

## California Acquisition Glossary

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Note: Italicized words within the definitions are terms included in the Glossary.

### **Acceptance**

1. Acceptance of offer: In contract law, the act of accepting an offer to provide goods/services and creating contractual liabilities for both the offeror and the offeree.
2. Acceptance of performance (goods/services): The legal act by which the State assumes ownership of goods or approves specific services rendered as partial or complete performance of the contract.

### **Acquisition**

A process to obtain goods/services, through purchase or lease, for the benefit of the State. The process begins with identification of a need and consists of three phases: Acquisition Planning, Acquisition Phase, and Post Award Administration. Sometimes referred to as contracting, purchase or procurement.

### **Acquisition Approach**

One of three options utilized to acquire goods, services, and information technology goods/services. Circumstances and requirements of the acquisition are used to determine whether goods/services are obtained using existing sources, through competition, or require a non-competitive approach.

### **Agency**

1. One of the State's "super" agencies such as the State and Consumer Services Agency or the Health and Human Services Agency.
2. Sometimes used interchangeably with *department*.

### **Amendment**

A document used to effect a contract change or modification in one or more provisions of an existing contract.

### **Arbitration**

A method of dispute resolution involving one or more neutral third parties who are usually agreed to by the disputing parties and whose decision is binding.

### **Architectural and Engineering (A&E)**

Professional services of any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the profession of architecture, landscape architecture, engineering, environmental services, land surveying, or construction project management.

### **Award**

A department's acceptance of an offer to provide goods or services by issuance of a contract/order.

### **Awarding Agency**

1. The department that conducts the Acquisition Phase and awards the contract.
2. For reporting purposes, in many instances, the awarding agency or department is the entity with the approved funding. Per PCC 10115.1(a) an "awarding department" is any State agency, department, governmental entity, or other officer or entity empowered by law to enter into contracts on behalf of the State of California.

### **Best Value**

1. Any factor or criterion related to requirements and supplier selection for a particular transaction that is established by a State department to ensure that their business needs and goals are effectively met and that the State obtains the most value.
2. Synonymous with *value effective*.

### **Bid**

1. An offer, made in response to a request to perform a contract for work/labor or to supply goods at a specified price, whether or not it is the result of competition or a non-competitively bid contract. Also known by other names such as proposal or quote.
2. An offer made in response to an Invitation for Bids (IFB).

### **Bid Bond**

A form of collateral provided by the contractor that assures that funds are available to reimburse the State for damages incurred should the contractor refuse or fail to execute a State contract based on the contractor's proposal.

### **Bidder**

1. A supplier who submits, or has identified their intention to submit, a bid to the State in response to a solicitation.
2. An individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to an Invitation for Bids.

### **Bidder's Conference**

A public meeting concerning a particular solicitation that is attended by potential bidders and/or other interested parties and is held during the Acquisition Phase prior to the bid submission date.

### **Breach of Contract**

Violation of a contractual obligation either by failure, without legal reason, to comply with the terms of the contract or interference with another party's performance.

### **Budget**

A plan of operation for a specific period of time expressed in financial terms.

1. A program budget expresses the operating plan in terms of the costs of activities to be undertaken to achieve specific goals and objectives.
2. A traditional budget expresses the plan in terms of the costs of the goods or services to be used to perform specific functions.

### **Budget Change Proposal (BCP)**

A BCP is a proposal to change the level of service or funding sources for activities authorized by the Legislature, or to propose new program activities not currently authorized.

## **Bundled Solicitation and Contract**

The solution to the State's information technology (IT) public policy and business needs is provided by one primary party, the system integrator, who has contracted with the State for completion of the contract. The system integrator or prime contractor also may have contracted with one or more third-party provider(s) to supply an array of IT goods and/or services necessary to the prime contractor to provide a solution to the State's business and/or policy requirements.

## **Buyer**

An individual with fiduciary responsibility authorized to act as an agent for the State to acquire goods and/or services. Sometimes referred to as a contract or purchasing official or professional.

## **CAL-Buy**

The State of California's online procurement system. The CAL-Buy system automates contracts, linking government buyers to thousands of products and helping streamline the purchasing process.

