

Appendix B

Glossary of Common Procurement Terms

ACCEPTANCE

The act of accepting by an authorized representative; an indication of a willingness to pay; the assumption of a legal obligation by a party to the terms and conditions of a contract.

ACQUISITION

The act of acquiring goods and services (including construction) for the use of a governmental activity through purchase, rent, or lease. Includes the establishment of needs, description of requirements, selection of procurement method, selection of sources, solicitation, award of contract, financing, contract administration, and related functions.

ADDENDUM

An addition or supplement to a document; e.g., items or information added to a procurement document.

ADVERTISE

To make a public announcement of the intention to purchase goods, services, or construction with the intention of increasing the response and enlarging the competition. The announcement must conform to the legal requirements imposed by established laws, rules, policies, and procedures to inform the public.

AGREEMENT

A duly executed and legally binding contract; the act of agreeing.

ALP

Authority for Local Purchase: granted by the commissioner of Administration to an individual who has successfully completed all requirements established by the Materials Management Division.

ALP CERTIFIED BUYER

A state employee who has been certified by the Department of Administration Office of State Procurement (formerly Department of Administration Materials Management Division) to make purchases of goods and services up to a specific dollar amount when authorized by the employee's state agency. All purchasing must comply with all purchasing laws, rules, policies and procedures, and the Office of State Procurement Authority for Local Purchase Manual.

ALTERNATE RESPONSE

A substitute response; an intentional substantive variation to a basic provision or clause of a solicitation by a vendor.

AMENDMENT/CHANGE ORDER

A written modification to a contract or purchase order or other agreements.

APPROPRIATION

Sum of money from public funds set aside for a specific purpose.

ARO

After Receipt of Order.

AUTHORITY FOR LOCAL PURCHASE (ALP) MANUAL

The ALP Manual is administered by the Minnesota Department of Administration Office of State Procurement (formerly Department of Administration Materials Management Division). When making purchases on behalf of their state agency, ALP certified buyers must follow all purchasing laws, rules, policies, and procedures, in addition to the instructions contained in the manual.

AWARD

A commissioner's written acceptance of a bid or proposal to provide goods, services, or utilities. [Minn. Stat. § 16C.02 subd. 3]

BEST AND FINAL OFFER

An optional step in the Request for Proposal process in which responders are requested to improve their response by methods including, but not limited to, the reduction of cost, clarification or modification of the response, or the provision of additional information. A best and final offer may not be used for building and construction contracts. [M.S. § 16C.02, subd. 3a]

BEST VALUE

A result intended in the acquisition of all goods and services. Price must be one of the evaluation criteria when acquiring goods and services. Other evaluation criteria may include, but are not limited to, environmental considerations, quality, and vendor performance. In achieving "best value" strategic sourcing tools, including but not limited to best and final offers, negotiations, contract consolidation, product standardization, and mandatory-use enterprise contracts shall be used at the commissioner's discretion [M.S. § 16C.02, subd. 4]

BEST VALUE, CONSTRUCTION, BUILDING, ALTERATION, IMPROVEMENT, OR REPAIR SERVICES

The result determined by a procurement method that considers price and other criteria, which may include, but are not limited to:

- (1) the quality of the vendor's or contractor's performance on previous projects;
- (2) the timeliness of the vendor's or contractor's performance on previous projects;
- (3) the level of customer satisfaction with the vendor's or contractor's performance on previous projects;
- (4) the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns;
- (5) the vendor's or contractor's ability to minimize change orders;
- (6) the vendor's or contractor's ability to prepare appropriate project plans;
- (7) the vendor's or contractor's technical capabilities;
- (8) the individual qualifications of the contractor's key personnel; or
- (9) the vendor's or contractor's ability to assess and minimize risks.

"Performance on previous projects" does not include the exercise or assertion of a person's legal rights.

This definition does not apply to sections 16C.32, 16C.33, 16C.34, and 16C.35. [Minn. Stat. § 16C.28 subd. 1b]

BID

An offer extended by a vendor in response to a request for bid (solicitation). [Minn Rule 1230.0150, subp. 2b]

BILL OF LADING

A written receipt or contract, given by a carrier, showing a list of goods delivered to it for transportation. The straight bill of lading is a contract which provides for direct shipment to a consignee. The order bill of lading is negotiable; it enables a shipper to collect for a shipment before it reaches its destination (this is done by sending the original bill of lading with a draft drawn on the consignee through a bank). When the consignee receives the lading indicating that payment has been made, the lading will be surrendered to the carrier's agent, and the carrier will then ship the goods to the consignee, and the bill of lading will be surrendered to the carrier. Note: Shippers frequently consign shipments to themselves on order bills of lading so that delivery is made only upon the shipper's order; the person or firm to be notified upon arrival of the shipment at destination must be designated.

