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# Glossary

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Statewide SB/DVBE  
Advocate Toolkit

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Revised February 2012

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## **GLOSSARY OF TERMS**

**8 (a)** – The Program was created in 1974 to help minority and other small disadvantaged businesses (SBDs) to grow through a program of federal contracting preferences and set-asides. Through the 8(a) Program, eligible firms can be awarded government contracts on a sole-source, non-competitive basis.

**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 pre-existing sources, through competition, or requirement a non-competitive approach.

**Advocate - Small Business and DVBE:**

Each State agency is required under MVC 999.12 to appoint a DVBE advocate to be responsible for the following:

1. Review department solicitation information and identify potential subcontracting opportunities;
2. Provide information regarding pending bid opportunities to individual DVBE businesses and sponsorship organizations;
3. Represent his/her agency at outreach meetings and conferences; and
4. Help prime contractors to meet their obligations by suggesting practical and beneficial strategies to include DVBE firms in their business planning.

(The Advocate also serves State-certified small businesses in similar respects.)

Other responsibilities include:

1. Prepare training for intra-departmental staff; and
2. Provide annual reports to DGS on success in meeting DVBE participation goals.

**Agency:** One of the State’s “super” agencies such as the California Resources Agency, State and Consumer Services Agency or the Health and Human Services Agency responsible for departments under that particular agency. 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.

**Architectural and Engineering (A&E):** Professional services of an 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.

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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 to enter into contracts on behalf of the State of California.

**Best Value:** 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; 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 Bid (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 the 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 Bid.

**Bidders’ 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 by 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.

**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 to streamline the purchasing process.

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**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 Disabled Veteran Business Enterprise (DVBE):** A DVBE is a California veteran owned-business, certified by the Office of Small Business and DVBE Services (OSDS) as meeting all requirements defined in Military and Veterans Code 999 including performing a Commercially Useful Function (CUF) and meeting both the 10% service-connected disability and the 51% ownership and management standard. OSDS issues a letter of certification to the business that identifies the firm as a qualified DVBE when responding to solicitations as a prime or as a member of a prime firm's subcontracting team.

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

**Commercially Useful Function (CUF):** CUF is a compliance review of a proposed small business or DVBE prime firm or subcontractor or supplier to establish that the firm selected is not acting as a pass-through or a "front" in order to gain the appearance of meeting SB or DVBE bid requirements to illegally obtain awards for goods, services, and IT Goods and Services. CUF is established when a certified small business or DVBE firm meets all of the following:

1. Is responsible for the execution of a distinct element of the work of the contract
2. Carries out the obligation by actually performing, managing, or supervising the work involved
3. Performs work that is normal for its business services and functions
4. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry standards

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**Commodity/Commodities:** Goods, including such tangible items as moveable or personal property such as materials, supplies, and/or equipment. This 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 procedures for full and open competition based on fair and reasonable evaluation or use of the SB/DVBE option. This is contrasted with use of pre-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 that 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 with into a contract.
2. Contractor is sometimes used interchangeably with supplier, vendor, or other similar term.

**CVE (Center for Veterans Enterprise):** OSDDBU office within the VA tasked with assisting VOBs and SDVOBs to find governmental contracts.

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**CCR (Central Contractor Registration):** CCR is the primary vendor database for the U. S. Federal Government. The CCR collects, validates, stores, and disseminates data in support of agency acquisition missions. Both current and potential government vendors are required to register in CCR in order to be awarded contracts by the government.

**CMR (Commercial Marketing Representative):** If you would rather be a subcontractor on government contracts, these are the people to talk to. They work with large prime contractors and help them find subcontractors.

**Default:** Failure to perform an obligation in a contract.

**Deliverables** Contracted goods, services, other items (e.g. reports), or reports 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.

**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 OSDS.

**DCAA (Defense Contract Audit Agency):** Responsible for performing all contract audits for the Department of Defense (DOD), and providing accounting and financial advisory services regarding contracts and subcontract to all DOD components responsible for procurement and contract administration.

**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.

**DVBE Incentive:** The DVBE Incentive is an opportunity for non-DVBE and DVBE firms to receive an incentive calculation in state bids that may put them in line for contract award. Incentives offered are no less than 1 percent and no greater than 5 percent. Each bidder proposing DVBE whether as a prime or subcontractor receives an incentive. The Incentive amount applied is the same level as the bidder's DVBE commitment level. In the case of Incentive applied to a DVBE-owned firm, that firm will receive the highest level of incentive available which is 5 percent.