## **CAL-Card**

A payment mechanism (VISA payment card) that can be used in conjunction with a department's delegated purchasing authority. It can have flexible spending limits up to \$25,000, is issued in the name of the cardholder and is billed to the department.

## **California Code of Regulations (CCR)**

Regulations that have been adopted by State agencies in order to implement a statute after a period of public comment, review and approval by the Office of Administrative Law.

## **California Multiple Award Schedules (CMAS)**

A program that establishes leveraged contracts based upon an existing federal GSA (General Services Administration) Multiple Award Schedule or some other competitively bid or assessed multiple award contract.

## **California Procurement and Contracting Academy (Cal-PCA)**

A DGS program that provides professional development courses and seminars and certifies the proficiency of State contracting and purchasing professionals and managers.

## **California State Contracts Register (CSCR)**

An online State publication containing advertisements for solicitations, a list of contracts for which exemptions from bidding have been approved, and other features such as the Subscription Outreach Services that provides suppliers an opportunity to establish business profiles and automatically receive notice of solicitation advertisements matching the profile.

## **Certified Small Business**

A business that has been certified by the Office of Small Business and DVBE Certification (OSDC), Department of General Services, as a small business as defined in GC 14837 and 2 CCR 1896. OSDC issues the business a letter of certification that allows the business to claim the small business preference when submitting bids and to obtain statutory penalties for late payments on contracts.

## **Commodity**

Goods, including such tangible items as moveable or personal property such as materials, supplies and/or equipment. Does not include information technology goods.

### **Competition**

1. Full and open competition: All suppliers are permitted to compete for a contract. Bidders are evaluated on the same fixed criteria.
2. Competitive approach: An acquisition approach where the dollar-value of the transaction guides use of procedures for full and open competition, competition based on fair and reasonable evaluation, or use of the SB/DVBE option. This approach is contrasted with use of existing sources or a non-competitive approach.
3. Effective competition: Requirements for a particular transaction type that determine whether adequate competition has been achieved and a contract can be awarded.

### **Competitive Solicitation Process**

A process conducted when using a competitive approach. The solicitation method (phone, fax, written, etc.), solicitation document, and procedures vary based upon transaction type, approach (formal, informal, SB/DVBE option) and estimated dollar-value of the acquisition.

### **Consideration**

The exchange of something of value between the parties to a contract. The consideration may include some right, interest, profit, or benefit obtained by one party, or some forbearance, detriment, loss, or responsibility assumed by the other party. It is one of the key elements required to have a binding contract.

### **Consultant**

Entity that performs a service which is of an advisory nature providing a recommended course of action or personal expertise. The end product is basically a transmittal of information either written or verbal that is related to the governmental functions of State agency administration and management.

### **Contract**

A legally binding obligation or agreement by whatever name known or in whatever format used (including purchase orders), between the State and another entity, public or private, for the provision of goods or services.

### **Contract Manager**

1. A person designated by the responsible State agency or department to manage performance under a contract.
2. Per PCC 10348.5 at least one position per State agency must be designated as a contract manager. Every contract manager shall have knowledge of legal contractual requirements.

### **Contract Professional**

1. See *buyer*.
2. A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

### **Contractor**

1. The business entity with whom the State enters into a contract.
2. Contractor is sometimes used interchangeably with *supplier*, *vendor* or other similar term.

## **Cooperative Agreements**

Agreements that consolidate the needs of multiple entities to leverage buying power and obtain the benefits of volume purchasing and/or reduction in administrative expenses.

## **Default**

Failure to perform an obligation in a contract.

## **Deliverables**

Contracted goods, services, other items (e.g. reports), or results a supplier agrees to produce/provide in performance of a contract.

## **Department**

Any office, department, board, bureau, commission or other organizational entity within State government. Sometimes used interchangeably with *agency*.

## **Desktop and Mobile Computing Policy (DMCP)**

The DMCP is used by the Department of Finance (DOF) to delegate expenditure approval to a department to acquire desktop and mobile computing goods necessary to support programmatic functions and business needs. The policy is used in lieu of submission of a Feasibility Study Report to DOF.