BLANKET ORDER

A contract under which a vendor agrees to provide goods or services on a purchase-on-demand basis. The contract generally establishes prices, terms, conditions and the period covered (no quantities are specified); shipments are to be made as required by the purchaser.

"BRAND NAME OR EQUAL" SPECIFICATION

A specification that uses one or more manufacturers brand names or catalog numbers to describe the standards of quality, performance and other characteristics needed to meet the requirements of a solicitation and provide for the submission of equivalent products.

BROKER

A business that carries no inventory and that has no written ongoing agreement with any manufacturer or manufacturer's authorized distributor to sell the products of the manufacturer.

A business that does not take legal title to the product, does not add value to the product, and has no written authorization to represent the manufacturer of the product. [Minn. Rule 1230.0150, subp. 3]

BUSINESS

A contractor, subcontractor, supplier, consultant, or provider of technical, administrative, or physical services organized as a sole proprietorship, partnership, association, corporation, or other entity formed for the purpose of doing business for profit. [Minn. Rule 1230.0150, subp. 4]

COMMODITY

A transportable article of trade or commerce that can be bartered or sold.

COMMODITY/SERVICE CONTRACT NUMBER

In the Statewide Integrated Financial Tools (SWIFT) system, the commodity/service contract has a numeric identifier that is automatically assigned by the SWIFT system.

In the previous MAPS (Minnesota Accounting and Procurement System) procurement system, a six-digit number was automatically assigned to a commodity/service contract. In a previous procurement system, the contract was assigned an alpha character followed by a numeric number assigned manually by OSP. The contract was referred to as an "M-contract."

COMPETITIVE BIDDING

A response to a request for bid in which an award is made to the lowest responsible bidder meeting all terms, conditions, and specifications of the solicitation document. [Minn. Rule 1230.0150, subp. 4a]

COMPETITIVE PROPOSAL

A response to a request for proposal in which the evaluation criteria for an award is based on price and other factors such as vendor qualifications. [Minn. Rule 1230.0150, subp. 5a]

COMPREHENSIVE PROCUREMENT GUIDELINES (CPG)

Designates items that must contain recycled content when purchased by federal, state, and local agencies, or by contractors using appropriated federal funds, when these agencies spend more than \$10,000 a year on any of the designated items. For example, if a state agency spends more than \$10,000 a year on copy paper, and part of that money is from appropriated federal funds, then that state agency must follow the EPS guidelines and buy 30 percent post-consumer recycled paper. (Section 6002 of the Resource Conservation and Recovery Act [RCRA] and Presidential Executive Order 13101.)

CONSIDERATION

Something of value given or done as recompense that is exchanged by two parties; that which binds a contract.

CONTRACT

Any written instrument or electronic document containing the elements of offer, acceptance, and consideration to which an agency is a party, including an amendment to or extension of a contract. [Minn. Stat. § 16C.02, subd. 6.]

CONTRACT ADMINISTRATION

The management of all actions after the award of a contract that must be taken to assure compliance with the contract; e.g., timely delivery, acceptance, payment, closing contract, etc.

CONTRACTOR

A person who agrees to furnish goods or services for a certain price; may be a prime contractor or subcontractor.

A business that is engaged in construction such as general, mechanical, or electrical contracting, or that provides a specific service such as trash removal, snow removal, janitorial services, or professional or technical services. [Minn. Rule 1230.0150, subp. 5]

COOPERATIVE PURCHASING

The combining of requirements of two or more governmental units to obtain the benefits of volume purchases and/or reduction in administrative expenses.

COOPERATIVE PURCHASING VENTURE (CPV)

A program established by Minn. Stat. § 16C.03, subd.10, allows eligible entities to purchase goods, certain services and utilities from contracts established by the Office of State Procurement (OSP) for Minnesota state agencies. OSP contracts with vendors to provide goods, services and utilities to state agencies. This program creates a legal relationship so that eligible governmental entities can use these contracts just like state agencies. Minnesota Statutes § 471.59, subd. 1, known as the Joint Powers Act, defines the governmental entities that may join the CPV program. They include counties, cities, towns, townships, and school districts, as well as other entities. Minn. Stat. § 16C.105 adds certain tax-exempt, non-profit entities and charitable organizations to the list of entities eligible to use these contracts.