**DVBE Option:** A competitive acquisition allowed per GC 14838.5 (a) & (b). It can be used for transactions within a specified range and targets participation from only small businesses or disabled veteran business enterprises. Under Option Rules, Departments are allowed to solicit a minimum of two certified DVBE businesses to obtain price quotes for goods, IT goods and services, and personal services between \$5,001 and up to \$249,999.00, and up to \$147,000 for public works.

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**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 delegate purchasing authority limit in 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.

**eProcurement:** Multi faceted database operated by DGS to provide consolidated services for bid advertisement, bid opportunities and SB and DVBE firm certified listings.

**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 know by other names or specific forms (e.g. Procurement Summary, etc.)

**Executive Order:** 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.

**Fair and Reasonable:** An evaluation methodology that can be used for acquisitions less than \$5,000.00 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 by another prudent buyer under similar circumstances.

**Feasibility Study Report (FSR):** A process generally conducted prior to the encumbrance or expenditure of funds on an information technology project that results in a standardized written report. An FSR documents the outcomes, must be approved prior to the encumbrance or expenditure of funds, including the use of staff resources, on any information technology project beyond the feasibility study stage.

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**FedBizOpps:** FedBizOpps.gov is the single government point-of-entry (GPE) for Federal government procurement opportunities over \$25,000. Government buyers are able to publicize their business opportunities by posting information directly to FedBizOpps via the Internet. Through one portal – FedBizOpps (FBO) – commercial vendors seeking Federal markets for their products and services can search, monitor, and retrieve opportunities solicited by the entire Federal contracting community.

**FAR (The Federal Acquisition Regulations):** Roadmap for doing business with the federal government. The FAR was established to codify uniform policies for acquisition of supplies and services by executive agencies. It is issued and maintained jointly, pursuant to the OFPP Reauthorization Act, under the statutory authorities granted to the Secretary of Defense, Administrator of General Services, and the Administrator, National Aeronautics and Space Administration. Statutory authorities to issue and revise the FAR have been delegated to the Procurement Executives in DOD, GSA, and NASA.

**The Federal Procurement Data Center (FPDC):** Part of the U.S. General Services Administration, operates and maintains the Federal Procurement Data System (FPDS.) The FPDS is the central repository of statistical information on Federal contracting. The system contains detailed information on contract actions over \$25,000 and summary data on procurements of less than \$25,000.

**The Federal Technology Center (The FTC):** Was incorporated in 1995 as a non-profit public benefit corporation to act as a Partnership Intermediary (PI) for federal laboratories as outlined in legislation of the Omnibus Trade and Competitiveness of 1988. In October 2000, The FTC established a Procurement Technical Assistance Center to provide government contracting to a 10-county area surrounding Sacramento, California. In October 2003, The FTC was designated as a Statewide Procurement Assistance Program. For the first time since Congress established the Procurement Technical Assistance Program in 1985, The FTC together with the Regional Centers are chartered to provide procurement assistance services to ALL businesses in California. The FTC continues to serve the businesses in its original 10-county service area, and has added staff to assist approximately 400,000 small businesses in an additional 37 counties. The “Statewide” designation means that for the next five years, The FTC is eligible for additional federal funds, provided that all governmental entities in the service area contribute the required local matching funds. **Note: see PTAC**

**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.

### **General Terms and Conditions (GTC)**

GTC are the state’s terms and conditions that apply to all contracts for services and are included in any final document.

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**Good Faith Effort (GFE):** *This is no longer a DVBE program compliance option. The Five Steps of the Good Faith Effort were abolished in July 2009.*

**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.

**Government Impact Card:** Government credit card that cardholders may use to make purchase up to \$2,500.

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

**GSA (General Services Administration):** GSA is a centralized federal procurement and property management agency created by Congress to improve government efficiency and help federal agencies better serve the public. It acquires, on behalf of federal agencies, office space, equipment, telecommunications, information technology, supplies and services. GSA, comprised of 14,000 associates, provides services and solutions for the office operations of over 1 million federal workers in more than 8,000 government-owned and leased buildings in 2,000 U.S. communities.

