CCI Colocation Meeting 2019

The Dos and Don’ts of esa-p for proper financial management of ESA contracts

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Project Control and Management Support Office
26\textsuperscript{th} of March 2019
Confirmation

Advance Payment

MAC

Contract Closure Documentation

Invoice

Milestone Payment Plan

The Dos and Don’ts of esap | EOP-SP | 26th March 2019 | Slide 2
Confirmation / MAC / GRN

- All synonyms
- Process to “confirm” that a milestone in the contract has been successfully achieved
- Confirmations are (usually) issued by industry and approved by:
  - The Prime Contractor (if applicable)
  - Project Controller
  - Technical Officer
  - Contract Officer (for partial / final confirmation)
- Supporting documents shall always be attached, preferably by the Prime (i.e. MOM, TN, CCD etc.)
- Issuing a confirmation is a necessary but not sufficient condition to get paid (see next slide)
Invoice

• Process to request a payment (i.e. money transfer from ESA’s back account on to industry’s bank account) for an achieved milestone
• Invoices are **only** issued by industry and approved by:
  • The Prime Contractor (if applicable)
  • ESA Finance
• Invoices are paid **only if** the associated confirmations are approved by the project.
• Invoices are neither seen nor approved by us (i.e. the project)
Advance Payment Request

- An Advance Payment Request (APR) is similar to an invoice but is not linked to a technical achievement.
- Confirmation is **not** required.
- Only cash transfer from ESA to Industry, a “pre-financing” of industry by ESA.
- No involvement from us.
- In the Payment Plan of the contract Advance payments are not listed but are linked to a milestone (explained in next slide).
- Please be aware that even though there is an APR paid the confirmation and the invoice need to be issued with the full amount.
- Conditions to release Advance Payment must be fulfilled.
## Typical Payment Plan

### APPENDIX 1: PAYMENT PLAN AND ADVANCE PAYMENT(S) AND OTHER FINANCIAL CONDITIONS

#### PRIME CONTRACTOR PAYMENT PLAN

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Scheduled dates</th>
<th>Payment in Euros to Company 1 [XX]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milestone 1 (including provision for advance payment as identified hereunder): Upon acceptance of Phase 1 deliverables: (URD D1.1-1, and PVP D1.3-1)</td>
<td>30/10/2019</td>
<td>100,000</td>
</tr>
<tr>
<td>Milestone 2: Upon successful completion of Phase 1 and acceptance of relevant deliverables: (ATBD D2.1-1, ADP D1.2-1, E3UB D2.2-1, and PSH D6.4-1)</td>
<td>30/04/2020</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>TOTAL Phase 1</strong></td>
<td></td>
<td><strong>130,000</strong></td>
</tr>
<tr>
<td>Milestone 3 (including provision for advance payment for phase 2 as identified hereunder): Upon acceptance of Phase 2 deliverable (SSD D3.1-2)</td>
<td>30/10/2020</td>
<td>180,000</td>
</tr>
<tr>
<td>Milestone 4: Upon successful completion of Phase 2 and acceptance of relevant deliverables: (CRDP D3.2-2, PVIR D4.1-2, PUG D4.2-2, and PSH D6.4-2)</td>
<td>30/04/2021</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total Phase 2</strong></td>
<td></td>
<td><strong>230,000</strong></td>
</tr>
<tr>
<td>Milestone 5 (including provision for advance payment for phase 3 as identified hereunder): Upon acceptance of Phase 3 deliverables: (URD D1.1-3, and ADP D1.2-3)</td>
<td>30/10/2021</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>FINAL: Upon successful completion of Phase 3 and acceptance of all deliverables including submission of the signed Contract Closure Documentation,</strong></td>
<td>30/04/2022</td>
<td><strong>20,000</strong></td>
</tr>
<tr>
<td><strong>Total Phase 3</strong></td>
<td></td>
<td><strong>100,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>460,000</strong></td>
</tr>
</tbody>
</table>

#### Advance Payment(s) and other financial conditions:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Advance Payment Euro</th>
<th>Off-Setting against</th>
<th>Off-set by</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1</td>
<td>25,000</td>
<td>MS 1</td>
<td>Full Amount</td>
<td>After signature of the contract by both parties</td>
</tr>
<tr>
<td>Company 1</td>
<td>30,000</td>
<td>MS 3</td>
<td>Full Amount</td>
<td>After written authorisation to proceed with Phase 2</td>
</tr>
<tr>
<td>Company 1</td>
<td>20,000</td>
<td>MS 5</td>
<td>Full Amount</td>
<td>After written authorisation to proceed with Phase 3</td>
</tr>
</tbody>
</table>
Sequence of events

