
APPENDIX 1

Glossary

Addendum

A written addition, change, or supplement to a solicitation issued prior to the opening date.

Advance Payment

The payment for goods or services before their delivery to the agency. See Early Payment.

Automated Information System (AIS)

Products and services that are associated with computers (automation) or telecommunications systems as defined in Section 2157.001(1) of the Texas Government Code.

Amendment

Written addition or change to a contract.

Appropriation

Legislative authorization to expend public funds for a specific purpose.

Assignment

Transfer of contractual rights from one party to another party.

Award

The act of accepting an offer, thereby forming a contract between the State and a vendor.

Best Interests of the State

Most advantageous to the State in light of all relevant circumstances.

Bid

An offer to contract with the State, submitted in response to an IFB.

Bid Bond

See Bid Deposit.

Bid Deposit

A deposit required of bidders to protect the State in the event a low bidder attempts to withdraw its bid or otherwise fails to enter into a contract with the State.

Bid Tabulation

The recording of bids and bid data submitted in response to an IFB. The bid tabulation is used for comparison, analysis, and record keeping.

Bidder

An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or entity that submits a bid, such as an agent, employee and representative. See Respondent.

Bidders List

A list of vendors that have expressed an interest in doing business with the State. See Centralized Master Bidders List.

Bid Sample

A sample required to be furnished as part of a bid, for evaluating the quality of the product offered.

Biennium (State of Texas)

A period of 24 consecutive months, beginning on September 1 of each odd-numbered year. Example: September 1, 2017 through August 31, 2019.

Bill of Lading

Document issued by a carrier identifying merchandise and transportation details.

Blanket Bond

A performance bond that insures a respondent's performance on two or more contracts in lieu of separate bonds for each contract.

Blanket Order

A purchase order to a contractor for a specified time period, specific product and an estimated minimum quantity; with actual delivery to only occur in conformance with subsequent authorization(s) by the ordering entity. Use of minimum estimated call out quantities is advised for this type of order. See Standing Order.

Brand Name

A trade name or product name which identifies a product as having been made by a particular manufacturer.

Breach of Contract

Failure to perform a contractual obligation.

Centralized Master Bidders List (CMBL)

An online directory, maintained by SPD, containing contact information and product categories of vendors registered to receive procurement opportunities from public entities.

Change Order

An amendment, clarification, change, or deletion to the original scope of work to a contract.

Class and Item

The classification system found in the NIGP Commodity Book.

Closing Date

The date and time that offers or proposals are due in response to a solicitation. Used interchangeably with the term "Opening Date."

Commodity

Generally, the term means supplies, materials or equipment. See IT Commodity Item.

Commodity Book

List of NIGP class and item numbers maintained on the CPA website.

Competitive Sealed Bidding

Process of advertising an Invitation for Bids (IFB), the evaluation of the submitted bids, and awarding of the contract in accordance with state law.

Competitive Sealed Proposals

Process of advertising a Request for Proposal (RFP), the evaluation of submitted proposals, and awarding of the contract in accordance with state law.

Competitive Solicitation

The process of inviting and obtaining responses from competing vendors in response to advertised competitive specifications, by which an award is made based on best value. The process contemplates giving potential vendors a reasonable opportunity to compete, and requires that all vendors be placed on a level playing field. Each respondent must respond to the same advertised specifications, terms, and conditions.

Competitive Specifications

A specification stated in such a manner that two or more vendors can meet the specifications on a level playing field.

Confirmation Order

A purchase order issued to a contractor, listing the commodities and terms of an order placed verbally or otherwise, in advance of the issuance of the purchase order. The original date and contractor's representative's name should be included on the order. It is recommended the purchase order include the following statement: "Confirmation Order – Do Not Double Ship."

Consultant

A person who provides or proposes to provide the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. The

term includes a political subdivision but does not include the federal government, a state agency, or a state governmental entity.