**HUBZone (Historically Underutilized Business Zone):** The HUBZone Empowerment Contracting program provides federal contracting opportunities for qualified small businesses located in distressed areas. Fostering the growth of these federal contractors as viable businesses, for the long term, helps to empower communities, create jobs, and attract private investment. A small business must meet all of the following criteria to qualify for the HUBZone program: it must be located in a "historically underutilized business zone" or HUBZone; it must be owned and controlled by one or more US citizens; and at least 35% of its employees must reside in a HUBZone.

**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. GC 11702(e): Includes, but is not limited to, all electronic technology systems and services; automated information handling; system design and analysis; conversion of data, computer programming, information storage and retrieval; telecommunications that include voice, video, and data communications; requisite system controls, simulation; electronic commerce and all related interactions between people and machines.

## **GLOSSARY OF TERMS**

2. **Transaction type:** An acquisition classification. Identify the acquisition of goods/services as information technology as opposed to non-IT services or goods.

**Information Technology Procurement Planning document (ITPP):** An ITPP describes the overall strategy necessary to accomplish and manage an information technology acquisition by formally documenting that the proposed approach for the acquisition satisfies State requirements. The ITPP is a stand-alone document that allows the Department of General Services, Procurement Division, Technology Acquisitions Section the ability 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.

**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 and IT or for non-IT services when there is little discretion performing the work.

**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.

**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.

1. To achieve lower prices, better terms/conditions, and/or improved service through volume purchasing, and
2. To 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 (including the CAL-Store contract, the Western States Contracting Alliance [WSCA] contracts, the contracts for janitorial supplies and office supplies), California Multiple Award Schedules (CMAS), Statewide Commodity Contracts (such as the Prime Food Contractor Contracts) and the State Price Schedule.

**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.

## **GLOSSARY OF TERMS**

**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 pre-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.

**Micro-business:**

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 of \$2,500,000 or less over the previous three years, or
2. A manufacturer with 25 or fewer employees.

**Military/Eligible Reservist :** A member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.

**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 evaluation and therefore usually not included unless specifically stated otherwise in the solicitation.

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**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. This type of bid was formerly referred to as a Sole Source bid.

**Non-Small Business Preference (NSB):** NSB is a calculation preference offered to non-small businesses that commit to at least 25% small business participation in their bid response. The small business must be a certified small business at the time the bid or proposal is submitted. Application of the NSB preference may result in the firm being awarded the contract. The NSB cannot be used to displace the low bid of a certified small business bidder.

**Offer:** A promise or commitment that, if accepted, would bind the offering party to perform the resultant contract.

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

**Office of Small Business and DVBE Services (OSDS):** That office within DGS Procurement Division responsible for outreach and certification of California small and DVBE businesses.

**OSDBU (Office of Small and Disadvantaged Business Utilization):** Office at all federal agencies that serve as small business advocates within the agency.

**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 at 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 \$5,000. 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 the 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 required by the contract. The performance bond must equal the contract price.

## **GLOSSARY OF TERMS**

**Period of Military Conflict:** A period of war or national emergency declared by the Congress or the President, or a period of a contingency operation.

**PL 106-50 (Public Law 16-50):** Also known as the Veterans Entrepreneurship Act, a federal law passed in 1999 that sets as a goal that 3% of the value of all federal contracts and subcontracts shall be awarded to service-disabled, veteran-owned small businesses. This law also created the Veterans Corporation.

**PL 108-183 (Public Law 108-183):** The Veterans Benefit Act of 2003, signed by President Bush on December 16, 2003. The new Public Law enables SDVOBs to receive sole source and restricted competition contracts for goods and services used by the US government. Congress enacted this statute after data collected from more than 60 federal departments and agencies over a period of three years showed that half of them reported no procurement dollars expanded with SDVOB companies.

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

**Preferences:** During the 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 evaluation its separate cost elements and proposed profit.

**Prime Contractor:** The primary party which has contracted with the State for completion of the contract.

**Procurement:** See acquisition.

**Procurement Approach:** See acquisition approach.

**Procurement Center Representative (PCR):** These people are employees of the Small Business Administration (SBA) and are assigned to larger government buying offices.

**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.

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**Program Manager:** The person responsible for a program that 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:** Project management is the application of specific 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 in Government Code 927 that establish contract payment timelines and set interest penalties on late payments for State contracts.

**Pro Net:** The SBA database that used to be the authoritative source for vendors that were certified in SBA's 8(a) Business Development program, HUB Zone Empowerment Contracting Program and Small Disadvantaged Business program is now merged with CCR (Central Contractor Registration).

