

GLOSSARY OF TERMS

Addition: An addition to a building is an expansion, extension, or increase in the gross floor area of a building or facility.

Advertising: A form of public notice of an intended purchase. See "Legal Notice."

Agency: (1) An administrative division of a government. (2) A relationship between two parties by which one, the agent, is authorized to perform or transact certain business for the other, the Principal: also, the office of the agent.

All-or-None Bid: A bid submitted for a number of different items, services, etc., in which the bidder states he will not accept a partial award but will accept only an award for all the items, services, etc., included in the Invitation for Bids. Such bids are acceptable only if provided for in the invitation, or if the bidder quoted an individual price for each of the items, a service, etc., as listed and is the low bidder on each item.

Alteration: An alteration is a change to a building or facility that affects or could affect the usability of the building or facility or a part thereof. Alterations include, but are not limited to, remodeling, renovation, rehabilitation, reconstruction, historic restoration, change or rearrangement of the structural parts or elements, and changes in the plan configuration of walls and full-height partitions. Normal maintenance, reroofing, painting, or wallpapering, or changes to mechanical or electrical systems are not alterations unless they affect the usability of the building or facility.

Alternate Bid: A bid submitted with a known variance from the specifications, terms, conditions, or provisions of the solicitation. Such a bid is acceptable only when the variance is deemed to be immaterial.

Assigned Budget Manager/Owners: Managers who are assigned ownership of a board-approved budget and who are authorized to procure goods or services in accordance with the approved budget. An ownership code is assigned as the last three digits of the account code.

Award: The acceptance of a bid or proposal.

Awarded Supplier: An "awarded supplier" is a supplier that has been awarded a bid/proposal through the Dallas ISD competitive procurement process or through a Cooperative Purchasing Program with an interlocal agreement.

Back Order: That portion of an order which a supplier does not deliver at the scheduled time and has re-entered for shipment at a later date.

Best Interests of the District: The rationale granting the District discretion in taking action most advantageous to the District when it is impossible to delineate adequately a specific response by law or regulation.

Bid: The executed document submitted by a bidder in response to an Invitation for Bids. Many times, "bids" is used to describe a quote or proposal; however, this is incorrect. Bid, quote, and proposal are different especially in terms of contract law.

Bid Bond: An insurance agreement or cashier's check in which a surety duly authorized to do

business in Texas and licensed by the state of Texas to issue surety bonds may provide a bidder to guarantee their proposal and firm is financially secure to complete the project that firm is bidding.

Bid Opening: The formal process through which bids are opened and the contents revealed for the first time to the District, other bidders, and, usually, to the public.

Bid Sample: A sample required of a bidder for examination, comparison, testing, and evaluation by the prospective purchaser.

Bidder: Any person or entity submitting a competitive bid in response to a solicitation.

Bill: A list of charges or costs presented by a supplier to Accounts Payable, usually enumerating the items furnished, their unit and total costs, and a statement of the terms of sale; aka invoice.

Bona Fide: In good faith.

Brand Name: A name which serves to identify a product of a particular manufacturer; trade name.

Brand Name or Equal Specification: A specification that cites brand names, model numbers, or other identifications as representing quality and performance called for and inviting bids on comparable items or products of any manufacturer.

Bulk Purchasing: Purchasing in large quantities to seek a lower price per unit; volume purchasing.

Budgeted Purchases: Purchases that assigned budget owners are authorized to make within approved budget limits.

Business Day: Every day shown on the calendar, excluding Saturdays, Sundays, holidays, and other days the District is closed.

Calendar Day: Every day shown on the calendar, Saturdays, Sundays, and holidays included.

Cash Discount: A discount from the purchase price allowed by the seller to the purchaser when payment is made within a designated period (aka prompt pay discount).

Catalog: A listing of item identifications arranged systematically.

Centralized Purchasing: A system of purchasing in which authority, responsibility, and control of activities is concentrated in one administrative unit.

Change Order: A written order changing the purchase or terms and conditions of the agreement.

Code of Ethics: Guidelines within which judgments and considerations of professional ethics and behavior should be made for all public officials and employees of a District.

Collusion: A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful, or unlawful purpose.

Combination Specifications: Specifications that contain elements of both design and performance specifications. Some features of each are included to allow a supplier to use ingenuity to meet the performance needs of the government and also to require certain necessary design characteristics. This is probably the most common type of specification.

Commodity: An article of trade, a movable article of value, something that is bought or sold; any movable or tangible thing that is produced or used as the subject of barter or sale.

Competition: The process by which two or more suppliers vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery, and/or service.