Consulting Services

The service of studying or advising a state agency under contract that does not involve the traditional relationship of employer and employee. See Major Consulting Services Contract.

Consumable Procurement Budget

That portion of an agency's budget as identified by comptroller expenditure codes attributable to consumable supplies, materials and equipment.

Contract

A legally enforceable agreement between two or more parties.

Contractor

A business entity or individual that has a contract to provide goods or services to the State.

Cooperative Purchasing

A program for qualified entities to use the SPD or DIR contract resources.

Debarment

An exclusion from contracting or subcontracting with state agencies on the basis of any cause set forth in statute or SPD rules, commensurate with the seriousness of the offense, performance failure, or inadequacy to perform.

Delegated Purchase

A purchase made by an agency under the authority of SPD and subject to SPD rules and procedures.

Discount-From-List

Unit prices that are based on a discount from a manufacturer's published price list. Ordering entity can validate the discount price by reviewing the price list or catalog from which the price reduction is figured.

Early Payment

The payment for goods or services after receipt but earlier than the payment due date set forth in Section 2251.021 of the Texas Government Code. See Advance Payment.

Early Payment Discount

A discount from the purchase price allowed to the agency if payment is made within a specified period.

Electronic State Business Daily (ESBD)

An online application, administered by SPD, that publishes solicitations for the purpose of informing vendors of procurement opportunities and provides public notice of contract awards.

Equivalent Product

A product that is comparable in performance and quality to the specified product.

Escalation Clause

A clause in a contract providing for a price increase or decrease under certain specified circumstances.

Executive Sponsor

A high level individual with primary responsibility for implementation and operation of the project. In some instances, the executive sponsor may be the executive head of the entity. In other instances, the executive sponsor may be the division or program director with overall project responsibility.

Fiscal Year (State of Texas)

A period of 12 consecutive months, beginning September 1 of each year and ending August 31 of the next year.

Goods

The term means supplies, materials, or equipment.

Grant

An award of financial assistance, including cooperative agreements, in the form of money, property in lieu of money, or other financial assistance paid or furnished by the state or federal government to carry out a program in accordance with rules, regulations and guidance provided by the grantor agency. The term does not include technical assistance that provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, for which the grantee is not required to account. See Uniform Grant Management Standards.

Historically Underutilized Business (HUB)

A business as defined by Chapter 2161 of the Texas Government Code and 34 TAC § 20.282.

Informal Solicitation

An unsealed, competitive solicitation used to obtain offers submitted verbally or in writing for purchases with a value of \$25,000 or less.

Inspection

Examination and/or testing of merchandise to determine whether it has been received in the proper quantity and condition and to verify that it conforms to the applicable specifications.

Inspection Report

A report made as a result of the agency's inspection, informing the buyer of a product's compliance with advertised specifications.

Interagency Contract (IAC)

Written understanding between two or more agencies as authorized by Chapter 771 of the Texas Government Code.

Interlocal Contract

Written understanding between local government entities, a local government entity and a federally recognized Indian tribe, or a local government entity and a state agency of Texas or another state as authorized by Chapter 791 of the Texas Government Code.

Invitation for Bids (IFB)

A written solicitation requesting the submission of bids; also referred to as a bid invitation.

Invoice

Document from a contractor requesting payment for goods delivered and/or services rendered.

IT Commodity Item

Commercial software, hardware, or technology services, other than telecommunications services, that are generally available to businesses or the public and for which DIR determines that a reasonable demand exists in two or more customers. The term includes seat management, through which an agency transfers its personal computer equipment and service responsibilities to a private vendor to manage the personal computing needs for each desktop in the agency, including all necessary hardware, software, and support services.

Late Response

A response that is received after the date and time established for receipt of responses to a solicitation.

Lease Purchase

An installment sale which gives the lessee the right to purchase equipment or other fixed assets at an agreed upon price under certain conditions. Title passes from seller to agency if and at the time the option to purchase is exercised. See Operating Lease.