**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.

**PTAC (Procurement Technical Assistance Office):** The PTAC mission is to generate employment and improve the general economy of its geographic area. The PTAC will assist businesses seeking to do business with the Department of Defense (DOD) and State and local governments.

**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.

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

**Purchase Estimate:** A standard for (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 that 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:** This is the authority to conduct acquisitions of information technology goods and services, and/or goods over \$100. Purchasing authority is granted by DGS to departments that meet specific requirements. Delegated purchasing authority must be obtained prior to use of some pre-existing sources such as the State's leveraged purchasing agreements (CMAS, Master Agreements including WSCA and Cal-Store, Statewide Contracts, and State Price Schedules).

**Qualified Borrower :**

- (A) An individual who is an eligible reservist and who has an outstanding direct 7(a) loan or a 7(b) disaster assistance loan which he or she received before being ordered to active duty; or
- (B) A small business that has an outstanding direct 7(a) loan or a 7(b) disaster assistance loan he or she received before becoming an eligible reservist, who is an essential employee and who has been ordered to active duty.

**Quotation :**

- 1. See Bid.
- 2. An offer made in response to a Request for Quotations.

**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 in receiving a solicitation thus potentially serving as a cost-saving step by reducing the quantity of documents distributed.

## **GLOSSARY OF TERMS**

**Request for Offer (RFO):** RFO is 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):** RFP is a type of solicitation document used in a formal competitive process for non-IT services and IT goods/services and sometimes for informal acquisitions of 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 service, Secondary Method, when the service approach can vary and award is based on a point system.

**Request for Quotations (RFQ):** RFQ is a type of solicitation document used in an informal competitive process to acquire goods and IT goods/services. An RFQ is used when a transaction is straightforward, clearly defined, lower risk, and does not warrant investment of personnel time for a complicated approach.

**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 of 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. A fully-functioning cost accounting system;
3. The capability to comply with the required or proposed delivery or performance schedule, considering all existing commitments;
4. An adequate 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.

**SADBU (Small and Disadvantaged Business Utilization):** SADBU is a less-frequently-used term meaning the same thing as OSDBU.

## **GLOSSARY OF TERMS**

**SCM Volume I:** California State Contracting Manual Vol. I – this is the first of three volumes that addresses procedures, practices, and regulations for obtaining personal services through the competitive bid process; the non-competitive bid process; and contracts with state and other public entities. The purpose is to provide accurate and current information about the law, state policies, procedures and practices related to service contracts. Oversight responsibility is DGS Office of Legal Services.

**SCM Volume II:** California State Contracting Manual Vol. II – this is the second of three volumes that addresses procedures, practices, and regulations for obtaining commodities through the competitive and non-competitive bid process. The purpose is to provide accurate and current information about the law, state policies, procedures and practices related to procurement of commodities. Oversight responsibility is DGS Procurement Division.

**SCM Volume III:** California State Contracting Manual Vol. III – this is the third of three volumes that addresses procedures, practices, and regulations for obtaining IT Goods and Services through the competitive bid process; the non-competitive bid process; and contracts with state and other public entities. The purpose is to provide accurate and current information about the law, state policies, procedures and practices related to service contracts. Oversight responsibility is DGS Procurement Division.

**Small Business Option:** A competitive acquisition allowed per GC 14838.5 (a) & (b). It can be used for transactions within a specified range and targets participation from only small businesses or disabled veteran business enterprises. Under Option Rules, Departments are allowed to solicit a minimum of two certified Small Businesses to obtain price quotes for goods, IT goods and services, and personal services between \$5,001 and up to \$249,999.00, and up to \$147,000 for public works.

**SBA (Small Business Administration):** Over the past 47 years, the SBA has grown in terms of total assistance provided and its array of programs tailored to encourage small enterprises in all areas. SBA's programs now include financial and federal contract procurement assistance, management assistance, and specialized outreach to women, minorities, and armed forces veterans.

**SBLO (Small Business Liaison Officer):** Person working in an agency or company tasked with assisting small businesses to do business with that agency or company.

**Scope of Work:** See statement of work.

**SCORE (Service Corps of Retired Executives):** SCORE "Counselors to America's Small Business" is a non-profit association dedicated to providing entrepreneurs with free, confidential, face-to-face and email business counseling. Business counseling and workshops are offered at 389 chapter offices across the country.

**SDVOB (Service-Disabled, Veteran-owned Business):** A small business that is at least 51% owned and controlled by a service-disabled veteran of the military. The service-connected disability can be 0% in some states.