DEALER, JOBBER OR DISTRIBUTOR

A business that maintains a store, warehouse, or other establishment in which a line or lines of products are kept in inventory and are sold to the public on a wholesale or retail basis. [Minn. Rule 1230.0150, subp. 6]

DEBARMENT

The disqualification of a person from receiving solicitations, the award of a contract by a governmental body, or selling any products or services to state agencies for a specified time commensurate with the seriousness of the offense, the failure, or the inadequacy of performance. [Minn. Rule 1230.0150, subp. 7]

DEFAULT

Failure by a party to a contract to comply with contractual requirements.

DELIVERY

The formal handing over of property; the transfer of possession, such as by carrier to purchaser.

DEMURRAGE

The detention of a ship, railroad, car or truck beyond a specified time for loading/unloading; the payment required and made for the delay.

DEPARTMENT OF ADMINISTRATION MATERIALS MANAGEMENT DIVISION (MMD)

In December 2016, the name of Department of Administration Materials Management Division (MMD) was changed to Department of Administration Office of State Procurement (OSP).

DESIGN SPECIFICATION

A specification setting forth the required characteristics to be considered for award of contract, including sufficient detail to show how the product is to be manufactured.

DESTINATION

The place to which a shipment is consigned.

DOCUMENT TYPE

SWIFT uses "document type" to differentiate among different functions for a requisition, solicitation, contract, or order. The document type is a field to be entered on those screens that are for requisition, solicitation, contract, or order.

DROP SHIPMENT

Merchandise which is shipped by a manufacturer directly to a customer in response to the seller who collects orders but does not maintain an inventory.

ECONOMICALLY DISADVANTAGED AREA BUSINESS (ED)

"Small business eligible for certification as socially disadvantaged business or economically disadvantaged area business" means a small business entity with its principal place of business in Minnesota organized for profit, including an individual, partnership, corporation, joint venture, association, or cooperative that is at least 51 percent owned and is operationally controlled on a day-to-day basis by citizens or lawfully admitted permanent residents of the United States. Certified rehabilitation facilities and extended employment providers need not be organized for profit to be eligible for certification. {Minn. Rules 1230.0150, Subp. 26]

The areas of economic disadvantage are determined by the US Department of Labor.

EMERGENCY ACQUISITION

A threat to public health, welfare, or safety that threatens the functioning of government, the protection of property or the health or safety of people. [Minn. Rules 1230.0150, Subp. 6b]

ENERGY STAR

A federal standard applied to office equipment for the purpose of rating the energy efficiency of the equipment. Energy Star computers, monitors, and printers save energy by powering down and going to "sleep" when not in use, resulting in a reduction in electrical bills and pollution levels.

ENTERPRISE PROCUREMENT

The process undertaken by the commissioner to leverage economies of scale of multiple end users to achieve cost savings and other favorable terms in contracts for goods and services. [Minn. Stat. § 16C.02, subd. 6a]

ENVIRONMENTALLY PREFERABLE PRODUCT (EPP)

A product or service that has a lesser or reduced impact on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

EQUAL OR APPROVED EQUAL

Used to indicate that an item may be substituted for a required item if it is equal in quality, performance and other characteristics.

ESCALATION CLAUSE

A contract provision which permits the adjustment of contract prices by an amount or percent if certain specified contingencies occur, such as changes in the vendor's raw material or labor costs.

EVALUATION OF RESPONSES

The examination of responses after opening to determine the vendor's responsibility, responsiveness to requirements, and other characteristics of the solicitation relating to the award.

FISCAL YEAR

The 12 months between one annual settlement of financial accounts and the next; a term used for budgeting, etc. The fiscal year for the U.S. Government is October 1 to September 30; the fiscal year for the State of Minnesota is July 1 to June 30.

FIXED ASSETS

A fixed asset is State property that falls into one of the categories listed in the User Guide to Property Management published by the Dept. of Administration. See Appendix N, Policy 8, Property Management Reporting & Accountability.

FORMAL SOLICITATION

A solicitation which requires a sealed response. [Minn. Stat. § 16C.02, subd. 7]

FREIGHT DEFINITIONS

See ALP Manual, Appendix M for FOB Shipping Terms Chart.

