

## GLOSSARY

### **ACCELERATION:**

Type I: Buying back equitable time extensions due the construction contractor under the contract clauses of his contract which covers unforeseen circumstances beyond the contractor's control and without his fault or negligence, such as fires, strikes, and unusually severe weather.

Type II: Buying back equitable time extensions due the construction contractor under other contract clauses of his contract, such as "Changes" and "Differing Site Conditions."

### **ACCEPTANCE:**

An authorized representative on behalf of the Government recognizes partial or complete performance of a contract, accepts ownership of materials, supplies, equipment, and facilities, or accepts rendered services.

### **ACTUAL**

### **PROGRESS:**

A measure of work accomplished by a contractor for a given time period. (See Scheduled Progress.)

### **ACTS OF GOD:**

<sup>1</sup>An extraordinary interruption of the usual course of events that experience, prescience, or care cannot reasonably foresee or prevent. <sup>2</sup>An event in nature, such as a flood or earthquake, over which neither the Government nor the contractor has any control.

### **ADJUSTMENT IN ESTIMATED QUANTITIES:**

A contract adjustment pursuant to the contract clause on variation in estimated quantities.

### **ADMINISTRATIVE CHANGE:**

A unilateral contract change, in writing, that does not affect the substantive rights of the parties (e.g., a change in the paying office or the appropriation data.)

### **ADMINISTRATIVE CONTRACTING OFFICER (ACO):**

See chapter 1, paragraph 1-3, Authorities.

**AGGREGATE  
(TOTAL) AMOUNT  
OF A CHANGE:**

When an item of work is changed, the aggregate dollar value of the change is the difference between the costs to complete the work as originally specified and the costs to complete the change. When one item of work is deleted and another item of work is added, the aggregate value of the change is the absolute value of the sum of the deleted work and the added work. For example, if changing the wall location, the aggregate amount of the change is not the original cost of the wall deleted and cost of new wall added. The change is only the net difference. However, if a wall is added and a boiler is deleted, the aggregate amount of the change is the sum of plus and minus. (ASPM, Chapter 10)

**AMCCOM**

Head of the Contracting Activity (HCA)/Head of the Purchasing Activity (HPA):

**AUDIT:**

Contractor's statements of actual or estimated costs are examined by auditors to an extent deemed appropriate. Auditors rely on their experience with contractors and upon appraisals of the effectiveness of contractor's policies, procedures, controls, and practices to complete the audit. Audit reviews may consist of desk reviews, test checks of a limited number of transactions, or examinations in depth.

**BENEFICIAL  
OCCUPANCY  
DATE (BOD):**

The day on which beneficial occupancy is granted to the agency requiring use of the facility after construction. By mutual agreement the beneficial occupant will allow the Construction agency access to the building as required to complete remaining items of construction.

**BENEFICIAL  
OCCUPANCY:**

Occupancy of an uncompleted building, structure, or facility under circumstances which are advantageous to the occupant and which produce relatively little interference with the builder in completing construction. Prior to occupancy by the using service, a written agreement among the contractor, construction agency, and the using service is provided listing deficiencies, remaining work, and other conditions of occupancy that must be consummated. Beneficial occupancy may be a contract requirement.

**BILATERAL  
MODIFICATION:**

A supplemental agreement on which the Contracting Officer and the contractor have agreed to a price and/or time adjustment.

**BUSINESS  
CLEARANCE  
MEMORANDUM**

**(BCM):** A document reflecting that a proposed contractual action represents good business judgment, conforms to Federal, DOD, and Army acquisition policies and that the price established is fair and reasonable.

**CONTRACT  
CHANGE:**

Any variation from the terms or requirements of a contract, commonly called "change."

**CHANGE  
ORDER:**

A written order, signed by the Contracting Officer, directing the contractor to make a change in the contract. The Changes Clause in the contract authorizes the Contracting Officer to initiate the order without the contractor's consent. A change order is an obligation to the Government in the value of the work ordered. If the price/ time have not been agreed upon (definitized), the government estimates for the changed work must be sound, up-to-date, and represent the obligated change order amount. Note that the amount of the modification ordering the work is independent of the obligated amount. See Notice to Proceed for written orders pertaining to clauses other than the Changes Clause.

**CHANGE  
REGISTER:**

A record that reflects all changes made to the contract.

