# Cips procurement glossary pdf

Procurement gibraltar. Cips glossary of terms. Cips glossary. As the public procurement profession continues to grow in importance, a clear and comprehensive reference guide becomes increasingly essential. This dictionary contains over 2300 entries that provide definitions for public purchasing terms and concepts. The definitions are intended to be informational only and should not be considered legal. The following terms have unique meanings relevant to purchasing activities: * A+B Bidding: A cost-plus-time bidding procedure that selects the low bidder based on a monetary combination of the contract bid items (A) and the time (B) needed to complete the project. * A/E Professional Services: Services performed by registered architects or engineers, including research, planning, development, design, construction, alteration, or repair of real property. * ABA Model Procurement Code for State and Local Government: Developed in 1979, this code provides guidance on responsible public procurement management. It was updated in 2000 to include enhancements such as electronic commerce, cooperative purchasing, and flexibility in purchasing methods. * ABA Model Procurement Ordinance for Local Governments: Similar to the model procurement code, but intended for use by small local jurisdictions. * ABC Inventory Classification: A method of categorizing inventory applicable to businesses of any size. It allows for a review of inventory based on its dollar value or business approach. Other terms include: * AAAA: See American Arbitration Association * Architectural and Engineering (A & E): Professional services performed by registered architects or engineers. * Canadian Aboriginal Businesses Canada (ABC): A division of Industry Canada that provides support to aboriginal businesses. * Glossary Public Procurement: A comprehensive reference guide for public purchasing terms and concepts. The article discusses various inventory management concepts, including the ABC Classification system. This method categorizes items into three groups: A (high-value, high-turnover), B (medium-value, medium-turnover), and C (low-value, low-turnover). The classification can help identify which items require more frequent counting or monitoring. The article also touches on other inventory management topics, such as: * Lead times: The time it takes to receive new stock. JIT (Just-In-Time) extended lead times refer to the time it takes to produce and receive new stock. * Purchasing methods: Term contracts involve long-term agreements with suppliers, while spot buying involves one-time purchases. * Safety stock: Levels of inventory kept on hand to ensure continued production if supply chains are disrupted. Additionally, the article explains various business concepts, including: * Absolute Advantage: A country's ability to produce a good with fewer resources than other countries. * Accelerator: The ratio between investment expenditures and gross domestic product growth, indicating the impact of economic expansion on business investment. * Acceptance: Receiving goods as approved or satisfactory, often involving consideration of non-conforming goods. The article also covers various lists used in inventory management: * Approved Products List (APL): A list of pre-approved commodities that have proven to meet specific standards. * Qualified Products List (QPL): A list of products that have passed performance testing or field/lab analysis. * Acceptable Quality Level (AQL): The minimum performance level required for a product or service to ensure buyer satisfaction. Or services will perform in line with the specifications or requirements outlined in the statement of work. The maximum allowable number of defects or defective units will be determined by a predetermined quality level, which has been deemed acceptable; typically used in manufacturing processes. For example, an AQL (Acceptable Quality Level) of 1% defective rate is considered acceptable for this item. Additionally, see Acceptance Sampling. Acceptance refers to the indication that an offeree is bound by the terms of the offer. It also indicates a willingness to act in accordance with the contract or offer, as well as the assumption of a legal obligation by a party to a contract to adhere to its terms and conditions. This can be seen as the act of receiving by an authorized representative with the intention of retaining. The acceptance of an offer involves the agreement of the vendor to deliver goods ordered at a price offered, while the acceptance of an order refers to the agreement of the purchaser to an offer submitted by a vendor. Acceptance Sampling is a quality control technique used to evaluate the overall condition of a given lot by physically inspecting only a portion or sample of the lot. This can also be seen as Acceptable Quality Level (AQL). The Access to Information Office is a facility within Canadian governments that provides information regarding contract awards. The Access to Information Program (ATIP) is mandated by the Access to Information Act and the Privacy Act, giving any person in Canada the right to access information held in government records, subject to certain exceptions and limitations. Accessorial Transportation Charges refer to the costs that a carrier may charge in addition to the actual freight transportation charge, such as inside delivery, interim storage, and redelivery charges. An account is a list or enumeration of monetary transactions between parties to a contract, showing purchases, payments, and credits for goods or services. An accountable person is obliged to give a reckoning or explanation for their actions; responsible. Accountability refers to the principle that employees who accept an assignment and the authority to