Competitive Bidding: The submissions of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.

Competitive Negotiation: A method for contracting for goods and services, whereby proposals are solicited from qualified suppliers; and, following submission of proposals, changes in proposals and prices are allowed. The offer deemed by the awarding authority to be most advantageous in terms of criteria as designated in the Request for Proposals is accepted, a negotiated procurement.

Competitive Sealed Proposals: A term used for competitive negotiation as a source selection.

Component Purchases: Purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Conflict of Interest: A situation where the personal interests of a contractor, public official, or employee are, or appear to be, at odds with the best interests of the District.

Contingency: A possible future event or condition arising from presently known or unknown causes, the outcome of which is indeterminate at the present time.

Cooperative Purchasing: (1) The combining of the purchasing requirements of two or more political entities to obtain the advantages of volume purchases, reduction in administrative expenses, or other public benefits. (2) Procurement conducted by, or on behalf of, more than one Public Procurement Unit, or by a Public Procurement Unit with an External Procurement Activity.

Costs: Costs, relating to buildings within the District, shall include all required labor, material, supplies, wages, benefits, consultants, bonds, subcontractors, advertising, and other related expenses, including those performed by District employees, full-time or temporary, or drawn from District supplies. Any donated supplies, labor, or other items shall also be included in the costs but may be shown as a separate category. Lease and deferred cost items shall also be calculated in current dollars and indicated as to funding source. These costs will be accrued by maintenance services, facilities planning and design, custodial services, and other departments and applied to the cost of a project. Estimated costs shall be for all items described, including any applicable contingency for unforeseen or hidden conditions.

Delivery Schedule: The required or agreed time, or rate, of delivery of goods or services.

Delivery Terms: Conditions in a contract relating to freight charges, place of delivery, time of delivery, or method of transportation.

Descriptive Literature: Information, such as illustrations, charts, drawings, and technical data which show the characteristics or construction of a particular product or explains its operations, furnished by a bidder as part of the bid to describe the items he offers. The term refers only to information required to evaluate a product and need not include other information that relates to the qualifications of a bidder or operating or maintaining equipment.

Design-Build: The District and the design/build contractor enter into a specific contract wherein the contractor undertakes the responsibility to provide for the design and construction of the project in conformance with basic requirements, which have been set forth by the District. The contract may be a lump sum, cost plus a fee or guaranteed maximum, lease, or lease-purchase. The contract is generally entered into after project definition but before substantial design work has been done.

Design Specifications: A type or manner of writing a purchase description characterized by detail as to how the product is to be manufactured or work is to be performed; generic specification. Appropriate for a unique product or custom work.

Designee: A duly authorized representative of a person holding a superior position.

Discount: An allowance or deduction from a normal or list price extended by a seller to a buyer to make the net price more competitive.

Emergency Purchases: Two types of emergency purchases are made in districts. One type results from an imminent threat to the health, safety, or welfare of students. Such purchases must comply with state law and may be made only after a formal board action declaring an emergency and authorizing the purchase. The second type of emergency purchase usually is defined by local policy to provide for the acquisition of goods or services to meet an immediate need such as purchases to repair damage to a facility, which may imperil students or the security of the facility. Such purchases must conform to the procedures outlined in board policy.

End-User: Staff member from a school or department who initiates the request for purchase (requisition).

Equipment: Personal property of a durable nature which retains its identity throughout its useful life.

Evaluation Committee: A committee which advises and assists the Procurement Services Department in the evaluation and award of goods and services.

Evaluation of Offer: The process of examining a response to a solicitation (bid/proposal) after opening to determine the offeror's responsibility, responsiveness to the requirements, and to ascertain other characteristics of the solicitation that relate to the determination of the successful offeror.

Fiscal Year: A period of twelve consecutive months selected as a basis for annual financial reporting, planning, or budgeting. The Dallas ISD fiscal year is July 1 – June 30.

F.O.B.: "Free on Board" specifies when the title for shipped merchandise transfers to the District. F.O.B. is often followed by the text that specifies which party is responsible for freight charges and damages or losses while in transit.

F.O.B. Destination: Under these terms, the risk of loss of goods does not pass to the District until the goods are delivered and the District has accepted the shipment. If the shipment is refused or never reaches its destination, the supplier is responsible for re-shipping new goods at their expense. It is recommended that all orders be placed as F.O.B. Destination.

Force Majeure: A contingency or occurrence that cannot be avoided by human power; a cause of damage, which is the result of nature (e.g., hurricane, flood, lightning) and not attributable to negligence.

Identical Bid: A bid that is the same in all respects as another bid.