## **Disabled Veteran Business Enterprise (DVBE)**

A business that meets all of the following criteria:

1. At least 51 percent of the business is owned by one or more disabled veterans, or in a business whose stock is publicly held, at least 51 percent or more of the stockholders are disabled veterans;
2. The management and control of the business are exercised by one or more disabled veterans;
3. The business is domestically owned and its home office is in the United States; and
4. The business has been certified as a DVBE by OSD.

## **Dispute**

A difference of contract interpretation between the State and the contractor or asserting a right to contract performance by one party against the other.

## **Emergency**

1. Public Contract Code (PCC) Section 1102: A sudden, unexpected occurrence that creates a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
2. Emergency acquisition: Authorization given by the Department of General Services Procurement Division to a State department to effect their own goods or information technology acquisition over their established delegated purchasing authority limit in the case of an emergency involving public health, welfare, or safety. Emergency Purchase authority is provided on Form 42, Authorization to Exceed Monetary Limits by Sub-Purchase Order.

## **Enterprise Zone Act (EZA)**

A program based in law that provides preferences for State contracting opportunities in designated enterprise zones.

### **Evaluated Bid Price**

The monetary figure used to determine the low bidder selected for award. The figure is derived by applying all eligible preferences to the *net bid price* and when specified in the solicitation, adding freight.

### **Evaluation and Selection Report**

A written document prepared by the buyer to describe the goods or information technology acquisition with emphasis on the supplier selection process, price analysis and other pertinent facts and decisions supporting the transaction (i.e., a contract award or change). Also known by other names or specific forms (e.g., Procurement Summary, etc.).

### **Executive Orders**

A directive issued by the Governor that establishes binding policy for government agencies covered therein.

### **Exemption**

1. DGS Exemption: A formal waiver by DGS, of DGS responsibilities required by statute regulation, or policy, or a delegation of such responsibilities by DGS to a State department. Some common exemptions waived by DGS for non-IT services involve contract approval, advertising, and competitive bidding requirements.
2. Statutory Exemption: Departments and/or transactions identified in law that are exempt from DGS review, approval, oversight, competitive bidding, etc.

### **Existing Sources**

An acquisition approach. Existing sources include, but are not limited to, leveraged procurement agreements, Community-based Rehabilitation Programs (CRPs), and State programs (such as property reutilization, Prison Industry Authority programs, and use of State resources through Interagency Agreements). This approach is contrasted with use of a competitive approach or a non-competitive approach.

### **Fair and Reasonable**

An evaluation methodology that can be used for acquisitions less than \$5,000 that is either objective or subjective. It is used to determine if the price paid is reasonably close to that price which would be paid by another prudent buyer under similar circumstances.

### **Feasibility Study Report (FSR)**

One of the standard formats for documenting automation or IT project proposals. The FSR documents the feasibility study and includes scope, costs, benefits, schedules and methodologies. The Report must be approved prior to the encumbrance or expenditure of funds beyond the feasibility study stage, including the use of staff resources.

### **Formal Competition**

A competitive acquisition above specified dollar levels requiring standardized procedures and use of specified solicitation document(s). Occasionally, a formal process might also be used for informal acquisitions.

### **General Provisions (GP)**

1. Terms and conditions applicable to a contract.
2. A document that is required to be included with certain goods and information technology contracts.

### **Good Faith Effort (GFE)**

The Good Faith Effort was removed by statute on July 28, 2009. Prior to that removal, the GFE was a sincere effort meeting specific legal steps made by a bidder or potential contractor to meet DVBE goals as defined in PCC 10115.2(b) and the implementing regulations.

### **Goods**

1. PCC 10290(d): All types of tangible personal property, including but not limited to materials, supplies, and equipment.
2. Transaction type: An acquisition classification. Identifying the acquisition of tangible items as goods as opposed to services or information technology goods. Also known as commodities.

### **Government Code (GC)**

A compilation of statutes adopted by the Legislature generally regarding how State and local governments will function.

### **GS \$Mart©**

The Golden State Financial (\$) Marketplace. The State of California's Internet-based program that offers an alternative form of financing for State purchases.

### **Indemnification**

Contractual provision in which one party will compensate the other party for settlements or judgments on claims arising from the contract.