Life-Cycle Costing

A procurement cost analysis technique which considers operating, maintenance, acquisition price, and other costs of ownership in the award of contracts to ensure that the item acquired will result in the lowest total ownership cost during the time the item's function is required.

Liquidated Damages

A specified contract provision that entitles the State to demand a set monetary amount determined to be a fair and equitable repayment to the State for loss of service due to contractor's failure to meet contract requirements.

Local Government

A county, municipality, school district, special district, junior college district, or other legally constituted political subdivision of the State.

Major Consulting Services Contract

A consulting services contract for which it is reasonably foreseeable that the value of the contract will exceed \$15,000, or \$25,000 for an institution of higher education other than a public junior college.

Managed Contract

A SPD Term Contract that cannot be processed through Texas SmartBuy. The purchase order is prepared by the agency, referencing the contract number and pricing, and sent directly to the contractor.

Manufacturer's Price List

A price list published in some form by the manufacturer and available to and recognized by the trade. The term does not include a price list prepared especially for a particular solicitation.

Minor Technicality

A requirement in a solicitation which, if waived or modified by the agency when evaluating responses, would not give a respondent an unfair advantage over other respondents or result in a material change in the contract.

Multiple Award Contract Procedure

A purchasing procedure by which SPD establishes one or more levels of quality and performance and makes more than one award at each level.

Negotiations

A consensual bargaining process in which the parties attempt to reach agreement on a disputed or potentially disputed matter. In a contractual sense, negotiation means the "dealings conducted between two or more parties for the purpose of reaching an understanding."

Nonresident Bidder

For purposes of the reciprocal preference law, a person whose principal place of business is not in Texas.

Notice of Award

An official announcement of an executed contract. For SPD, the term also refers to a letter signed by the Deputy Comptroller or designee which creates a contract.

Offer

A proposal to contract with the State submitted in response to an RFO.

Opening Date

The date and time that bids are due in response to an IFB. Used interchangeably with the term "Closing Date."

Operating Lease

A contract granting the lessee the use of equipment or other fixed assets for a specified time in exchange for payment. Title remains with the contractor. See Lease Purchase.

Payment Bond

A deposit, pledge, or contract of guaranty supplied by a contractor to protect the State against loss due to the contractor's failure to pay subcontractors and material suppliers.

Payment Card

A commercial charge card that is predominantly used for transactions that require payment upfront. Agencies may only use commercial charge cards obtained under SPD established contract(s).

Performance Bond

A deposit, pledge, or contract of guaranty supplied by a contractor to protect the State against loss due to the contractor's inability to complete the contract as agreed.

Post-Consumer Materials

Finished products, packages, or materials generated by a business entity or consumer that have served their intended end uses, and that have been recovered or otherwise diverted from the waste stream for the purpose of recycling.

Posted Date

The date a document is made available online to the public.

Pre-Consumer Materials

Materials or by-products that have not reached a business entity or consumer for an intended end use, including industrial scrap material, and overstock or obsolete inventories from distributors, wholesalers, and other companies. The term does not include materials and by-products generated from, and commonly reused within, an original manufacturing process or separate operation within the same or a parent company.

Professional Services

Services directly related to the professional practices specified by the Professional Services Procurement Act, Chapter 2254, Subchapter A, of the Texas Government Code.

Proposal

An offer to contract with the State, submitted in response to an RFP.

Protest Procedures

Procedures for resolving vendor protests relating to purchasing issues.

Public Opening

The public opening of bids, offers, or proposals, in which the names of the respondents to a solicitation are publicly read and recorded. No prices are divulged at an offer or proposal opening as these types of solicitations are subject to negotiation.

Purchase Order

A document issued by a customer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the customer.

Recycled Material Content

The portion of a product made with recycled materials consisting of pre-consumer materials (waste), post-consumer materials (waste), or both.