GENERAL SERVICES

Any nonprofessional or technical services. General services does not include construction. [Minn. Stat. § 16C.02, subd. 7a]

GOODS

All types of personal property including commodities, materials, supplies, and equipment. [Minn. Stat. § 16C.02, subd. 8]

HAZARDOUS WASTE

Any waste (solid, liquid, or gas) which because of its quantity, concentration, or chemical, physical, or infectious characteristics pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of.

INFORMAL SOLICITATION

A solicitation which does not require a sealed response. [Minn. Stat. § 16C.02 subd. 9]

INSURANCE

A contract between an insurance company and a person or group which provides for a money payment in case of covered loss, accident or death.

INVOICE

A list of goods or services sent to a purchaser showing information including prices, quantities and shipping charges for payment.

JOINT VENTURE

The temporary association of two or more businesses to secure and fulfill a contract. [Minn. Rule 1230.0150, subp. 11]

LABOR SURPLUS AREA

A civil jurisdiction designated by the U.S. Department of Labor, usually updated annually in the late fall. Used as one of the criteria for designating economically disadvantaged (ED) vendors.

LEAD TIME

The time that it would take a supplier to deliver goods after receipt of order.

LEASE

A contract conveying from one entity to another the use of real or personal property for a designated period of time in return for payment or other consideration. [Minn. Stat. § 16C.02, subd. 10]

LESS-THAN-TRUCKLOAD (LTL)

A quantity of freight less than the amount necessary to constitute a truckload.

LESSEE

One to whom a lease is granted.

LESSOR

One who grants a lease.

LIFE CYCLE COSTING

A procurement evaluation technique which determines the total cost of acquisition, operation, maintaining and disposal of the items acquired; the lowest ownership cost during the time the item is in use.

LINE ITEM

An item of supply or service specified in a solicitation for which the vendor must specify a separate price.

LIQUIDATED DAMAGES

A specific sum of money, agreed to as part of a contract to be paid by one party to the other in the event of a breach of contract in lieu of actual damages, unless otherwise provided by law. [Minn. Rule 1230.0150, subp. 12]

LIST PRICE

The price of an article published in a catalog, advertisement or printed list from which discounts, if any, may be subtracted.

LOWEST RESPONSIBLE VENDOR

The vendor with the lowest price whose past performance, reputation and financial capability is deemed acceptable.

MANDATORY

Required by the order stipulated, e.g., a specification or a specific description that may not be waived.

MANUFACTURER

A business that makes or processes raw materials into a finished product. [Minn. Rule 1230.0150, subp. 12]

MAPS

Minnesota Accounting and Procurement System. MAPS was replaced on July 1, 2011 by the Statewide Integrated Financial Tools (SWIFT). MAPS or AGPS was referred to when speaking of the Procurement side of the system and GFS was referred to when speaking of the accounting side.

MARKET

The aggregate forces (including economics) at work in trade and commerce in a specific service or commodity. To sell, analyze, advertise, package, etc.

MATERIAL VARIANCE/MATERIAL DEVIATION

A variance [or deviation] in a response from specifications or conditions that allows a responder a substantial advantage or benefit not enjoyed by all other responders or that gives the state something significantly different from what the state requested in the solicitation document. [Minn. Rule 1230.0150, subp. 15]

MODEL PROCUREMENT CODE (MPC)

A publication approved by the American Bar Association which sets forth procurement statutory principles and policy guidelines for managing and controlling the procurement of supplies, services and construction for public purposes; administrative and judicial remedies for the resolution of controversies relating to public contracts; and a set of ethical standards governing public and private participants in the procurement process.

MULTIPLE AWARD

Contracts awarded to more than one supplier for comparable supplies and services. Awards are made for the same generic types of items at various prices.

**NAICS (NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM) CODE
[FORMERLY KNOWN AS SIC (STANDARD INDUSTRIAL CLASSIFICATION) CODE]**

Classification of business established by type of activity for the purpose of facilitating the collection, tabulation, presentation, and analysis of data collected by various agencies of the United States government, state agencies, trade associations, and private research organizations for promoting uniformity and comparability in the presentation of statistical data relating to those establishments and their fields of endeavor. NAICS code is utilized for the Targeted Group (TG), Economically Disadvantaged (ED), and Veteran Owned business directory via the MMD homepage. Both MAPS and SWIFT have NAICS fields but the field is not used at this time.

NAPM

National Association of Purchasing Management. A nonprofit educational and technical organization of purchasing and materials management personnel and buying agencies from the public and private sectors.