### **Informal Competition**

A competitive acquisition below specified dollar levels where varying procedures, methods (phone, fax, written, etc.), and solicitation documents are allowed.

### **Information Technology (IT)**

1. SAM 4819.2: Information technology means all computerized and auxiliary automated information handling, including systems design and analysis, conversion of data, computer programming, information storage and retrieval, voice, video, data communications, requisite systems controls, and simulation. The term "information technology" is commonly abbreviated as "IT."
2. Transaction type: An acquisition classification identifying the acquisition of goods/services as information technology as opposed to non-IT services or goods.

### **Information Technology Procurement Plan (ITPP)**

An ITPP describes the overall strategy necessary to accomplish and manage an information technology (IT) acquisition by formally documenting that the proposed approach for the acquisition satisfies State requirements. The ITPP is used to assess a project's readiness to start the acquisition phase.

### **Information Technology Service**

Services performed directly on or pertaining to electronic technology and telecommunications hardware, firmware, and software including, but not limited to, computerized and auxiliary automated information handling, system design and analysis, data conversion, computer programming, information storage and retrieval, voice, video, data communications, requisite system controls, simulation, electronic commerce, maintenance and repair, software licensing and support, training, and all related interactions between people and machines. Also included are services of an advisory nature requiring a recommended course of action or personal expertise as it pertains to an information technology project and information technology support functions.

### **Installment Purchase**

The purchase of hardware or equipment on an installment plan where a portion of the cost is paid at each of some scheduled period of time. Interest is usually included in the amount paid.

### **Interagency Agreement (IAA)**

An agreement between two or more State agencies/departments.

### **Invitation for Bids (IFB)**

A type of solicitation document used in a formal competitive bidding process for goods, services, and IT goods/services and sometimes for informal acquisitions of IT goods/services. An IFB is used when specifications are detailed in functional and/or technical terms for goods and IT, or for non-IT services when there is little discretion performing the work. Award is based on low price.

### **Invoice**

A document received by the State from the contractor. It is a bill for contract execution, generally for services rendered or for goods delivered.

### **Independent Project Oversight Consultant (IPOC)**

Independent Project Oversight – An independent review of the project management of a project to ensure approved project plans and sound management practices are used to minimize risk.

### **Independent Validation and Verification (IV&V)**

Independent Validation and Verification – An independent determination of whether development products satisfy the intended use and the user needs when operated in the environment for which they are intended (verification), and whether the products satisfy the specified requirements of the project (validation).

### **Lease Purchase**

The leasing of hardware or equipment over some period of time, which includes an option to purchase for a nominal sum at the end of the leasing period.

### **Leveraged Procurement Agreement (LPA)**

A leveraged procurement is the method used to combine State departments' requirements for the same items or for families of similar items, thus providing standardization and "leveraging" the State's buying power to:

1. Achieve lower prices, better terms/conditions, and/or improved service through volume purchasing; and
2. Minimize the administrative costs associated with individual departments having to undergo

the acquisition process repetitively to fulfill their individual, ongoing requirements for the same item(s).

Examples of the State's leveraged procurement agreements include Master Agreements (such as cooperative agreements for the Western States Contracting Alliance [WSCA] contracts), California Multiple Award Schedules (CMAS), Statewide Contracts (including strategically sourced contracts), Software Licensing Program (SLP) contracts, and the State Price Schedules.

### **Local Agency Military Base Recovery Area Act (LAMBRA)**

A program based in law that provides preference for State contracting opportunities in designated local agency military base areas.

### **Management Memo (MM)**

An instrument to universally transmit information about policies, procedures, programs, etc.

### **Mandatory**

Mandatory Source or Contract: Refers to, unless exempted, the required use of specified existing sources (e.g., products/services available through Prison Industry Authority or some Leveraged Procurement Agreements) for listed goods, services, and information technology goods/services.

### **Market Research**

The process used for collecting and analyzing information about capabilities within the market to satisfy a department's needs.

### **Market Survey**

An effort to ascertain what qualified sources capable of satisfying the State's requirements exist and to obtain market research information about their products, services, and capabilities. A Request for Information is sometimes used for this purpose.