**CHANGE  
WORK:**

Work specifically changed by a contract clause.

**CLAIM:**

A written request made by the contractor for time, money, or both, asserted under a contract.

**COMPETITION  
IN CONTRACTING  
ACT OF 1984**

**(CICA):** The Competition in Contracting Act of 1984, effective 1 April 1985, substantially changed the basic statutes underlying the Federal procurement system. Agencies will provide full and open competition by (1) soliciting sealed bids, (2) requesting competitive proposals, or (3) by other competitive procedures unless a statutory exception permits other than full and open competition. There are justifications, approval, and notice requirements for contracts employing other than full and open competition. The Act also requires that competition advocates be appointed, and it enumerates their responsibilities. CICA also establishes provisions relating to bid protests.

<b>CONFLICT IN PLANS AND SPECIFICATIONS:</b>	Statements or meanings on the contract specifications and drawings which cannot be reconciled by reasonable interpretation.
<b>CONSENT OF</b>	An acknowledgement by a surety that its bond given in connection with a <b>SURETY:</b> contract continues to apply to the modified work (change).
<b>CONSTRUCTION:</b>	Construction, alteration, or repair (including dredging, excavating and painting) of buildings, structures, or other real property.
<b>CONSTRUCTIVE ACCELERATION:</b>	A denial of a valid request for any time extension with a directive to adhere to the contract completion date which results in acceleration of work.
<b>CONSTRUCTIVE CHANGE:</b>	An act or omission by the Contracting Officer, which in fact effects a change in the work.
<b>CONSTRUCTIVE DELAY:</b>	An act or omission by the Contracting Officer which in fact delays the completion of the work.
<b>CONTRACT:</b>	All types of agreements and orders for the procurement of supplies or services. It includes awards and notices of award, fixed-price, cost, cost- plus-fixed- fee, or incentive contracts, letter contracts and purchase orders.
<b>CONTRACT CLAUSE:</b>	Any general (boilerplate), special or technical provision, or part thereof, of a contract.
<b>CONTRACT COMPLETION</b>	Date established by the contract for completion of all or of specified: <b>DATE</b> portions of work.
<b>CONTRACTING OFFICER:</b>	See chapter 1, paragraph 1-3, Authorities.
<b>CONTRACTING OFFICER'S REPRESENTATIVE (COR):</b>	See chapter 1, paragraph 1-3, Authorities.

**COST ANALYSIS:** The review and evaluation of the separate cost elements and proposed profit of (a) an offeror's or contractor's cost or pricing data and (b) the judgmental factors applied in projecting from the data to the estimated costs in order to form an opinion on the degree to which the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency.

**COST**

**BREAKDOWN:** Separating total cost into identifiable elements.

**COST OR PRICING**

**DATA:** All facts that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonably expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived.

**DAMAGES:** The increased cost a contractor resulting from Government acts or omissions affecting the contract but not incorporated into a change order. The value of the loss to the Government resulting from contractor acts or omissions.

**DELAY:** A significant slowing down or stopping of a contractor's scheduled progress in completing work required under a contract. This may be caused by acts of the Government or contractor or from something beyond control of either, and may be either excusable or non-excusable.

**DESIGN CHANGE:** A change for which redesign effort is required. A design change materially affects the approved requirements, the basis of design, the existing scope of the contract plans and specifications, or operating capability of the facility.

**DEFENSE****CONTRACT AUDIT**

**AGENCY (DCAA):** The government agency that performs external audits for Corps of Engineers contracts (military only).

**DESIGNATED****BILLING OFFICE**

**(DBO):** Office or person to first receives the contractor's proper invoice or request for payment. In most cases, the Area/Resident or Project Office that is administering the contract.

**DESIGNATED****PAYMENT**

**OFFICE (DPO):** Office actually responsible for issuing payment of invoices for contract work or services.

**DIFFERING SITE**

**CONDITIONS:** Refers to subsurface or latent physical conditions at the site differing materially from those indicated in the contract. Also included in this clause are unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.

**DIRECT COSTS:** Cost of the materials, supplies and prime contractor or subcontractor work and labor that go into and can be clearly identified with a particular phase of a project.

**DISPUTE:** A disagreement as to a question of fact or contract interpretation, which cannot be resolved to the mutual satisfaction of the contracting parties.