Ineligible Bidder: A supplier or prospective supplier who, by reason of financial instability, unsatisfactory reputation, poor history of performance, or other deficiency, does not meet the qualifications for placement on the supplier mailing list (bidder's list) or for the award; also, non-responsible bidder.

Inspection: Critical examination and/or testing of items to determine whether they have been received in the proper quantity and condition and conform to the applicable specifications.

Invitation for Bids (IFB): (1) The solicitation document used for competitive sealed bidding, the customary method used by state and local governments for the purchase of equipment, materials, supplies, and construction. (2) All documents, whether attached or incorporated by reference, utilized for soliciting bids.

Late Bid/Proposal: A bid or proposal received at the place specified in the solicitation after the time designated for all bids or proposals to be received.

Legal Notice: Notice of a proposed purchase as required by law. Depending upon the legal requirement, notice may be satisfied by posting an announcement of the purchase in a public place, notification of the appropriate bidders from the supplier mailing list (bidder's list), formal advertisement in a newspaper or newspapers, or a combination of these methods.

Lease-Purchase Agreement: A lease contract containing a purchase option in which the lessee's periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon lessee exercising the purchase option; a conditional sales contract.

Life-Cycle Costing: A procurement technique, which takes into account demonstrable and documented operating, maintenance, the cost of money, and other costs of ownership and usage, and resale or residual value in addition to acquisition price in making an award on low total cost.

Lowest (Responsive and) Responsible Bidder: Originally, the bidder submitting the lowest initial price and capable of performing the proposed services or providing the proposed goods. Under modern purchasing concepts, often construed as generally the same as the "lowest responsive and responsible bidder," or the bidder who submits the "lowest and best bid," or the "most advantageous bid, price, and other factors considered." For clarity and accuracy, the recommended provision for determining award is the "responsive and responsible bidder whose bid is most economical for the purpose intended, according to criteria set forth in the solicitation."

Major Maintenance: The major maintenance of buildings and facilities is defined as maintenance work that will require the use of a registered architect, engineer, or professional consultant, or when the contemplated cost is \$50,000 or above.

Multiple Awards: The award of bids/proposals to two or more bidders for the same or essentially similar items or services.

Normal Maintenance: The normal maintenance of buildings and facilities is the upkeep of structures and systems already in place, to preserve them and prevent their failure, or to restore them by replacing worn-out or broken parts. As such, normal maintenance does not require a registered engineer or professional consultant.

Oracle Supplier: An "Oracle supplier" (also known as a "Registered Supplier") is a supplier that is established in the Oracle Financial Management System, not necessarily an awarded or approved supplier for procurement purposes.

Non-responsive Bid: A bid that does not conform to the essential requirements of the invitation for bids; nonconforming bid; unresponsive bid.

Option to Renew: A bid/proposal clause that allows a party to elect to re-institute the bid/proposal for an additional term.

Payment Bond: A contract of guaranty executed subsequent to award by a successful bidder to protect the District from loss due to supplier's inability to pay for materials/suppliers for the bid/proposal as agreed.

Performance Bond: A contract of guaranty executed subsequent to award by a successful bidder to protect the District from loss due to the supplier's inability to perform the bid/proposal as agreed.

Performance Specifications: Where the goods and/or services are described in terms of required performance. They may include such details as required power, strength of material, test methods and standards of acceptability, and recommended practices.

Pre-Bid/Proposal Conference: A meeting scheduled in a solicitation for the purpose of providing clarification as needed. Substantive questions raised at a pre-bid conference are answered in writing and may modify the solicitation.

Procurement: The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. The acts of preparing specifications, evaluating bids or proposals, making awards, and administering contracts are involved; in some contexts, property management is implied.

Professional Services: Often technical, and/or unique functions performed by independent contractors whose occupation is the rendering of such services. While not limited to individuals with specialized licenses, the services are considered "professional," and the contract may be awarded to partnerships, firms, or corporations as well as individuals. Examples of professional services include medicine and the medical arts, architectural, and engineering services.

Project Stacking: Project stacking is dividing the scope of work into smaller sums for the sole purpose of bypassing proper approval. ***Project stacking is strictly prohibited.*** Costs for alterations and addition projects will be considered cumulative within the budget year.

Proposal: The executed document submitted by an offeror in response to a Request for Proposal (and the basis for subsequent negotiation).

Proposal Evaluation Criteria: Factors, usually weighted, relating to management capability, technical capability, and manner of meeting performance requirements, price, and other important considerations used to evaluate which proposer in a competitive negotiation has made the most advantageous offer.