### **Master Agreement**

An agreement entered into by the Department of General Services resulting in set prices for a specific period of time that can be used by other government entities within California to obtain the listed goods/services.

### **Master Purchase Agreement (MPA)**

See *Master Agreement* as it relates to purchase of goods.

### **Master Rental Agreement (MRA)**

See *Master Agreement* as it relates to rental of goods.

### **Master Service Agreement (MSA)**

1. See *Master Agreement* as it relates to acquiring services.
2. May also be an agreement for non-IT services by a State department for use by divisions of that department.

### **Microbusiness**

A subset of *certified small business* that together with any affiliates is either:

1. A service, construction, or non-manufacturer with 25 or fewer employees, and average annual gross receipts of \$2,500,000 or less over the previous three years, or
2. A manufacturer with 25 or fewer employees.

### **Net Bid Price**

The adjusted price of a proposed bid in response to a solicitation. Adjustments can include, but may not be limited to, items such as mathematical corrections or omissions, allowable discounts and trade-ins. Depending upon specific solicitation requirements, freight is either included in the net bid price or the evaluated bid price. Items such as sales and use tax are generally not evaluated and therefore, usually not included unless specifically stated otherwise in the solicitation.

### **Non-Competitive Bid (NCB)**

A non-competitive transaction adhering to a specific approval process in which only a single supplier is afforded the opportunity to offer the State a price for the specified goods or services.

### **Office of the State Chief Information Officer (OCIO)**

Office of the State Chief Information Officer -- a cabinet-level agency with statutory authority over strategic vision and planning, enterprise architecture, IT policy, and project approval and oversight (see SB 90, Statutes of 2007, Senate Bill 834 (Statutes of 2006), or Government Code § 11545.)

### **Offer**

A promise or commitment that, if accepted, would bind the offeror to perform the resultant contract.

### **Offeror**

Any entity that has submitted an offer, generally in response to a solicitation.

### **Option**

A unilateral right of the State contained in a written contract by which, for a specified time, the State may elect to purchase additional goods and/or services called for by the contract, or may elect to extend the terms of the contract under the same or similar terms and conditions for an additional period, provided that the option was considered in the evaluation for award.

### **Participation programs**

Programs with legislatively set goals for achievement of participation as a result of the acquisition process. Agencies seek to meet an overall contracting goal for participation of certain types of businesses/products.

### **Payment bond**

1. A form of collateral provided by the contractor that assures that funds are available to pay certain workers, subcontractors, and suppliers should the contractor fail to perform.
2. A bond required for public works contracts in excess of \$5000. The bond covers the costs of the contractor's employees, subcontractors, and suppliers in the event that the contractor fails to make those payments. The payment bond must equal the contract price.

### **Performance**

Contractor's actions and deliverables provided to fulfill the legal obligations of a contract.

### **Performance Bond**

1. A form of collateral provided by the contractor that assures that funds are available to reimburse the State for damages if the contractor fails to perform or causes damage while performing the contract.
2. A bond required for public works contracts in which progress payments are made. The bond insures costs in the event that the contractor abandons the work before its completion or fails to complete the work as required by the contract. The performance bond must equal the contract price.

### **Preference Programs**

Legislatively mandated programs that promote business within the State by providing an evaluation advantage to qualifying bidders.

### **Preferences**

During bid evaluation, an adjustment made to provide a monetary or other advantage to a qualified bidder as established by law and regulation and which may impact the determination of supplier selection. Types of preferences include: Small Business, Target Area Contract Preference Act (TACPA), Enterprise Zone Act (EZA), Local Agency Military Base Recovery Area (LAMBRA) Act, and Recycled Content Program.

### **Price**

The cost of goods and/or services plus any fee or profit.

### **Price Analysis**

An evaluation of a supplier's proposed price to examine its reasonableness without evaluating its separate cost elements and proposed profit.

### **Prime Contractor**

The primary party who has contracted with the State for completion of the contract.

### **Procurement**

See *acquisition*.

### **Procurement Approach**

See *acquisition approach*.

### **Procurement and Contracting Officer (PCO)**

The individual responsible for direction of the acquisition system for each State department, including implementation of the unique acquisition policies, regulations, and standards of the department.

