

CONTRACTING AND PURCHASING SERVICES POLICY MANUAL

	POLICY PUR 002-00
	Section: 000 Introductory Material
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	Responsible office: Purchasing
	Origination date: 07/01/1996
Subject: Definitions	Effective date: 07/01/1996
Source: University policy ABOR 3-801	Revision date:

PURPOSE

Define terms used in the Purchasing Policy and Procedure manual.

PUR 002-00-01: Definitions

ABOR - The Arizona Board of Regents.

Bid - A firm offer from a vendor to provide goods and/or services meeting specific requirements in response to a request for quotation issued by the University.

Bid Specifications - See "SPECIFICATIONS."

Board - The Arizona Board of Regents.

Blanket Order - A purchase order established for a specified period of time and dollar amount between the University and a vendor to furnish the commodities specified in the order on a periodic release basis.

Brand Name Or Equal - A method of describing an item to be purchased by using an actual brand, make, or model as a guide for comparison.

Competitive Bidding - The total process of requesting multiple vendors to provide price quotations on an item or service.

Competitive Sealed Bid - A formal bid submitted by a vendor in a sealed envelope that is to be opened publicly in front of witnesses at a designated place, time, and date.

Contract: All types of agreements entered into by the Board on behalf of Northern Arizona University, regardless of what they may be called, for the procurement of materials, services, construction or constructions services, or disposal of materials.

Contractor - Any person who has a contract with the Board.

Consortium Contract - A contract entered into by a group of agencies or institutions that act as one agency for the benefit of all the institutions or agencies.

Cooperative Contract - See "CONSORTIUM CONTRACT."

Days - Calendar days as computed pursuant to A.R.S. §1-243.

Departmental Purchase Order (PD) - A purchase order available for use by University departments for purchases up to \$5,000.

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Discussions - Used in source selection means negotiation during which the seller or buyer may alter or otherwise change the terms, price or other provisions of the proposed contract. Discussions can be conducted under competitive sealed proposals procurements, request for qualifications procurements, sole source procurements and emergency procurements; such discussions are not permissible under competitive sealed bidding except to the extent allowed in the first phase of multi-step bidding.

Emergency - A situation that endangers lives, property, or the continuation of vital programs and that requires immediate, on-the-spot procurement of equipment, materials, supplies, or services.

Employee - An individual drawing a salary or wage from the University and any non-compensated individual performing personal services for the University.

Exclusive Contract – A contract for specific goods or services that the University is required to use without deviation.

Financial System – The financial software system used at the University.

F.O.B. - Free on board. A shipping term defining the point at which title to goods passes from the seller to the buyer. It is used when establishing responsibility for filing damage claims with the carrier.

Funding Out Clause - A clause in an installment or other multi-year contract that allows the University to terminate a contract without penalty if funds are not appropriated for the purpose stated in the contract.

Gsa - The General Services Administration of the federal government.

Independent Contractor - An individual or organization contracted to perform a particular service and/or produce an agreed-upon outcome, where there is no right to specifically control and direct the manner in which the job is done.

Installment Contract - An agreement that requires specific performance by one or both parties at predetermined intervals and is common use for payment in specific increments over a specific period. (Title to goods passes to the buyer upon final payment.)

Interdepartmental Billing - An accounting transaction which transfers funds from the buying department’s account to the selling department’s account.

Lease - An agreement for the right to use property for a specified period at a specified cost. Title remains with the lessor. At no time does the lessee build equity in the property.

Lease/Purchase - An agreement for the right to use property for a specified period at a specified cost. During the term of the lease, the lessee builds equity at a specified rate so that at the end of the lease period, the lessee has the option of purchasing the property at a specified amount. Title to the property usually remains with the lessor until the lessee exercises the option to purchase.

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Materials - All property, including equipment, supplies, printing, insurance and leases of property. Does not include land or a permanent interest in land or real property.

may – The term may denotes the permissive.

Normal Processing Time - The time required from receipt of a properly prepared purchase requisition by the Contracting and Purchasing Office until issuance of a purchase order or contract. This time will vary according to the complexity of the procurement. Normal processing time for a requisition that does not require bidding is generally 2 - 6 working days. For more complex or costly items and those that require competitive bidding, the processing time is generally 10 - 28 working days. Requests for Proposal take 8-10 weeks.

Offer – A proposal or submission of qualifications from a vendor to provide goods and/or services when a procurement is made by a source selection method other than competitive sealed bidding.

Offeror – An individual or vendor submitting a proposal or statement of qualifications when a procurement is made by a source selection method other than competitive sealed bidding.

PD - Departmental purchase order

PO - Commodity purchase order issued by Contracting and Purchasing Services.