NASPO ValuePoint (formerly WSCA-NASPO)

A cooperative purchasing program that facilitates public procurement solicitations and agreements using a lead state model.

NEGOTIATION

Requests for proposals (RFPs) are sometimes used as a starting point for negotiations to establish a contract. RFPs generally include more than just price considerations. This method is especially applicable when dealing with a single source manufacturer.

NET PRICE

Price after all discounts, rebates, etc., have been allowed.

NIGP

National Institute of Governmental Purchasing. A nonprofit, educational and technical assistance corporation of public purchasing agencies and activities at the federal, state and local levels of government.

NO BID

A response to a solicitation for bids stating that respondent does not wish to submit an offer. It usually operates as a procedure consideration to prevent suspension from the vendors list for failure to submit a response.

OPEN MARKET REQUISITION (OMR)

The requisition document type in SWIFT to request the purchase of a non-contract item when the requested item's estimated cost exceeds the authority for purchase level of the buyer. An OMR conveys the request for purchase to the person with the authority to purchase.

OPTION TO EXTEND/RENEW

A provision (or exercise of a provision) which allows a continuance of the contract for an additional time according to permissible contractual conditions.

ORGANIZATIONAL CONFLICT OF INTEREST

Because of existing or planned activities or because of relationships with other persons:

- (1) the vendor is unable or potentially unable to render impartial assistance or advice to the state;
- (2) the vendor's objectivity in performing the contract work is or might be otherwise impaired; or
- (3) the vendor has an unfair advantage.

[Minn. Stat. § 16C.02, subd. 10a]

OSHA

The Occupational Safety and Health Administration. Created by the OSHA Act.

PACKING LIST

A document which itemizes in detail the contents of a particular package or shipment.

PARTIAL PAYMENT

The payment authorized in a contract upon delivery of one or more units called for under the contract or upon completion of one or more distinct items of service called for thereunder.

PER DIEM

By the day.

PERFORMANCE BOND

A contract of guarantee, executed subsequent to award by a successful vendor to protect the project owner from loss due to the vendor's inability to complete the contract as agreed.

PERFORMANCE SPECIFICATION

A specification setting forth performance requirements determined necessary for the item involved to perform and last as required.

PLANT-MATTER BASED OR BIO-BASED PRODUCT

A product derived from renewable resources, including fiber crops, such as kenaf; chemical extracts from oilseeds, nuts, fruits and vegetables (such as corn and soybeans); agricultural residues, such as wheat straw and corn stover; and wood wastes generated from processing and manufacturing operations. These products stand in contrast to those made from fossil fuels (such as petroleum) and other less renewable resources (such as virgin timber).

POINT OF ORIGIN

(shipping point)

The location where a shipment is transferred from the shipper's facility to the transportation line.

POLITICAL SUBDIVISION

A subdivision of a state which has been delegated certain functions of local government. Can include counties, cities, towns, villages, hamlets, boroughs and parishes.

POST-CONSUMER MATERIAL

A finished material which would normally be disposed of as a solid waste, having completed its life cycle as a consumer item. [Minn. Stat. § 16C.073, subd. 1(c)]

Does not include manufacturing or converting wastes. This refers to material collected for recycling from office buildings, homes, retail stores, etc.

PRACTICABLE

Capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time. [Minn. Stat. § 16C.073, subd. 1(d), Purchase and Use of Paper Stock; Printing]

PRE-CONSUMER MATERIAL

Material or by-products generated after the manufacture of a product but before the product reaches the consumer, such as damaged or obsolete products. Pre-consumer material does not include mill and manufacturing trim, scrap, or broken material which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.

PREFERENCE

An advantage in consideration for award for a contract granted to a vendor by reason of the vendor's residence, business location, or business classifications (e.g., minority, small business, veteran).

PREPAID

A term denoting that transportation charges have been or are to be paid at the point of shipment.

PREQUALIFICATION OF VENDORS

The screening of potential vendors in which such factors as financial capability, reputation and management are considered when developing a list of qualified vendors. See Vendors List, Qualified Vendor/Responsible Vendor.

PRICE

The amount of money that will purchase a definite weight or other measure of a commodity.

PRICE AGREEMENT

A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirements at a predetermined price. Usually involves a minimum number of units, orders placed directly with the vendor by the purchaser, and limited duration of the contract. See Blanket Order and Requirements Contract.