carry it out are answerable to a superior or higher authority for the outcome. An accountable advance is the advance of funds provided for a specific purpose and chargeable to a specific appropriation. An accountable item is any item of equipment separately accounted for upon acquisition, removal, transfer, sale, demolition, abandonment, or write-off. The accounting cycle refers to the four-step procedure of an accounting system: examining source documents, recording transactions in an accounting journal, posting recorded transactions, and preparing financial statements. The accounting equation states that assets equal liabilities plus owners' equity. Accounts payable refer to financial obligations that arise as a result of making credit purchases. An accounting function responsible for making payment to contractors and suppliers for charges incurred. Liability accounts indicating the charges owed on open accounts. Accounts receivable turnover refers to a financial ratio calculated by dividing net sales by accounts receivable. Payment Processing: Managing customer accounts for goods and services sold, including depositing payments received. A.P.P. stands for Accredited Purchasing Practitioner, a certification offered by the Institute of Supply Management (ISM). Accounting Systems: We use Accrual Basis Accounting, which recognizes transactions as they're incurred, not when cash is received or spent. This method is commonly used among governmental entities and ensures procedural separation between ordering goods, encumbrance of funds, and authorization of payment. Financial Ratios: To assess a company's financial health, we calculate the Acid Test Ratio by subtracting inventory value from current assets and dividing by current liabilities (Schiller, 2000). Supplier Communications: When a supplier acknowledges an order, it's a written or electronic confirmation that they've accepted the purchase order. This may create a bilateral contract and can be seen as a counter-offer. Industry Standards: ACORD (Association of Cooperative Operations Research and Development) is a non-profit organization providing standard insurance forms meeting regulatory requirements for the U.S. property and casualty/surety market (ACORD Corporation, 1988). Acquisition Process: The Federal Government acquires supplies or services through purchase, lease, or grants, as defined under FAR 2.101. This process involves obtaining goods and services with appropriations funds. Cost Accounting: Acquisition Cost refers to the total sum of actual and administrative costs incurred by the buyer in acquiring goods and services, including indirect labor and overhead costs. It also includes order processing and administrative costs. Contract Terms: An Acquisition Fee is a Canadian term for the amount billed to cover the cost of initiating a contract. The Acquisition Price is the amount paid to a vendor or contractor for obtained goods or services. Natural Disasters: An Act of God refers to an unforeseen occurrence caused by nature, such as a tornado or hurricane, beyond human control and not attributable to contractor negligence (Harney, 1998). This may be grounds for contract termination. Authority Structure: Actual Authority refers to the specific right given to an agent by a principal to perform acts, make decisions, or prescribe rules governing the conduct of others (Garner, 2004). This differs from Apparent Authority. From Estimated Costs to Actual Damages: Understanding the Differences Actual damages refer to real losses or injuries that have occurred, in contrast to nominal or punitive damages. When someone suffers harm due to another's wrongdoing and the damage can be precisely measured, it is considered actual damage. Examples include loss of income, medical expenses, property repair costs, and specific business losses. Other key terms explained: * Ad Hoc Committee: A temporary committee created for a specific purpose. * Addendum/Addenda: A written change or addition to a contract document. * Adhesion Contracts: Unfair contracts where one party has little bargaining power. * Adjectival Ratings: Notational scoring system used to evaluate proposal quality. * Adjustment: Canadian term referring to price changes due to certain events. * Administered Price: A deliberate price set by a vendor rather than market forces. * Administrative Change: A minor contract change that doesn't affect parties' rights. * Administrative Law: Government rules and regulations with the force of law. * Exhaustion of Administrative Remedies: The process of direct appeal to a governmental body, followed by legal action if necessary. A customs duty based on goods' value rather than quantity is referred to as Ad Valorem Duty. Advance Acquisition involves procuring items with long lead times or extraordinary quantities before the fiscal year they're needed. Advance Payments are pre-agreed sums made by buyers and sellers prior to receiving and delivering contracted goods and services. An Advanced Contract Award Notice (ACAN) is a Canadian notice of intent to negotiate with a single firm, excluding other suppliers from bidding. Advertise refers to making public announcements or legal notices about forthcoming solicitations to increase response rates and competition. Advice of Shipment is a Canadian notice sent to buyers informing them that a shipment has been released. Affidavit is a written statement of facts made under oath before an authorized official. An Affiliate is a branch or unit of a larger organization, effectively controlled by another or associated with others under common ownership or control. Affirmative Action requires organizations to achieve a workforce reflecting the community's composition, increasing minority employee numbers at all levels. A plan designed