### **Procurement Professional**

See *contract professional*.

### **Program Manager**

The person responsible for a program which usually has very focused goals and includes the execution of various projects.

### **Progress Payments**

Partial payment approach identified in a contract related to steps or phases toward the completion of the contract. Use of this payment approach can require withhold of a percentage of payment pending completion of the entire contract and a bond.

### **Project Management**

The application of knowledge, skills, tools, and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project.

### **Project Manager**

The individual responsible for managing a project.

### **Project Team Member**

Individuals that participate in, or have a role during, an acquisition process. Examples include program manager, project manager, buyer, contract manager, etc.

### **Prompt Payment Act**

Statutory provisions that establish contract payment timelines and set interest penalties on late payments for State contracts.

### **Proposal**

1. See *bid*.
2. An offer made in response to a Request for Proposals (RFP).

### **Protest**

1. Intent to Award: A bidder's objection, formally filed with the department prior to purchase order/contract award, against the proposed or intended awarding of a purchase order/contract.
2. Solicitation requirements: A bidder or prospective bidder's written challenge of stated requirements in a published solicitation document.

### **Protestant**

A bidder who files a protest that challenges the intended award.

### **Public Contract Code (PCC)**

A compilation of statutes adopted by the Legislature generally regarding how State and local agencies will contract for goods and services.

### **Public Works Contract**

A contract for the erection, construction, alteration, repair, or improvement of any State structure, building, road, or for other State improvement of any kind.

### **Purchase Document**

A term used generically to refer to both contracts and *purchase orders*.

### **Purchase Estimate**

A standard form (Std. 66) that initiates a purchase of goods or information technology goods and services. It contains the details of a purchase to meet a department's need, replenish stock or obtain goods and services for specific programs. It provides departmental budgetary authority in the form of an estimated cost, internal purchase authorization, and serves as an accounting record of purchases in process. It is submitted to the Department of General Services, Procurement Division to conduct the acquisition on behalf of the requestor.

### **Purchase Order**

A contractual document which formalizes the State's acceptance of an offer to buy goods and/or services from a supplier. Upon acceptance of the offer by the State, an enforceable contract for the sale of goods and/or the performance of services is formed.

### **Purchasing Authority**

The authority to conduct acquisitions of information technology goods/services and/or goods (except for competitive purchases of goods \$100 or less). Purchasing authority is granted by DGS to departments that meet specific requirements. Delegated purchasing authority must be obtained prior to use of most existing sources such as the State's leveraged procurement agreements (CMAS, Master Agreements including WSCA, Statewide Contracts, Software Licensing program contracts, and State Price Schedules).

### **Quotation**

1. See *bid*.
2. An offer made in response to a Request for Quotations (RFQ).

### **Reasonable Price**

See *fair and reasonable*

### **Rejection**

The act that determines that the goods or services fail to conform to the contract in some material respect.

### **Request for Information (RFI)**

A document used to obtain market pricing, or other market information or capabilities during the Acquisition Planning phase.

### **Request for Interest (RFI)**

A document issued during the Acquisition Phase that requests suppliers to acknowledge their interest to receive a solicitation thus potentially serving as a cost-saving step by reducing the quantity of documents distributed.

### **Request for Offer (RFO)**

A document generated by a department when using a Leveraged Procurement Agreement (LPA), such as CMAS or MSA. It is sent to LPA contractors, contains requirements for a specific transaction, and requests a response or offer.

### **Request for Proposals (RFP)**

A type of solicitation document used in a formal competitive process for non-IT services and IT goods/services. An RFP is used for:

1. IT when specifications are stated in a more general nature describing the problem to be solved or goal to be achieved, or
2. Non-IT services, Primary Method, when the service approach can vary and award is based on low price, or
3. Non-IT services, Secondary Method, when the service approach can vary and award is based on a point system.

### **Request for Quotations (RFQ)**

A type of solicitation document used in an informal competitive process to acquire goods and IT goods/services.

### **Requisition**

A general term for an official written request to acquire goods and services that is sent to a purchasing department or entity. The type of written request varies by acquisition approach or department policy and may include use of a standard Purchase Estimate, service request document, request memo or other format.