Recycled Materials

Materials, goods, or products that contain recyclable material, industrial waste, or hazardous waste that may be used in place of raw or virgin materials in manufacturing a new product.

Recycled Product

A product that meets the requirements for recycled material content as prescribed by the rules established by the Texas Commission on Environmental Quality in consultation with CPA.

Remanufactured Product

A product that has been repaired, rebuilt, or otherwise restored to meet or exceed the OEM performance specifications; provided, however, the warranty period for a remanufactured product may differ from the OEM warranty period.

Rent

Payment for the use of property.

Request for Information (RFI)

A general invitation to the vendor community requesting information that may be used in a potential future solicitation.

Request for Offers (RFO)

A written solicitation requesting the submission of offers for AIS which include hardware, software and other information technology goods and services.

Request for Proposals (RFP)

A written solicitation requesting the submission of proposals.

Request for Qualifications (RFQ)

A written solicitation requesting the submission of qualifications or specialized services. Typically used for the procurement of professional services.

Responsive

The bid, offer, or proposal complies with all material aspects of the solicitation document, including submission of all required documents.

Respondent

An individual or entity that submits an offer or proposal. The term includes anyone acting on behalf of the individual or entity that submits an offer or proposal, such as an agent, employee, and representative. See Bidder.

Responsible

For purposes of the reciprocal preference law, a governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident bidder underbids the lowest bid submitted by a responsible resident bidder by the amount authorized by statute.

Salvage Value

The estimated value of a property when the user completes its use of the property.

Scope of Work

A section of a solicitation that provides a description of the products and services to be provided by the vendor.

Sealed Bids or Proposals

A response which is kept secure and unopened until after the due date and time specified in the solicitation.

Service

The furnishing of skilled or unskilled labor or professional work.

Set Aside Contract

Term used to refer to the State Use Program and the Texas Correctional Industries (TCI) purchasing program.

Solicitation

A document such as an IFB, RFO, RFP or RFQ requesting responses from vendors to provide specified goods and services. The term also refers to the process of obtaining responses from vendors to provide specified goods and services.

Specifications

The "line item" descriptors within a solicitation that define the good or service that the vendor must offer to be considered for award.

Standard

The established and fixed measure used in assessing quality or performance.

Standing Order

A purchase order to a contractor for a specified time period during which a specific quantity of product will be delivered on specified delivery dates. See Blanket Order.

State

The State of Texas.

Statute

A law enacted by the state or federal government.

Successor-in-Interest

Any business entity that acquires or otherwise obtains the controlling ownership of a business entity.

Surplus

Federal and State surplus property programs administered by TFC. Each program has its own laws, rules, and procedures.

Term Contract

A contract established by SPD for the purchase or lease of goods and services used in large quantities by several agencies.

Texas Bidder

For the preference to resolve tie bids, "Texas bidder" means a business (1) incorporated in Texas, (2) that has its principal place of business in Texas, or (3) that has an established physical presence in Texas. See Texas Resident Bidder.

Texas Grant Management Standards (TXGMS)

Uniform grant and contract administration procedures, developed under the authority of Chapter 783 of the Texas Government Code, to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state and federal agencies.

Texas Resident Bidder

For purposes of reciprocal preference law, "resident bidder" refers to a person whose principal place of business is in Texas, including a contractor whose ultimate parent company or majority owner has its principal place of business in Texas. See Texas Bidder.

Texas SmartBuy

The State's central e-procurement system for non-IT goods and services.

Texas Specification

A specification adopted by SPD and used whenever possible in the purchase of the item involved. Established standard of minimum quality for products or services purchased in volume by the State.

Unit Price

The price for a good or service in accordance with the unit of measure provided in the solicitation.

Vendor

A potential provider of goods or services to the State.