to ensure businesses owned by specified minorities and/or women have equal access to purchasing processes and awards. In Canada, AG refers to Auditor General of Canada. Agency is a legal relationship between two parties where one party (the agent) performs business activities for the other (the principal). An Agent acts on behalf of their superior (principal), empowered to act for another. Aggrandizement involves extending one's influence beyond normal or ethical boundaries, often resulting in personal gain at taxpayers' expense. Aggregate refers to gathering or collecting quantities of a specific item. To achieve economies of scale and reduce costs, it's essential to understand economic theories like aggregate supply and demand. In procurement, this translates to contracts that favor single suppliers, such as Aggregate Awards, which can lead to restricted pricing options. To overcome this limitation, aggregators like websites that combine product catalogs from multiple suppliers can facilitate supply management. When disputes arise, aggrieved bidders may protest contract awards. To resolve these issues, agreements and contracts must be legally sound, with understanding and compensation clearly defined. Agreement types, such as those under the North American Free Trade Agreement (NAFTA), also play a crucial role in governing procurement opportunities. In logistics, air freight services transport goods via airplanes, often using air waybills to prove shipment contracts. Alien corporations, foreign companies operating in the United States, must comply with local regulations. To allocate costs effectively, contractors should be able to assign specific expenses to particular projects or objectives, considering laws and regulations. This text will only accept a complete award for all items, services, etc., specified in the Invitation for Bids. If a bidder's response is deemed non-responsive due to partial awards, their bid may not be considered. Allotment refers to dividing an appropriation into amounts that can be spent or encumbered during a specific period. Allowable Costs are those recognized by law, regulation, or contract and considered reasonable. Alpha refers to the early version of a product tested at the developer's site before it is released to the public. Alphanumeric characters include both letters and numbers, often used to identify specific items like model numbers. An Alternate Bid (Response) is a substitute bid that intentionally varies from a basic provision or specification in a solicitation. This can lead to a non-responsive bid if not aligned with the exact requirements of the solicitation. Alternative Service Delivery (ASD) is a Canadian approach where an agency looks for new ways to deliver services by contracting suppliers for tasks previously handled in-house. An Alternative Bid/Proposal offers an alternative solution that does not meet the exact specifications but achieves the same end result. If submitted, it may be considered non-responsive. Alternative Dispute Resolution (ADR) is a voluntary process used between parties to resolve issues without litigation. This can include mediation, fact-finding, and arbitration. The term Alternative Project Delivery Method (APDM) refers to non-traditional contracting methods where the contractor participates in or advises on design, or is entirely responsible for it. Ambiguity exists when contract language has multiple meanings, leading to various interpretations. An Amendment is an agreed-upon addition, deletion, correction, or modification of a document or contract, used to revise or change an existing document. Amendment Previous Value refers to the value of a document as last amended. Amendment Status identifies the number and description of amendments issued to a bid solicitation or contract document. The text discusses various organizations and terms related to the field of business and law. These include the American Arbitration Association (AAA), which provides resources for Alternative Dispute Resolution (ADR); the American Bar Association (ABA), a professional organization with over 400,000 members that accredits law schools and provides continuing legal education; the American Institute of Architects (AIA), a national professional society for licensed architects; the American National Standards Institute (ANSI), which coordinates voluntary consensus standards in the United States; the American Production and Inventory Control Society (APICS), a professional society focused on production and inventory control; the American Society for Testing and Materials (ASTM), a not-for-profit institution that develops product testing data; and the Americans with Disabilities Act (ADA), federal legislation requiring organizations to make reasonable accommodations for employees and applicants with disabilities. Additionally, the text defines terms such as amortization, analytical skills, ancillary services, anticipatory repudiation, anti-trust laws, and anti-trust legislation. To prevent monopolies, antitrust laws regulate business practices. Violations include price-fixing, bid-rigging, and market division. Other terms: * APC: Average Propensity to Consume * APDM: Alternative Project Delivery Method * APICS: American Production and Inventory Control Society * APL (Approved/Acceptable Products List): Acceptable Products List * Apparent Agency: An agency relationship where a principal's actions imply an agent has authority, making the principal responsible for their actions. * Apparent Authority: When a principal allows someone to act as if they're authorized, creating the illusion of authority. * Apparent Low Bidder: The initial low bidder is identified based on price before verifying responsiveness and responsibility. * Appeal: An objection to a