### **Responsible Supplier/Bidder**

A bidder who is fully capable of performing the contract. Considerations include a supplier deemed to satisfactorily demonstrate some or all of the following, pertinent to the specific transaction:

1. Adequate financial resources or the ability to obtain the resources required to perform the contract;
2. An adequate cost accounting system;
3. The capability to comply with the required or proposed delivery or performance schedule considering all existing commitments;
4. A satisfactory record of performance;
5. A satisfactory record of integrity;
6. Qualified and eligible to receive an award under all applicable laws and regulations;
7. Necessary organization, experience, operational controls and technical skills (or the ability to obtain them);
8. Necessary production and technical equipment and facilities;
9. The ability to satisfy special capability standards when required by a unique procurement or class of procurements; and
10. An adequate quality assurance program.

### **Responsive Supplier/Bidder**

A bidder whose solicitation response is compliant with solicitation requirements and indicates performance without material deviation from the terms and conditions of the proposed contract.

### **SB/DVBE Option**

A competitive acquisition allowed per GC 14838.5 (a) & (b). It can be used for transactions within a specified dollar range and targets participation from only small businesses or disabled veteran business enterprises.

### **Scope of work**

See *statement of work*

### **Services**

1. Non-IT services: A contract in which the contractor provides a duty or labor, as opposed to commodities or goods.
2. IT services: IT contracts for personal labor, effort, or time, including services for computer hardware and software maintenance or repair; programming and analysis of IT systems; IT training or other IT consulting service.
3. Transaction type: An acquisition classification. Identifying the acquisition as non-IT services as opposed to goods or information technology goods/services.

### **Small Business**

See *certified small business*.

### **Socioeconomic Programs**

See *participation programs and preference programs*.

### **Software**

An all-inclusive term which refers to any computer programs, routines, or subroutines supplied by the contractor, including operating software, programming aids, application programs, program products, and any associated documentation.

### **Software Licensing Program (SLP)**

Contracts established with resellers designated by the publishers, for proprietary software that reduces the need for individual departments to conduct repetitive acquisitions. Discounts for proprietary software licenses are offered based on the anticipated volume of sales.

### **Solicitation**

The process, by whatever name known or in whatever format used, of notifying prospective bidders that the State wishes to receive bids for furnishing goods and/or services.

### **Specification**

A generic term to refer to a written requirement of a solicitation or contract that provides a concise and accurate description of the goods or services to be provided including the procedure by which it can be determined that the requirements have been met. A specification defines what the buyer wishes to buy and consequently, what the contractor is expected to provide.

### **Special Project Report (SPR)**

Special Project Report – One of the standard formats for documenting changes in scope, cost, benefits, schedules, or methodologies of a previously approved IT project.

### **Stakeholders**

Individuals and organizations that are involved in, or may be affected by, project activities.

### **State Administration Manual (SAM)**

A manual governing State functions published by the Department of General Service, Office of State Publishing. Provides uniform guidance to State agencies in their fiscal and business management affairs, relative to statewide policies, procedures, law or regulations.

### **State Contract Advisory Network (SCAN)**

SCAN is a network comprised of State employees dedicated to improving the State's non-IT service contracting process.

### **State Contract and Procurement Registration System (SCPRS)**

An Internet based application that provides a uniform reporting process for all purchases or contracts over \$5,000. The database generates a unique registration number for each transaction that must be included on contracts and purchase orders.

### **State Contracting Manual (SCM)**

A resource manual which provides uniform guidance to State agencies for the acquisition of goods and services.

### **State Price Schedule (SPS)**

A type of LPA for unique or proprietary items whereby the supplier agrees to accept orders from the State at fixed prices for a specified period of time.

### **State Purchase Card Program**

See *CAL-Card*.

### **Statement of Work (SOW)**

A written description of work to be performed under a contract to satisfy the State's needs. It can include what is to be done, when, where, and how plus define the roles and responsibilities of the State and the contractor. Sometimes referred to as scope of work.

