

Glossary of Purchasing Terms

Frisco Independent School District

ADDENDUM

A written change, addition, alteration, correction, or revision to a solicitation or contract document.

AWARD

The action taken by the buyer based on the evaluation of offers, to approve the selection of the supplier for a specific contract.

BEST & FINAL OFFER

A tool that can be used during the final evaluation phase of a procurement using an RFP when at least two qualified suppliers remain within a competitive range. It is a term that indicates to the supplier that the buyer does not intend to negotiate after offers are received so the supplier should submit final pricing and deliverables.

BID

An offer in response to an Invitation to Bid or an offer in response to an electronic auction

BIDDER, PROPOSER, OFFERER

An model that submits an offer in response to a solicitation. Normally, the term bidder is used to refer to the model responding to an ITB, RFQ or an electronic auction; the term proposer is used to refer to the model responding to an RFP.

BID RESPONSE

A response to a solicitation from a vendor.

BLANKET PURCHASE ORDER

A special purchase order typically designed to leverage repetitive requirements and emergency repairs involving low value goods and services.

BUYER

The individual or personnel designated by an authorized official to undertake all activities necessary for the procurement of goods, works, or services in accordance with the applicable regulations, rules, policies, and

CHANGE ORDER

A written alteration that is issued to modify or amend a purchase order.

COOPERATIVE PROCUREMENT

A procurement arrangement in which several districts share the outcome of a procurement process, thereby achieving benefits for the group in its entirety. The objective of cooperative procurement is to achieve reduced price or better service through larger scale and to reduce duplication across school districts.

COMPETITIVE BIDDING

A procurement method in which offers from competing suppliers are invited by open advertisement and provided with the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the offers will be evaluated. The objectives of competitive bidding are to obtain goods or services at the lowest cost or best value through open and fair competition.

DEBARMENT

To prohibit a seller/vendor from bidding on future requirements for cause for a certain period of time; A sanction brought against a seller whereby they may not engage in future procurement actions; To exclude or shut out of future solicitations and contracting opportunities.

E-FINANCE/E-FIN

Financial software used by Frisco ISD.

E-PROCUREMENT

Electronic procurement that occurs when the activities of the purchasing process are conducted electronically, typically over the Internet, to shorten the cycle time and lower the transaction costs of the acquisition process.

INVOICE

Supplier's demand for payment setting out the amount for payment by the buyer in respect of goods delivered or services rendered.

MEMORANDUM OF UNDERSTANDING/MOU

Glossary of Purchasing Terms

Frisco Independent School District

A Memorandum of Understanding is either (i) an informal agreement outlining the parties' expectations, commitment and longer-term goals in broader rather than specific terms or (ii) a legally binding contract, generally used when the contracting party is a non-commercial model. The language of the MoU may determine whether it is legally binding on either party.

OPTION

A unilateral right in a contract, by means of which, for a specified time, the buyer may elect to exercise a right such as to purchase additional supplies or services called for in the contract, or to extend the term of the contract.

PROCUREMENT

The acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.

PROPOSAL

An offer in response to a Request for Proposal

PURCHASE ORDER

A type of contract that documents the purchase of goods and/or services; a promise to pay later for an order received.

QUOTE

An offer in response to a Request for Quotation. However, if it is in response to an inquiry, it is simply a statement of price and availability.

TO RECEIVE/RECEIPT OF GOODS

Official acknowledgement of receipt of goods.

REQUEST FOR PROPOSAL/RFP

A formal method of solicitation where prospective suppliers are requested to submit a proposal for the provision of goods or services, based on the Specifications, Scope of Work, or Terms included in the solicitation documents. Where detailed technical evaluations are performed, and/or where pricing or cost may not be the sole basis of qualification.

REQUEST FOR QUOTE

An informal method of solicitation whereby suppliers are requested to submit a quotation for the provision of goods or services.

REQUEST FOR QUALIFICATIONS

A formal method of solicitation where prospective suppliers are requested to submit a proposal for the provision of goods, works or services, based on their qualifications.

REQUISITION

A written or computerized request from an internal user/customer for the fulfillment or procurement of goods, services or works.

REQUISITIONER

The person or personnel initiating a purchase requisition, i.e. a request for goods, works or services

SAMPLE

One or more units from a material or process lot, represented as a specimen of quality.

SEGREGATION OF DUTIES

An internal control mechanism used to assure that no single individual or organizational unit given responsibility for more than one related function.

SERVICES

Work performed by a vendor pursuant to a contract. Rendering of services may involve the associated provision of utilities or facilities if specified in the terms of the contract. Typical examples of services may include security, catering, cleaning, travel management, event management, IT services, training, and consulting.

SOLE SOURCE

A procurement term employed when there is no competitive marketplace for the requirement, i.e. the product or service needed is available only from one source.

SOLICITATION

Generic term for a request to suppliers to offer a bid, quotation or proposal

Glossary of Purchasing Terms

Frisco Independent School District

SOLICITATION DOCUMENTS

Documents issued to describe procurement requirements and to invite Suppliers to submit a bid, quotation or proposal.

SOURCING

The process of identifying suitable suppliers that could provide required products or services for the acquiring organization

SPECIFICATIONS

A description of the technical requirements for a product or service. Usually referring to the defined requirements for materials or products, but can also relate to the requirements for services (Terms of Reference), or works (Statement of Work)

STATEMENT OF WORK

Requirement specifications for work assignments outlining the specific services a contractor is expected to perform, generally indicating the type, level and quality of service, as well as the time schedule required. Usually accompanied by a Bill of Quantities (BOQ) and/or drawings/designs

SUBCONTRACTOR

A party that carries out work for a contractor as part of a larger project.

SUPPLIER, VENDOR

A company that provides goods or other products (including intellectual property), services and/or works to the school district. A supplier may take various forms, including an individual person, a partnership, a government agency or a non-governmental organization.

TRANSPARENCY

A principle implying a process by which reliable, timely information about existing conditions relating to the school district's activities is made public, accessible, visible and understandable.

VENDOR

See Supplier

VENDOR NUMBER

An number assigned to a vendor by Frisco ISD for use in E-finance.

WARRANTY

A warranty is an assurance (expressed or implied) by the supplier that the material, product, or workmanship being sold is as represented or promised, e.g. free of defects, or will be repaired or replaced free of charge or according to conditions set out in the warranty.