**EFFICIENCY LOSS:** The loss productivity of labor and equipment required to perform a given task, which may result from actions of the Government under a contract clause. It is usually expressed as a percentage.

**ENGINEERING**

**CHANGE:** A change in design requiring revised drawings and/or specifications prepared by Engineering Directorate.

**EQUITABLE**

**ADJUSTMENT:** A contract adjustment in price or time under, certain contract clauses, or both, to compensate the contractor expense incurred due to actions of the Government or to compensate the Government for contract reductions. An equitable adjustment includes an allowance for profit. Certain clauses provide for adjustments, excluding profit. Those adjustments are not considered "equitable adjustments."

**ESTIMATED**

**QUANTITY:** The quantity indicated in the bid schedule estimated to be that required to complete a bid item.

**EXCUSABLE**

**DELAY:** A delay in the work for which, under the terms of the contract, a time extension can be granted.

**EXPEDITE**

(pertaining to

To reduce the performance period originally specified. Approval by the head contract: of the Agency (on a non-delegable basis) is required to expedite the completion date of a contract funded by a Military Construction Appropriation Act, if additional costs are involved. The approval authority must (1) certify that the additional expenditures are necessary to protect the National interest and (2) establish a reasonable completion date for the project. The Contracting Officer may approve an expedited completion date if no additional costs are involved.

**EXPEDITED  
PROCEDURE**(pertaining to  
changes):

Issuing a Notice to Proceed before completion of negotiations of a change.

**FIELD CHANGE:**

A field change is one initiated by the Resident Engineer to make revisions to the contract plans and specifications to adjust to actual field conditions encountered.

**FINAL CONTRACT****PAYMENT:**

The last payment made by the Government to a contractor for all work performed under the contract, after which the contractor may make no new claims. This is accomplished by marking the last pay estimate with the word "final" and obtaining a Release Statement.

**GENERAL AND  
ADMINISTRATIVE****OVERHEAD (G&A):**

Costs frequently referred to as home office expense; usually these costs are incurred elsewhere other than at the job site; general costs of doing business.

**GOVERNMENT****APPROVAL:**

Approval of a process, descriptive data, drawing, or other documents by the Contracting Officer as required by the contract.

**GOVERNMENT-  
CAUSED DELAY:**

An action or non-action by the Government which results in a significant delay of a contractor's scheduled progress in completing work required under a contract. This is an excusable delay.

**GOVERNMENT****ESTIMATE:**

An independent estimate of time and price prepared prior to negotiations with a contractor on changes to the contract.

**GOVERNMENT-  
FURNISHED**

**EQUIPMENT (GFE):** Equipment in the possession of or acquired directly by the Government and subsequently delivered to or made available to the contractor for use or for incorporation into the work.

**GOVERNMENT-  
FURNISHED**

**PROPERTY (GFP):** That property or equipment to be furnished to the contractor at a specified location and at a specified time by the Government at no cost to the contractor.

**HEAD OF THE  
AGENCY OR  
SECRETARY:**

The Secretary of the Army and the term "His Duly Authorized Representative" mean the Chief of Engineers, Department of Army, or an individual or board designated by him.

**IMPACT COSTS:**

Those costs which are variously described by a contractor as indirect or "ripple" and claimed to be sufficiently related to direct cost as to be recoverable. Often viewed by the Government as being consequential.

**INTERMEDIATE  
COMPLETION**

**DATES:**

Dates established in a contract for completion or occupancy of designated facilities or features of a facility before the date for completion of all work under the contract. Known commonly as BOD.

**INSPECTION OF  
SITE (SITE**

**INVESTIGATION):** The investigation of the site by the contractor, required by the contractor clauses of the contract, to acquaint and satisfy himself as to the conditions affecting the work.

**INSPECTOR:**

That person assigned by the Contracting Officer to check materials of construction, methods of construction and workmanship for contract compliance.

**JOINT OCCUPANCY**

**DATE (JOD):**

The date on which construction has progressed to a point where the using agency is allowed to commence installation of equipment or perform other desired work in designated facilities or areas. Such using agency activities will be scheduled so as to cause a minimum of interference with activities of the construction agency.