Purchase Order: This document serves as a formal order for goods, materials, and/or services from a supplier. A purchase order, once approved, is a binding commitment for a District to remit payment to the supplier after the item(s) and an invoice are received by the District. Acceptance of a purchase order by the supplier constitutes a contract.

Quotation: A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding; the stating of the current price of a commodity, or the price so stated.

Registered Supplier: Potential suppliers who have provided required documentation in the Oracle system as a prelude to becoming an Awarded Supplier.

Request for Information (RFI): The document used in informal, non-competitive solicitations of information, data, comments, or reactions from possible suppliers preceding the issuance of a Request for Proposals or a multi-step bidding procedure.

Request for Proposal (RFP): (1) All documents, whether attached or incorporated by reference, utilized for soliciting (competitive) proposals. The RFP procedure permits negotiation of proposals and prices as distinguished from competitive bidding and an Invitation for Bids. (2) The solicitation document used in the competitive negotiation process. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Request for Qualification: The document used in a formal solicitation for professional services where the evaluation and selection are made on the basis of demonstrated competence and qualifications to perform the services requested. Pricing is not to be solicited or a factor in selecting a supplier(s). Pricing is requested and negotiated for a fair and reasonable price after the selection is made.

Requisition: A requisition is an internal document by which a campus or department of the District requests the Procurement Services Department to initiate a purchase order. It is a request generated electronically (through the use of the automated system Oracle) for the purchase of supplies, services, equipment, etc. A requisition is an un-approved purchase order. No purchasing commitment shall be made without an approved purchase order.

Responsible Bidder: A supplier who has the capability in all respects to perform in full the bid requirements, and the integrity and reliability which will assure good faith performance.

Responsive Bidder: (1) A supplier who has submitted a bid which conforms in all material respects to the Invitation for Bids. (2) One whose bid conforms in all material respects to the terms and conditions, the specifications, and other requirements of the Invitation for Bids.

Sealed Bid: A bid which has been submitted in a sealed envelope to prevent its contents being revealed or known before the deadline for the submission of all bids: usually required by law or rule on major procurements, to enhance fair competition.

Separate Purchases: Purchases, made separately, of items that in normal purchasing practices would be made in one purchase.

Sequential Purchases: Purchases of items, over a period, that in normal purchasing practices would be made in one purchase.

Sole Source Procurement: A purchase or award for a commodity or service to the only legally capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

Special Revenue Fund: Proceeds of specific program grants that are legally restricted to expenditures for specified purposes.

Specification: A description of what the purchaser seeks to buy, and, consequently, what the bidder must be responsive to in order to be considered for award of a contract. A specification may be a description of the physical or functional characteristics, or the nature of a supply of service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery. A purchase description.

Standardization (of Specifications): The process of examining characteristics and need for items of similar end usage and developing a single specification that will satisfy the need for most or all purchases for that purpose.

Supplies: Customarily, items that are consumed or expended in the course of being used, as distinguished from equipment and materials; but in some purchasing terminology, all items except construction and services.

Tabulation of Bids: A recording of bidders and abstract of their bids listing items offered, prices, deliveries, etc., in response to a specific solicitation, made for the purpose of comparison and recordkeeping; an abstract.

Temporary Structure: A temporary structure is a building or facility that is not a permanent construction but is extensively used for public use for a period of time. Examples of temporary structures include reviewing stands, temporary or portable classrooms, bleacher areas, temporary health screening services, and exhibit areas.

Terms and Conditions: A general reference applied to the provisions under which bids must be submitted and which are applicable to most purchase orders.

Testing: Determination of the physical, chemical, or performance characteristics of items. Testing may be conducted in connection with developing specifications and standards, making comparative evaluations of products offered on bids, and ascertaining compliance with specifications before or after a bid/proposal award.

Title: The means whereby a person's ownership of property is established.

Uniform Commercial Code: Set of suggested laws relating to commercial transactions adopted by states for consistency and fair dealing in business and commercial transactions.

Supplier Performance Record: Record to indicate a supplier's ability to keep delivery promises and reliability, together with consistency of quality and performance of the products and services furnished.

Warranty: A representation of utility, condition, and durability made by a bidder for a product offered.

Warehouse Requisition: A warehouse requisition may be used to obtain supplies or materials (a catalog describing items in the warehouse is available by contacting the Warehouse Department.) A warehouse requisition is completed at the department or campus level and submitted to the warehouse. Warehouse personnel then review the requisition for accuracy, completeness, and availability of funds. After processing the requisition, the supplies and materials are removed from the warehouse stock and delivered to the appropriate party.