**Service-Connected:** Means that a disability or the resulting death was incurred or aggravated in the line of duty in the active military, naval, or air service.

## **GLOSSARY OF TERMS**

**Service-Disabled Veteran:** Veteran with a disability that is service-connected.

### **OServices**

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 to 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.

**Simplified Acquisition Procedures:** This is an acquisition process that may be used for contracts up to \$100,000.

**Small Business:** The criteria vary from industry in terms of annual revenues, number of employees, etc. Get a more specific definition from the SBA.

**Small Business Owned and Controlled by a Service-Disabled Veteran:** This term indicates that the business is at least 51% owned by one or more service-disabled veterans or, in the case of any publicly-owned business, that at least 51% is owned by one or more services-disabled veterans; and whose management and daily business operations are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse, or permanent caregiver of such veteran.

**Small Business Specialist (SBS):** The SBS is an employee of the buying office that helps you get bid opportunities. They know the ins and outs of the buying office and the people you may need to meet. If you have trouble getting the bid or technical data package, the specialist is the one to contact. Every federal buying office, civilian or Defense should have someone with that title.

**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.

**Sole Source:** This procurement type, now designated the Non-Competitive Bid (NCB), is used when only one source is considered available for purchasing the required goods or services due to practical considerations. Competitive bidding is not available in sole source procurements, distinguishing them from proprietary procurement when the product is restricted to that of only one manufacturer. Rather, it is sold through distributors and competition between them can be obtained.

**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 referring 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

## **GLOSSARY OF TERMS**

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.

**Stakeholders:** These are individuals and organizations that are involved in, or may be affected by, project activities.

**State Administrative Manual (SAM):** A manual governing State functions published by the Department of General Service, Office of State Publishing. It provides uniform guidance to State agencies in their business and fiscal 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. This database generates a unique registration number for each transaction that must be included on contracts and purchase orders.

**State Contracting Manual (SCM):** Resource manual providing uniform guidance to State agencies for acquisitions of services, consultant services, public works, architectural and engineering services, and interagency agreements.

**State Price Schedule (SPS):** A type of LPA for unique or proprietary items whereby the supplier agrees to accept orders for 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 it defines the roles and responsibilities of the State and the contractor. It is 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.

**Subcontractor:** Federal Acquisition Regulations define "subcontractor" as "any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor."

**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.

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**Supplier Diversity:** Offices or departments within large companies tasked with ensuring supplier socio-economic class goals are met.

**Supplier Selection:**

1. The act of determining the supplier is 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.

**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:

## **GLOSSARY OF TERMS**

- 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.

**Veteran:** A person who served in the active military, naval, or air service, and who was honorably discharged.

**Veterans Business Outreach Center (VBOC):** The Veterans Business Outreach Center (VBOC) is a non-profit organization 501c(3), partially funded by the U.S. Small Business Administration (SBA) and is a division of Vietnam Veterans of California Inc. (VVC) serving veterans since 1980. The VBOC mission is to advance the growth and commercial competitiveness of veteran-owned small business enterprises through education and services focusing on business development, technology, deployment, and e-commerce.

**Veteran Service Organization (VSO):** Veteran Service Organization are non-profit organizations that rely on public donations to support programs that promote citizenship education and volunteerism and facilitate aid for veterans and their families in need of medical, rehabilitative, educational, and employment services. They are committed to improving the lives of veterans and service personnel, their families, and their communities.

**VOB (Veteran-owned Business):** A small business that is at least 51% owned and controlled by a veteran of the military.

**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.

## **GLOSSARY OF TERMS**

**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.

**WMBE (Woman or Minority-owned Business Enterprise):** A small business that is at least 51% owned and controlled by a woman or minority. On a federal level, Congress considers a minority-owned business as generally anyone other than white. The business must be owned at least 51% controlled by one or more minorities. Women are not considered minorities.

**Workgroup Computing Policy (WCP):** A means of exercising proper control over each department's use of microcomputer technology. To be an effective means of control, however, the department's Workgroup Computing Policy must work in concern with its:

1. Information management strategies,
2. Existing and planned information technology infrastructure,
3. Potential for using microcomputer commodities within workgroup computing, and
4. Potential for down-sizing of applications, including mission-critical applications.

This Policy can be used to acquire a complete workgroup computing configuration, including microcomputers, software, peripherals, servers, local a