PRICE CONTRACT

A contract that has been competitively bid and usually provides for a firm fixed price. This type of contract is usually used for service-type contracts and/or for purchases that are long term and repetitive. A Price Contract is an OSP-approved form that requires the signature of the vendor, the designated agency representative, and OSP (or OSP delegate).

PRICE FIXING

Agreement among competing vendors to sell at the same price.

PROCUREMENT

The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, store keeping, and salvage and disposal operations.

PROPOSAL

An executed document submitted by a vendor in response to a request for proposals.
[Minn. Rule 1230.0150, subp. 18a]

PROPRIETARY

The only items that can perform a function and satisfy a need. This should not be confused with "single source." An item can be proprietary and yet available from more than one source. For example, if you need a camera lens for a Nikon camera, the only lens that will fit is a Nikon lens, thus, this lens is "proprietary." However, the Nikon lens is available from more than one source, thus, it is not single source.

PUBLIC PURCHASING

The process of obtaining goods and services for public purpose following procedures implemented to protect public funds from being expended extravagantly or capriciously.

PURCHASE MANUAL

A document that stipulates rules and prescribes procedures for purchasing with suppliers and other departments. See Authority for Local Purchase Manual.

PURCHASE ORDER

The signed written acceptance of the offer from the vendor. A purchase order serves as the legal and binding contract between both parties.

QUALIFIED VENDOR/RESPONSIBLE VENDOR

A vendor determined by a buying organization to meet minimum set standards of business competence, reputation, financial ability and product quality for placement on the vendor list.

QUALIFIED PRODUCTS LIST (QPL)

A list of products that, because of the length of time required for test and evaluation, are tested in advance of procurement to determine which suppliers comply with the specification requirements. Also referred to as an "approved brands list."

QUALITY

The composite of material attributes, including performance features and characteristic, of a product or service to satisfy a given need.

QUANTITY

Amount or number.

QUANTITY DISCOUNT

A reduction in the unit price offered for large volume contracts.

RECIPROCAL PREFERENCE/RECIPROCITY

A Resident Vendor shall be allowed a preference over a non-resident vendor from a state that gives or requires a preference to vendors from that state. [Minn. Stat. § 16C.06, subd 7]

RECYCLED CONTENT

The portion of a product that is made from materials directed from the waste stream; usually stated as a percentage by weight.

RECYCLED PRODUCT

A product that contains the highest amount of post-consumer material practicable, or when post-consumer material is impracticable for a specific type of product, contains substantial amounts of pre-consumer material.

REMANUFACTURED PRODUCT

Any product diverted from the supply of discarded materials by refurbishing and marketing said product without substantial change to its original form.

RENT

A rental contract giving the right to use real estate or property for a specified time in return for rent or other compensation.

REQUEST FOR BID (RFB)

A solicitation in which the terms, conditions, and specifications are described and responses are not subject to negotiation. [Minn., Stat. § 16C.02, subd. 11]

REQUEST FOR BID OPENING DATE AND TIME

The due date and time published in the solicitation.

REQUEST FOR PROPOSAL (RFP)

A solicitation in which it is not advantageous to set forth all the actual, detailed requirements at the time of solicitation and responses are negotiated to achieve best value for the state. [Minn. Stat. § 16C.02, subd 12]

Price must be a factor in the award but not the sole factor.

REQUEST FOR PROPOSAL OPENING DATE AND TIME

The due date and time published in the solicitation.

REQUIREMENT

Materials, personnel or services needed for a specific period of time.

REQUIREMENTS CONTRACT

A form or contract that is used when the total long-term quantity required cannot be definitely fixed, but can be stated as an estimate or within maximum and minimum limits with deliveries on demand.

REQUISITION

An internal document that state agencies use to request a purchase containing details of materials to meet its needs, replenish stocks or obtain materials for specific jobs or contracts.

RESIDENT VENDOR

A person, firm, or corporation that:

(1) is authorized to conduct business in the state of Minnesota on the date a solicitation for a contract is first advertised or announced. It includes a foreign corporation duly authorized to engage in business in Minnesota;

(2) has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the bid or proposal for which any preference is sought;

(3) has a business address in the state; and

(4) has affirmatively claimed that status in the bid or proposal submission.