Procurement - Buying, purchasing, renting, leasing or otherwise acquiring any materials, services, construction or construction services and includes all functions that pertain to obtaining of any materials, services, construction, or construction services, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Professional Services - A subcategory of personal services requiring a high degree of knowledge and training. Frequently, the individual or organization providing the service (s) is professionally licensed.

Proprietary Information - Information that is submitted by a vendor who claims exclusive ownership of that information and that is not to be disclosed publicly.

Public Information - All information in Contracting and Purchasing Services files, except proprietary information, having bearing on the award of an order or contract.

Purchase Order - An order issued by Contracting and Purchasing Services (PO) or issued by a University department (PD), using the University's standard Purchase Order form, for the procurement of goods and/or services that, when accepted by the vendor, becomes a contract.

RC - On-line receiving report document.

Receiving Report - Department's acceptance of goods/services.

Real Property - Land and permanently affixed buildings and improvements.

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Request For Bid (RFB) - All documents, whether attached or incorporated by reference, which are used for soliciting bids.

Request For Proposal (RFP) - A written document, issued by Contracting and Purchasing Services requesting pricing and a proposed method of accomplishing the objective for an item or service for which definitive specifications cannot be written and only the desired end result can be specified, or for purchases where price is not the only basis for evaluation.

Requisition - Purchase request which creates a pre-encumbrance transaction. (RQS document)

Responsible Bidder Or Offeror - A person who has the capability, including necessary experience, to perform the contract requirements; who has the integrity and reliability which will ensure good faith performance and appropriate quality of the materials, services, construction or construction services, to be provided; and who is in compliance with any and all licensing requirements of the State of Arizona.

Responsive Bidder Or Offeror - A person who submits a Bid or Offer which conforms in all material respects to the invitation for bids, or request for proposals or request for qualifications.

Services - The furnishing of labor, time or effort by a contractor which does not involve the delivery of a specific end product other than required reports and performance. Does not include employment agreements or collective bargaining agreements.

Set Asides - Funds that are designated for the purchase of items from a particular vendor or group of vendors and for which other vendors cannot compete.

shall – The term shall denotes the imperative.

Small Business - A concern, including its affiliates, which is independently owned and operated and which either (a) employs one-hundred full-time employees or fewer, or (b) had gross annual receipts of four million dollars or less in its last fiscal year.

Small Business (Arizona) - (Arizona Revised Statutes §631 (1982 & West Supp. 1987)) A business that is independently owned and operated, is not dominant in the field, and that employs fewer than 100 full-time employees or that had gross annual receipts of less than \$4,000,000 in its last fiscal year.

Small Business (Federal) - (15 United States Code §631 (1982 & West Supp. 1987)) A business that is independently owned and operated, is not dominant in the field of operations in which it is quoting on purchases, and, with its affiliates, does not exceed 500 full-time employees.

Small Disadvantaged Business - Any small business that is at least 51 percent owned by one or more socially and economically disadvantaged individuals or by a woman or women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more of such individuals.

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1. **Disadvantaged Person** - An individual who is both socially and economically disadvantaged. Such an individual is normally considered to be a minority.

2. **Socially Disadvantaged** - Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. Such groups include, but are not limited to, Black, Hispanic, and Native Americans (i.e., American Indians, Eskimos, Aleuts, and Native Hawaiians); Asian-Pacific Americans (i.e., U.S. citizens whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan); and other minorities; or any individuals found to be disadvantaged pursuant to Section 8a of the Small Business Act, 15 United States Code §637 (a) (1982).

3. **Economically Disadvantaged** - Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired because of diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities the Small Business Administration shall consider among other things, the assets and net worth of such socially disadvantaged individuals.

Sole Source Item - An item available for purchase from a single source only (e.g., an item to match other items, a unique piece of equipment manufactured by one company only, an original work of art).

Solicitation - A Request for Proposal, Request for Bid or any other request for prices, including all specifications, plans, and other supporting documents.

Specifications - Technical information used to procure specific goods or services that may include performance requirements, physical characteristics, packaging requirements, and operating parameters of goods.

State Purchasing Office - The office responsible for administering the State of Arizona procurement function.

Subcontractor - A person who contracts to perform work or render service to a contractor or to another subcontractor as part of a contract with a university.

Subcontractors List - A list submitted by a general or prime contractor indicating those subcontractors who will perform specified portions of the contract.

University – Northern Arizona University.

University Procurement Code - Policy adopted by the Arizona Board of Regents in compliance with Arizona Revised Statutes §41-2501. This statute requires the Board of Regents to adopt rules prescribing procurement policies and procedures that are substantially equivalent to the policies and procedures prescribed in Arizona Revised Statutes §41-2501 (D) and (E).

Vendor - An individual or firm outside the University that sells goods or services.