- JOINT OCCUPANCY:** Simultaneous occupancy of a construction site by work force, or separate contractor, of using service and the construction contractor. The construction contractor continues to perform major features of construction and the using service, or its contractor, performs work normally done after the construction contractor has completed his work to the point of beneficial occupancy.
- JOB OVERHEAD:** Indirect costs that are commonly incurred on a project basis and can be attributed directly to the contract, such as maintaining a job office at site. Job overhead differs from direct costs in that job overhead costs are not allowed to a single work item but to several.
- LATENT DEFECT:** A defect in the work not in accord with the specifications, which could not be observed by reasonable inspection.
- LIMIT OF AUTHORITY:** The monetary amount set out in the delegation of authority beyond which the designee has no authority to act; or the authority set out by FAR, OCE or other regulations beyond which the designated person has no authority to act.
- LIQUIDATED DAMAGES:** An amount of money stated in the contract as being the liability of a contractor for failure to complete the work by a designated time.
- MILITARY SPECIFICATION:** A detailed specification on a specific subject, approved by the Department of Defense, and incorporated into construction contracts by reference.
- MODIFICATION:** A formal document (supplemental agreement within or outside the contract scope of work) that alters the contract specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provisions of an existing contract.
- MULTIPLE MODIFICATION CHANGE:** The same unique change order request issued in separate modifications. This is used in cases where a notice to proceed (undefinitized contract action) has been issued. In addition, the change could involve a substantial sum and considerable time would be required to determine the equitable adjustment or the exact extent of the change. It would be inequitable to require the contractor to finance the change until the equitable adjustment or the extent of the change order request may provide an amount for interim payment purposes and will expressly stipulate that such amount is tentative and that the final adjustments will be made in the definitized modification for the change order.

- NEGOTIATION:** The process of arriving at a mutually agreeable price, time, scope, and specification for a contract; or additions or deletions to an existing contract. It may include cost and/or pricing analysis, audit or other techniques.
- NORMAL WEATHER:** That kind of weather, which could be expected for a period of time, based upon the weather experience of the locale.
- NOTICE TO PROCEED (NTP):** A formal notice to the contractor to proceed with work under the contract or under a contract change within the scope of work. This notice may be prior to acceptance of the contractor's proposal for the change, or after an agreement on cost and time. A notice to proceed is an obligation to the Government for the value of the work included in the notice. See "change order" for definition relative to Changes clause.
- OFFSITE INSPECTION:** The inspection of fabricated or manufactured items in the plant prior to delivery to job site. The inspection may be performed by Corps of Engineers personnel or by other Government agency.
- OVERHEAD:** The indirect costs of a contractor that cannot be attributed to a single item or unit of construction work. It may include salaries of supervisory and executive personnel, office expense, taxes, insurance, etc.
- OVERRUN IN QUANTITIES:** The actual quantity of work performed by a contractor, which exceeds the estimated amount, shown in the bid schedule of the contract.
- PATENT DEFECT:** A defect in the work not in accord with the specifications but which could be observed by reasonable inspection.
- PAY ESTIMATE:** Estimate prepared by the Resident Engineer to reflect earnings by a contractor over a specific period of time.
- PAYMENT BOND:** A bond which is executed in connection with a contract and which secures the payment of all persons supplying labor and material in the prosecution of the work provided for in the contract.
- PERCENT COMPLETE:** Ratio of work completed to the total work called for in the contract. May be expressed in money or time.

**PERFORMANCE**

**BOND:** A bond which is executed in connection with a contract and which secures the performance and fulfillment of all the undertakings, covenants, terms, conditions and agreements contained in the contract.

**PRENEGOTIATION**

**OBJECTIVES:** The Government's cost or price objective, the type of contract, and the profit or fee objective. Must be established before the negotiation of any pricing action.

**PRICE**

**ADJUSTMENT:** A change to the established price of the contract arrived at by mutual agreement between the Government and contractor.

**PRICE ANALYSIS:** Process of examining and evaluating a prospective price without evaluation of the separate cost elements and proposed profit.

**PRICE****NEGOTIATION**

**MEMORANDUM:** A record of negotiation setting forth the principle elements of the negotiation for inclusion in the contract file.

**PRICING DATA:** Facts submitted to substantiate a quoted price.

**PLANS:** Drawings, a graphic representation for the construction to be accomplished by a contract.

**PRIME**

**CONTRACTOR:** The party with which the Government contracts directly.

**PROGRESS**

**PAYMENT:** Payment made at designated intervals to allow compensation for work accomplished prior to final completion.

**PROGRESS**

**SCHEDULE:** Timetable devised to reflect the planned sequence of prosecution of the contract work.

**PROPOSAL:** An offer by a contractor, in response to a request by the Government, to accomplish stated work for a certain price within a given period of time.