[Minn. Stat. § 16C.02, subd. 13]

RESPONDER

A person who provides an offer in response to a solicitation document. [Minn. Rule 1230.0150, subp. 19a]

RESPONSE

The offer received from a vendor in response to a solicitation. A response includes submissions commonly referred to as "offers," "bids," "quotes," "proposals," "best and final offers," or "negotiated offers." [Minn. Stat. § 16C.02, subd. 14]

RESPONSIBLE VENDOR

A vendor who:

- A. is a manufacturer of, deals in, but is not a broker of, or is the agent of a manufacturer with full knowledge of supplies to be furnished; or
- B. if services are to be provided, has the necessary skills or is in the business of supplying these services; and
- C. can demonstrate a satisfactory credit standing, lack of delinquent tax liability, and the financial capability to perform a contract as evidenced by the ability to obtain bonding when required; and
- D. has no unresolved record of failure to perform, or of unsatisfactory performance of, contracts for the state or other customers; and
- E. is not currently debarred by another government entity for any cause including defaults on contracts, late deliveries, products not meeting specifications, substandard installation, or service; and
- F. is otherwise qualified under rule and law, including incorporation in or registration to do business in Minnesota; and
- G. has not engaged in unlawful practices, associated with organized crime, or operated under false names or fronts as a small business or a socially or economically disadvantaged small business; and
- H. is in compliance with all tax laws of Minnesota, as evidenced by timely filing of all required returns, reports, payments, and possession of all applicable stamps, licenses, or other permits, and freedom from any judgment, lien, or seizure of assets or property to satisfy tax payments or duties; and
- I. is willing to furnish all information necessary to determine responsibility as outlined in items A to H within 30 calendar days or less or within a reasonable amount of time determined by prior consensus between the bidder and the division.

[Minn. Rule 1230.0150, subp. 20]

RESPONSIVE BIDDER

A bidder whose bid does not vary from the specifications and terms set out in the invitation for bids.

RESTRICTIVE SPECIFICATIONS

Specifications that unnecessarily limit competition by eliminating items capable of satisfactorily meeting actual needs. See Performance Specification.

REUSED PRODUCT

Any product designed to be used many times for the same or other purpose without additional processing other than specific requirements, such as cleaning, painting or minor repairs.

REVERSE AUCTION

A purchasing process in which vendors compete to provide goods or services at the lowest selling price in an open and interactive environment. Reverse auctions may not be utilized to procure engineering design services or architectural services or to establish building and construction contracts under sections 16C.26 to 16C.29. [Minn. Stat. § 16C.10, subd 7]

RFP OR RFB CONFERENCE/PRE-BID MEETING

A meeting arranged by a procurement office to help potential bidders understand the requirements of an RFB or an RFP.

SALES TAX

A levy on a vendor's sale by an authorized level of government.

SEALED

A method determined by the commissioner to prevent the contents being revealed or known before the deadline for submission of responses. [Minn. Stat. § 16C.02, subd. 15]

SERVICES

Unless otherwise indicated, both professional or technical services and service performed under a service contract. [Minn. Stat. §16C.02, subd. 17]

SINGLE SOURCE

An acquisition where, after a search, only one supplier is determined to be reasonably available for the required product, service or construction item. [Minn. Stat. §16C.02, subd. 18]

SMALL BUSINESS

A designation for certain statutory purposes referring to a firm, corporation or establishment having a small number of employees, low volume of sales, small amount of assets or limited impact on the market.

SOLICITATION

The process used to communicate procurement requirements and to request responses from interested vendors. A solicitation may be, but is not limited to a request for bid and request for proposal. [Minn. Stat. § 16C.02, subd. 19]

A request for bids or a request for proposals. [Minn. Rule 1230.0150, subp. 21a]

SOURCE REDUCTION PRODUCT

A product that results in a net reduction in the generation of waste, and includes durable, reusable and remanufactured products; products with no packaging or reduced packaging.

SPECIFICATION

A concise statement of a set of requirements to be satisfied by a product, material or process that indicates whenever appropriate the procedures to determine whether the requirements are satisfied. As far as practicable, it is desirable that the requirements are expressed numerically in terms of appropriate units, together with their limits. A specification may be a standard, a part of a standard, or independent of a standard.

STANDARD

An item's characteristic or set of characteristics generally accepted by the manufacturers and users of the item as a required characteristic for all such items.

STANDARDIZATION

The process of defining and applying the conditions necessary to ensure that a given range of requirements can normally be met, with a minimum of variety, in a reproducible and economic manner based on the best current techniques.

STATEWIDE INTEGRATED FINANCIAL TOOLS (SWIFT)

SWIFT is the PeopleSoft-based online financial, procurement, and reporting system used by the State of Minnesota. SWIFT replaced the Minnesota Accounting and Procurement System (MAPS) starting with July 1, 2011 obligations.