### **Statewide Contract**

A contract based on a competitive process providing various goods for a specified period of time at a fixed price. While some of these contracts may be restricted to use by a specific agency, most are available for use by all State and local government agencies.

### **Strategically Sourced Contracts**

Contracts established through competition that are used on a statewide basis. The strategic sourcing process includes analysis of various factors and use of contracting techniques to obtain the best values available in the marketplace. Use of these contracts is mandatory unless otherwise specified in the User Instructions. There are no monetary thresholds for orders placed against these contracts.

### **Subcontractor**

An individual or business contracting to perform part, or all, of another's contract.

### **Subject Matter Expert**

A person who has a recognized level of competency on a specific subject matter as a result of their education, work experience, and/or professional certification.

### **Supplier**

1. An individual, sole proprietorship, firm, partnership, corporation, or any other business venture.
2. Sometimes used interchangeably with bidder, vendor, merchant or contractor.

## **Supplier Selection**

1. The act of determining the supplier to receive a State contract award. Some situations may result in the decision not to award a contract.
2. Sometimes referred to as source selection or evaluation and selection.

## **Surety**

An individual or corporation legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation.

## **Target Area Contract Preference Act (TACPA)**

A program based in law that provides preferences for contracting opportunities in distressed areas.

## **Termination**

A contract action taken to stop performance, either in whole or in part. Termination may be with the bilateral (mutual) agreement of the parties, for the unilateral (sole) convenience of the State or for the default of one of the contracting parties who has materially breached the contract.

## **Terms and Conditions**

1. Provisions, qualifications or clauses in a contract which create, suspend, or terminate the obligations of the contracting parties.
2. Standardized language commonly referred to as "boilerplate" which is used in a uniform context in contracts without variation.
3. A document that is required to be included with certain non-IT service or other contracts.

## **Transaction**

1. Acquisition/procurement transaction: An undertaking to acquire goods/services as part of a specific project. It can take various forms such as a new contract, amendment, etc.
2. Transaction type: An acquisition's classification. Examples include classifying an acquisition as goods, services, or information technology.

## **Unbundled Solicitation and Contract**

The solution to the State's IT public policy and/or business needs is provided by one or more IT suppliers who have each individually contracted with the State for completion of their contracts.

## **Uniform Commercial Code (UCC)**

A compilation of commercial law regarding sales of goods over \$500, installment sales, commercial paper, etc., which is the result of an attempt to make the laws of the 50 states consistent in these areas. The California Legislature has generally adopted the UCC, but has made modifications to some sections, which can be found in the California Commercial Code.

## **Unilateral Change**

A contract change permitted by the terms of the contract that is directed by the State, doesn't require agreement by the contractor, and must be performed.

## **Value Effective**

1. Synonymous with *best value*.
2. Consideration of requirements and evaluation methodology for information technology

acquisitions that may include but not be limited to, the following:

- (a) The operational cost that the State would incur if the bid or proposal is accepted.
- (b) Quality of the product or service, or its technical competency.
- (c) Reliability of delivery and implementation schedules.
- (d) The maximum facilitation of data exchange and systems integration.
- (e) Warranties, guarantees, and return policy.
- (f) Supplier financial stability.
- (g) Consistency of the proposed solution with the State's planning documents and announced strategic program direction.
- (h) Quality and effectiveness of business solution and approach.
- (i) Industry and program experience.
- (j) Prior record of supplier performance.
- (k) Supplier expertise with engagements of similar scope and complexity.
- (l) Extent and quality of the proposed participation and acceptance by all user groups.
- (m) Proven development methodologies and tools.
- (n) Innovative use of current technologies and quality results.

### **Vendor**

1. See *contractor* or *supplier*.

2. An individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to an IT Request for Quotations or Request for Proposals.

### **Warranty**

A promise or affirmation given by a contractor to the State regarding the nature, usefulness, or condition of the supplies or performance of services furnished under the contract. Generally, a warranty's purpose is to delineate the rights and obligations for defective items and services, and to foster quality performance.

### **Western States Contracting Alliance (WSCA)**

A consortium of multiple states that establishes cooperative contracts using a competitive process. Participating state governments join together in order to achieve cost-effective and efficient acquisition of quality products and services through volume discounts.