfully

The Application and Procurement Services Department

EUROPEAN AVIATION SAFETY AGENCY
Postfach 10 12 53
D-50452 Cologne
Germany

Contact:
Please address any questions to purchase.order@easa.europa.eu and if appropriate to the project manager where named below.

Purchase order

(to be mentioned in all correspondence)

No. 4500001234

Date 01.01.2011

Contractor code: 4000000
Country of origin: XX
Currency of payment: EUR

No. of sheets	Sheet	Issue of the PO
1	1	Initial

CERTIFICATION SERVICE PROVIDER

ADDRESS

Dear Sir or Madam,

In accordance with framework service contract number EASA/ED/2008/XX/02 between European Aviation Safety Agency (EASA) and CERTIFICATON SERVICE PROVIDER, EASA requests you to conduct the technical investigation for the following task:

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Yours faithfully

The Application and Procurement Services Department