STRATEGIC SOURCING

Methods used to analyze and reduce spending on goods and services, including but not limited to spend analysis, product standardization, contract consolidation, negotiations, multiple jurisdiction purchasing alliances, reverse and forward auctions, life-cycle costing, and other techniques.

SURPLUS PROPERTY

Property in excess of the needs of an organization and not required for its foreseeable use. Surplus may be used or new, but it possesses some usefulness for the purpose it was intended or for some other purpose.

TABULATION OF RESPONSES

The recording of responses for the purposes of comparison, analysis and record keeping.

TARGETED GROUP BUSINESSES (TG)

Certified business designated by the commissioner of Administration that are at least 51 percent owned and operated by a women, persons with substantial physical disabilities, or specific minorities and provide goods, products, or services within purchasing categories designated by the commissioner. [Minn. Rule 1230.0150, subp. 23]

TERMS AND CONDITIONS

A phrase generally applied to the rules under which all bids must be submitted and the stipulations included in most purchase contracts; often published by the purchasing authorities for the information of all potential vendors.

TITLE

The instrument or document whereby ownership of property is established.

TORT

A wrongful act, other than a breach of contract, such that the law permits compensation of damages.

TRUCKLOAD (TL)

1. A quantity of freight to which truckload rates apply or a shipment tendered as a truckload.
2. A highway truck or trailer loaded to its carrying capacity. See Less-Than-Truckload.

UNIFORM COMMERCIAL CODE (UCC)

A comprehensive modernization of various statutes relating to commercial transactions, including sales, leases, negotiable instruments, bank deposits and collections, funds transfers, letters of credit, bulk sales, documents of title, investment securities and secured transactions. The Minnesota law is found in Minn. Stat. Ch. 336.

UNIT PRICE

The price of a selected unit of a good or service (e.g., pound, labor hours, etc.).

UNSPSC Code

United Nations Standard Products and Services Code® (UNSPSC) is an open, global, multi-sector standard for efficient, accurate classification of products and services. UNSPSC is an efficient, accurate and flexible classification system for achieving company-wide visibility of spend analysis, as well as, enabling procurement to deliver on cost-effectiveness demands and allowing full exploitation of electronic commerce capabilities. Encompassing a five level hierarchical classification codeset, UNSPSC enables expenditure analysis at grouping levels relevant to your needs. UNSPSC codes are used in SWIFT.

UNSUCCESSFUL VENDOR

A vendor whose response is not accepted for reasons such as price, quantity, failure to comply with specifications, etc.

UTILITY SERVICES

Telephone, telegraph, postal, electric light, and power service, and all other services required for the maintenance, operation, and upkeep of buildings and offices. [Minn. Stat. § 16B.01, subd. 6]

VALUE ANALYSIS

An organized effort directed at analyzing the function of systems, products, specifications, standards, practices, and procedures for the purpose of satisfying the required function at the lowest total cost of effective ownership consistent with the requirements for performance, reliability, quality and maintainability.

VENDOR

Someone who sells something; a "seller."

A natural person or a business and includes both if the natural person is engaged in a business.

[Minn. Rule 1230.0150, subp. 27]

VENDORS LIST

A list of names and addresses of suppliers from whom bids, proposals and quotations might be expected. The list, maintained by the purchasing office, should include all suppliers who have expressed interest in doing business with the government.

VETERAN-OWNED SMALL BUSINESS

An eligible veteran-owned small business with its principal place of business in Minnesota. Eligible veteran-owned small businesses must be either certified as such by the Office of State Procurement or currently verified by the U.S. Department of Veterans Affairs' Center for Veterans Enterprise (US CVE). [Minn. Stat. §§ 16C.16, subd. 6a and 16C.19]

VIRGIN PRODUCT

A product that is made with 100 percent new raw materials and contains no recycled materials.

VOLATILE ORGANIC COMPOUNDS (VOCs)

Compounds that evaporate easily at room temperature and often have a sharp smell. They can come from many products, such as office equipment, adhesives, carpeting, upholstery, paints, solvents, and cleaning products. Some VOCs can cause cancer in certain situations, especially when they are concentrated indoors. VOCs also create ozone, a harmful outdoor air pollutant.

WARRANTY

The representation, either expressed or implied, that a certain fact regarding the subject matter of a contract is presently true or will be true. Not to be confused with "guarantee," which means a contract or promise by one person to answer for the performance of another person.

End of glossary