

Procurement Terms in Plain English

Government Term	English 'Translation'	More Information
Acquisition	Purchase or Buy	This is just a fancy term for when you actually make the purchase or buy something.
Advantageous	Helpful	Advantageous in this case just means that it is profitable (or beneficial) for your agency.
Affirmative Action Steps	---	Affirmative Action steps are management tools designed to make sure that all parties have an equal chance.
Aggregate	Total	Aggregate means the total amount spent at one time or the total dollar amount of a contract.
Arbitrary	Not reasonable or not responsible	This is really just getting at the issue that the items in the contract must be reasonable and logical. A person with common sense would spend his or her <u>own money</u> on the items. Arbitrary might also mean uninformed. You don't make an "arbitrary" decision about what should be included in the contract. You would group like things together. For example, you would not arbitrarily decide to put toys on the same contract as supplies and food stuff for the kitchen.
Bidder	Interested Company or Business	A bidder is a company or business in your area (or that serves your area) that might be interested in providing the items that you need.
Bonded	Insured	Being bonded means that an insurance company has secured money that is available to the buyer in the event they you need to file a claim against the company. The money is in the control of the state, a bond, and not under the control of the 'bonded' company.
Competitive Solicitation		Another way to describe Request for Proposal.
Conducting	Doing	Conducting simply put means doing or completing a task.

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Conflict of Interest	---	Any action, position, relationship, etc. that allows a person to benefit at the expense of public interest or their employer.
Cost Reimbursable Contract	---	<p>A cost reimbursable contract is a contract where the price of a case the food or goods are set at the cost to the distributor. Usually there is a fee added to the actual cost of each food or goods by the distributor. This fee is how the distributor makes money.</p> <p>The contract cannot be a cost plus a percentage. This is not allowed.</p>
Economically Feasible	Can I afford it?	This means that the contract meets your needs in terms of the dollar amount and to meet your agency's needs.
Entity	A business or company.	In this case, entity would mean a business, agency, school district, unit of government, or company.
Equitably	Fair or Honest	This means that you must be fair about the purchase. It could mean that you apply the details of your contract in a fair manner for all possible companies or that you spend your money equally (for small purchase) between all different stores in your area.
Exigency	Emergency or necessity	An exigency is simply an emergency when you may not be able to follow the contract requirements for a variety of reasons as outlined in the contract.
Fixed Price	---	<p>A fixed price contract provides a stated price that is fixed (or does not change).</p> <p>In a formal process, fixed price contracts may include the option to adjust the costs based on a standard public Consumer Price Index to allow for increases or decreases in prices over the contract period.</p>

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IFB	Invitation for Bid	An invitation for bid is a formal purchase method to get prices from sellers. This formal purchase process is used when the agency can easily identify the products to buy. In this method, the agency can only pick the seller based on the lowest price. An agency is not allowed to negotiate with the seller on the prices or contract.
Inadequate	Not Enough or Not Good Enough	This can be related to the way you write the details of what you need or it can be related to a company that wants to supply the product for you.
Incurred	Be Subject To	Incurred means the amount your agency is subject to get (or to pay).
Modification	Change	A modification is simply a change that is made to the contract.
Overly Restrictive	Too Many Rules / Requirements	This means that you cannot write your quote, solicitation, or your needs with so many rules that only one company or manufacturer can respond to your request or invitation to bid.
Pass Through Entity	Middle man	In this case, a pass through entity is an agency that the goods or services would go through between the owner and the buyer. An example might be a group purchasing company that handles the contracts, ordering, etc. for the food service operation of a group of agencies.
Practicable	Something that can be done (doable)	You will hear this word in sentences "to the extent practicable" a lot. This just means "as much as possible" to do something.
Procurement	Purchasing	Purchases made using taxpayer dollars.
Quotation / Quote	Ask for a Price	Agencies ask for a price when using informal purchase method. Interested companies will give you the price they will offer to your agency when you ask for a quote.

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Responsible	Can & Will Do It	Responsible in this situation means that the seller can and will do what the contract requires. It also outlines who will do each job duty. For example, a food service worker is responsible when they can and will prepare meals. A seller (or vendor) can and will provide food according to what is ordered.
Responsive	Meets Requirements	Responsive means that the product/service meets the specifications (details).
RFP	Request for Proposal	This is another formal purchase method. It is more complicated than an Invitation for Bid, but gives the agency more options to compare than just the price. It also allows that agency to work with the sellers (negotiate) on the terms and/or the price after the evaluation process has ended.
Scope	Range	In this case, it is a summary of your needs for purchasing.
Scope of Contract	---	This is referring to all of the needs of your agency that need to be in the contract.
Sealed Bid		Another way to describe Invitation for Bid.
Solicitation	Asking	Asking companies if they would be interested in entering into a contract with your agency based on the details in your formal purchase method, Invitation for Bid or Request for Proposal.
Specifications (Specs)	Details	Specifications (Specs) are the details that you want for each item that you need to purchase. For example, whole grain, wheat free, or grade A.
Public (Cost) Index	A Guide or Basis for Change	A standard or public cost index is a price adjustment based on increases or decreases in production costs. This is allowed in a fixed price contract. For example, the meal reimbursement rates each year change according to a certain Consumer Price Index.

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Threshold	Edge	Threshold in this situation is simply the dollar amount that divides the requirements for the level of purchasing rules (formal, informal/quotes, micro purchasing) that you need to follow.
Vendor	Seller	A vendor is any company that sells that product(s) that you are looking to buy.
Weighted Scoring	---	Weighted Scoring is when you use other details or measures to decide about buying something. For example, you can consider the <u>quality</u> of the product or service, <u>references</u> or reviews, etc. in addition to the <u>cost</u> of the product or service.