process, procedure, or award. Appeals can be filed with proper authorities within specified timeframes. * Appeal Process: Varies among agencies, aiming for fair and equitable treatment of parties. * Appeal Rights: The legal right to challenge an agency's decision and ask for review. * Appellate Court: A court that hears appealed cases from lower courts. * Appropriation: Legislative authorization to expend public funds for a specific purpose. Funds set aside for a specific goal. * Approval Date: The date a procurement document was approved by the relevant authority. * Approved Equal: See Equal. * Approved Products List: A list of vendors or products that meet performance requirements for a specific application. * Approved Source List: Canadian suppliers authorized to provide specific goods. The concept of suitability plays a crucial role in the approval process for various services, with evaluations based on facility and capability assessments. AQL stands for Acceptable Quality Level, while arbitrage refers to the practice of buying securities in one market for immediate resale in another, aiming to profit from price discrepancies. This strategy is often employed in international currency transactions to capitalize on fluctuations. Arbitrary and capricious decisions are characterized by an irrational disregard for facts or circumstances, potentially leading to courts overruling or remanding administrative decisions. In the context of public officials, this term refers to the improper use of discretionary powers that harm the public good. Arbitration is a process where disputing parties present their case to one or more neutral parties, whose decision they agree to accept without further appeal. This alternative dispute resolution method aims to resolve conflicts in a fair and binding manner. Architects are professionals who provide architectural services as independent contractors, requiring registration and errors-and-omissions insurance. Their scope of practice includes the design, construction, and oversight of buildings. Architectural and engineering (A & E) services involve research, design, development, construction, alteration, or repair of real property, with a focus on human occupancy or use. Paper products can possess archival quality, retaining their original physical and appearance properties for an extended period under controlled conditions. Articles of partnership are legal documents that establish the basic agreement between partners. The term "as-is" describes products offered without guarantee or warranty, shifting all risk to the purchaser. Legal documents that are reviewed by attorneys for sufficiency prior to execution are referred to as agreements in "as-to-form." Assets represent the value of property owned or debts owed to a contractor, encompassing cash, near-cash, or non-monetary resources. Assignment refers to the legal transfer of claims, rights, interests, or properties. Assignment of payment allows suppliers to authorize payments to third-party creditors. ASTM stands for American Society of Testing and Materials, while ATC represents Average Total Cost. Master clock in the US provides precise time for all other clock systems and official bids. For accurate local time, dial 1-303-499-7111. **Legal Concepts** * To take legal possession * Attorney Work Product Privilege: Exempts documents revealing a case theory or proposed litigation from public release **Business Terms** * Auction: Public sale to the highest bidder; governments may contract private firms for transaction management * Auctioning: Unethical practice of sharing competitor proposal information during sealed proposals, influencing subsequent bids * Audit: Detailed review and examination of records, documents, and processes by outside experts, resulting in a detailed report **Government Roles** * Auditor General of Canada (AG): Conducts audits to hold the government accountable for public funds management * Authority: Right to perform certain acts or prescribe rules governing others' conduct **Supply Chain Management** * Authorization to Release: Permission to release goods against existing supply agreements * Authorized Deviation: Specifically allowed change or deviation by the contracting authority **Information Technology** * Automated Data Processing (ADP): Input, storage, and manipulation of information using computer systems **Economic Concepts** * Average: Calculated number summarizing a group of numbers; includes mean, median, and mode * Automatic Stabilizer: Federal expenditure or revenue item responding counter-cyclically to national income changes * Average Fixed Cost (AFC), Average Propensity to Consume (APC), and Average Total Cost (ATC): Economic metrics **Award** * Canadian Award: Notification of bid acceptance, bringing a contract into existence * US Award: Acceptance of a bid or proposal; presentation of a purchase A contract can be awarded to one or multiple suppliers through various methods. One approach is Group Award, where a public entity selects the lowest total price for all items within a specific group, such as classification, commodity code, category, or geographic zone. This method enables targeted bidding and efficient contract management. Another strategy is Award Item by Item, where each item is awarded based on the lowest unit price during the bidding process. While this approach provides the best pricing to the public entity, it requires significant administrative efforts if multiple suppliers are selected for the award. In some cases, an Award Protest may be filed against the procurement authority's methods or decisions leading up to the contract award. This is also known as a Bid Protest and Protest. When a contract is awarded, the Award Value represents the monetary amount in Canadian dollars.