Assumptions:
1. Contract signed on 01/03/2019
2. Ph.2 authorized on 01/06/2020
3. Ph.3 authorized on 01/06/2021

- 01/03/2019 APR issued for 25’000€
- 30/10/2019 Confirmation and invoice issued for 100’000€ (75’000 will be paid)
- 30/04/2020 Confirmation and invoice issued for 30’000€
- 01/06/2020 APR issued for 30’000€
- 30/10/2020 Confirmation and invoice issued for 180’000€ (150’000 will be paid)
- 30/04/2021 Confirmation and invoice issued for 50’000€
- 01/06/2021 APR issued for 20’000€
- 30/10/2021 Confirmation and invoice issued for 80’000€ (60’000 will be paid)
- 30/04/2022 Confirmation and invoice issued for 20’000€
The Dos (1)

- Submit confirmation AND invoices together as soon the work is done
- Provide supporting documentation
- Don’t forget the Contract Closure Documentation
- Use helpdesk
The Dos (2)

- Read the contract!

Progress Payment(s):
- Milestone Achievement Confirmation (MAC) hereinafter referred to as “confirmation with supporting documentation, attached in esa-p. The supporting documentation shall justify the actual achievement of the milestone(s) as defined in the Payment Plan specified in Appendix 1 hereto.

and
- Invoice(s);

Final Settlement:
- Confirmation, with supporting documentation attached in esa-p. The supporting documentation shall justify the actual achievement of the milestones as defined on the Payment Plan Specified in Appendix 1 hereto.

and
- Invoice(s);

and
- Receipt and/or acceptance, by the Agency, of all deliverable items, of the services to be rendered and other obligations to be fulfilled, in accordance with the terms of this Contract;

- The Contract Closure Documentation using the template provided in Appendix 3, Annex A.
The Dos (3)

- For contract divided in phases verify that authorization to start the subsequent phase is given by ESA

4. The decision whether to authorise or not Year 2 or Year 3 relevant contractual phase will be taken by the Agency once the Deliverables due under Contractual the previous contractual phase are accepted by the Agency.

The Contractor shall start Year 2 and/or Year 3 only upon receipt of written notification from the Agency’s representatives nominated in Article 5, Clause 5, Sub-Clause 5.1, of the relevant authorisation to proceed with each specific Contractual Phase. Such notification shall be given within (2) two weeks of the completion of the preceding Phase.
The Don’ts

• Submit invoices without confirmation (and submit confirmation without invoice)
• Group multiple milestone in a single confirmation and/or invoice
• Attach supporting documentation in “un-common” formats (try to use pfd)
• Avoid partial confirmation unless clearly requested be ESA
How can you get help

1. [http://esa-p-help.sso.esa.int](http://esa-p-help.sso.esa.int) (esa-p supplier areas)

2. Get in contact with the esait Service Desk:
   - Tel: +39 06 94180700, option 2, opening hours 08:00 - 18:00 CET/CEST, Monday to Friday
   - Email: Esait.Service.Desk@esa.int
Help Documents on esa-p

1 FAQ for Suppliers.
2 Fax Form Update Bank Details Information.
3 Quick Guide: How to submit a Confirmation or Invoice or APR.
4 Quick Guide: How to Approve a Confirmation or an Invoice or an APR.
5 Extended Version: How to submit and approve an Advance Payment Request.
6 Extended Version: How to submit and approve a MAC confirmation.
7 Extended Version: How to submit and approve an Invoice.
8 Quick Guide: How to solve the most common problems with INV and MAC.
9 Quick Guide on Tracking and Reporting.
10 Esa-p MAC Confirmation Offline Form.
11 Template for information on overdue invoices.
12 Navigation Reporting Pane Presentation.
14 Template for request EFIS printout.
Most useful guide

→ **esa-p QUICK GUIDE**

How to SUBMIT a Confirmation / Invoice / Advance

in six steps
"esa-p" clinic during CCI colocation

- I’m available 26th PM and 27th @ 'MTB Office’ (adjacent to the main presentation all)
- Individual case can be discussed and (hopefully...) solved
Many thanks for your attention