**PROPRIETARY:** Equipment or material available from a single source. Generally prohibited in construction contracts.

**QUALITY**

**ASSURANCE:** That function of management by which conformance of material and workmanship to contract and specification requirements are assured. This assurance is obtained by evaluation of production quality controls and inspections exercised by procedures, supplemented by direct verification inspection of product.

**REASONABLE**

**VALUE:** A reasonable monetary worth of something or a fair return or equivalent in goods or services.

**SCHEDULED**

**PROGRESS:** Ratio of work completed to work planned for completion at a specific time.

**SEALED BIDDING:** Procurement by competitive bids and awards; involves basic steps of (1) publicizing the invitation, (2) invitation for bids, (3) submission of bids by prospective contractors, and (4) awarding the contract.

**SOLE SOURCE:** Single point of supply for materials or services.

**SPECIFICATIONS:** A detailed, precise presentation of a plan or proposal; statement of legal particulars such as contract terms.

**STOP ORDER:** Order issued by the Contracting Officer to suspend work; may be in whole or in part.

**SPECIAL CLAUSES:** Provisions of a contract relating to conditions peculiar to a specific contract.

**SUBCONTRACTOR:** Any supplier, distributor, vendor, or firm, which furnishes or services to or for a prime contractor or another subcontractor.

**SUBCONTRACTOR**

**DELAY:** Delay in performance of work resulting from action or inaction by a subcontractor.

**SUPPLEMENTAL**

**AGREEMENT:** A contract modification within or outside the contract scope of work, which is accomplished by mutual action of the parties. Changes that are outside the general scope of a contract cannot be required of the contractor without his and his sureties' consent or acceptance. A supplemental agreement outside the contract scope is subject to the requirements of the Competition in the Contracting Act.

**SUSPENSION**

**OF WORK:** Actions resulting from an order of the Contracting Officer to delay, interrupt, or suspend all or part of the work for a given period of time for the convenience of the Government.

**TERMINATION  
OF CONTRACT:**

Actions by the Government in accordance with contract clauses to terminate, in whole or in part, work with the contractor. Termination may be for the convenience of the Government.

**TRUTH IN  
NEGOTIATIONS:**

Term used to refer to Public Law 87-653, the "Truth in Negotiation Act;" concept of "Truth in Pricing;" purpose is to require contractors to submit truthful cost or pricing data.

**TIME EXTENSION:** Extension of the specified time to complete an item of work.

**UNDEFINITIZED  
CONTRACT****ACTION:**

Note: Initiating work on an un-priced change order does not constitute as "Undefinitized Contract Action" (UCA) as defined in DFARS Subpart 217.74. UCA's are new contracts or modifications, which are outside the scope of the contract. The Corps of Engineers, however, has elected to apply the DFARS' procedures for processing UCA's to un-priced change orders. Therefore, any contract action for which the contract terms, specifications, or price are not agreed upon before performance is begun is considered a UCA.

**UNDERRUN  
IN QUANTITY:**

The actual quantity of work performed by a contract less than the estimated amount shown in the bid schedule of the contract.

**UNILATERAL  
MODIFICATION:**

A modification on which the Contracting Officer and the contractor cannot agree to a price and/or time adjustment equal to or within the Government Estimate. In such cases the modification containing the adjustment in price and/or time price contained in the Government Estimate may be issued unilaterally, with or without a Contracting Officer's Final Decision. Unilateral modifications are also used to make administrative changes and to issue termination notices.

**UNUSUALLY  
SEVERE****WEATHER:**

That kind of weather, which is in itself severe and can be of a violent nature. If the average weather over a period of time is significantly different than the normal then it is said to be other than normal. In either case, if such weather affects the job and causes a delay, it is excusable, provided there is no fault or negligence on the part of the contractor.

**VALUE**

**ENGINEERING:** An organized effort to provide the required function of systems, materials or construction at the lowest overall cost consistent with the required performance, operation, and maintainability of the item. Contractors are encouraged to submit Value Engineering Change Proposals (VECP) under the Value Engineering Clause of the contract.