APPENDIX 2

Acronyms and Abbreviations

AIS	Automated Information System
ARO	After Receipt of Order
BAFO	Best and Final Offer
BI	Bodily Injury (insurance)
BLS	Bureau of Labor Statistics (federal agency)
BOM	Bill of Materials
CAO	Contract Administration Office
CAPPS	Centralized Accounting and Payroll/ Personnel System
CAT	Contract Advisory Team
CCTS	Capitol Complex Telephone System
CFR	Code of Federal Regulations
CMBL	Centralized Master Bidders List
CNA	Central Nonprofit Administration
COI	Conflict of Interest or Certificate of Insurance
COTS	Commercial Off the Shelf
CPA	Comptroller of Public Accounts
CPI	Consumer Price Index
CPO	Chief Procurement Officer
CRP	Community Rehabilitation Program
CTCD	Certified Texas Contract Developer
CTCM	Certified Texas Contract Manager
DBITS	Deliverables-Based Information Technology Services
DIR	Department of Information Resources
DPS	Department of Public Safety
DSC	Data Center Services (DIR)

EIR	Electronic Information Resources
ESBD	Electronic State Business Daily
FOB	Free On Board
FOIA	Freedom of Information Act (federal)
FSP	Federal Surplus Property Program
GCI	General Contract Information (Texas SmartBuy Contracts)
GSA	General Services Administration (federal agency)
HSP	HUB Subcontracting Plan
HUB	Historically Underutilized Business
IAC	Interagency Cooperation Agreement
ICT	Information Communication Technology
IFB	Invitation for Bids
IT	Information Technology
ITV	Interagency Transaction Voucher
LAR	Legislative Appropriations Request
LBB	Legislative Budget Board
MIRP	Major Information Resources Project
MOLA	Master Operating Lease Agreement
MOU	Memorandum of Understanding
NASPO	National Association of State Procurement Officials
NDA	Non-Disclosure Agreement
NIGP	National Institute of Governmental Purchasing
NOA	Notice of Award
OAG	Office of the Attorney General
OCC	Outside Counsel Contract

OEM	Original Equipment Manufacturer
OMB	Office of Management and Budget (federal)
OMR	Open Market Requisition (Request)
OVFM	Office of Vehicle Fleet Management
PAR	Progress Assessment Report (HSP)
PCC	Purchase Category Code
PD	Property Damage (insurance)
PI	Personal Injury (insurance)
PIN	Payee Identification Number
PM	Project Manager
PO	Purchase Order
POCN	Purchase Order Change Notice
POD	Procurement Oversight and Delegation
PPI	Producer Price Index
PR	Price Request
QAT	Quality Assurance Team
QAP	Quality Assessment Plan
REQ	Requisition
RFA	Request for Applications
RFI	Request for Information
RFO	Request for Offers
RFP	Request for Proposals
RFQ	Request for Qualifications
RTI	Recurring Transaction Index
RtR	Request to Retain (OAG Outside Counsel Contracts)
SAM	System for Award Management (federal)
SAO	State Auditor's Office
SOW	Scope of Work or Statement of Work

SPD	Statewide Procurement Division
STMP	State Travel Management Program
T&Cs	Terms and Conditions
T&M	Time and Materials
TAC	Texas Administrative Code
TCI	Texas Correctional Industries
TCO	Total Cost of Ownership
TDCJ	Texas Department of Criminal Justice
TEC	Texas Ethics Commission
TEX-AN	Texas Agency Network (DIR)
TFC	Texas Facilities Commission
TIN	Texas Identification Number
TPIA	Texas Public Information Act
TWC	Texas Workforce Commission
TXFS	Texas Fleet System
TXGMS	Texas Grant Management Standards
TXMAS	Texas Multiple Award Schedule
UCC	Uniform Commercial Code (federal)
UOM	Unit of Measurement
USAS	Uniform Statewide Accounting System
USC	United States Code
USPS	United States Postal Service
VIN	Vendor Identification Number
VPTS	Vendor Performance Tracking System
VPR	Vendor Performance Report