

Glossary

Below is a glossary of procurement terms in alphabetical order.

Term	Description
<u>Award Criteria</u>	The criteria (questions) used by the buyer to compare and score the merits of the specific bid for the contract. This must include quality and price.
Balanced Scorecard	A tool used to monitor and measure contract and supplier performance or Dynamic Purchasing System.
<u>Call Off</u>	Actual contracts put in place using a Framework Agreement or Dynamic Purchasing System.
Category	A collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.
<u>Centre of Expertise (CoE)</u>	Procurement organisations which promote collaboration and publish framework agreements on behalf of particular sectors i.e. Scotland Excel for local authorities (councils); Advanced Procurement for Universities and Councils (APUC) for higher and further education; NHS National Procurement (NSS) for Health; Scottish Procurement for the Scottish Government, its agencies and non-departmental public bodies
<u>CIPS</u>	The Chartered Institute of Procurement and Supply (CIPS) is the leading body representing the field of purchasing and supply chain management.
<u>Circular Economy/Solution</u>	Where resources are kept in use for as long as possible with the maximum value extracted and products/materials are recovered and regenerated at the end of a product's viable life cycle.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit (CIPS).
Commodity Strategy	A Commodity Strategy is not a Procurement Strategy (see below). A commodity strategy is a document that a public sector buyer creates to detail and plan for a particular Procurement Exercise. This document should include: information on the team to be involved in the procurement exercise; market analysis; current contracts and spend; etc. This document will be reviewed and approved (or not) by the organisations procurement management to allow the procurement exercise to proceed to the next phase.

Community Wealth Building	A practical place based approach to economic development; taking action across 5 pillars (Inclusive ownership, Workforce, Spending, Land and property and Finance) that seeks to redirect wealth back into local economies; making the economy work better for people, places and planet.
<u>Competitive Dialogue Procedure</u>	A procurement procedure which can be used by public sector buyers to procure goods or services.
<u>Competitive Procedure with Negotiation</u>	A procurement procedure which can be used by public sector buyers to procure goods or services.
Contract	An agreement between two or more parties that is legally binding.
Contracting Authorities	A term used to describe the public sector buyer who has a procurement requirement.
<u>Contract Award Notice</u>	A publication which confirms the details of a contract which has been awarded to a supplier.
<u>Contract Notice</u>	A publication which advertises a procurement requirement.
Contract Compliance	Items covered by a contract are procured from the contracted supplier using the contract terms.
<u>Contract Management</u>	The process of monitoring supplier performance on a contract.
<u>Cyber Resilience</u>	The ability to prepare for, withstand, rapidly recover and learn from deliberate attacks or accidental events in the online world.
Contract Value	This is an estimate of the value of a contract over the whole period of the contract e.g. if the contract is for £50k per year for 3 years the contract value is £150k. The contract value should include any extension periods.
Corporate Social Responsibility	The idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes.
<u>Debrief</u>	The process where feedback is provided to unsuccessful bidder(s) on their bid.
DPA	Delegated Purchasing Authority - Is the authority given to an individual to sign-off contracts. It is not to be confused with Delegated Finance Authority as it is important that there is adequate separation of duties between the individual who has finance authority i.e. the budget holder and the individual with purchasing authority i.e. who places the contract.
<u>Dynamic Purchasing System (DPS)</u>	An electronic procurement process, similar to a framework agreement, but where the Contract Notice remains open throughout the lifetime of the DPS meaning that new suppliers can join at any time.
<u>eAuction</u>	A procurement process: an online auction where suppliers use internet-based software to bid against each other in real time against a <u>published specification</u> .

[European Single
Procurement
Document \(ESPD\)](#)

The ESPD contains questions used at the selection stage of a procurement exercise for procurement exercises published before 11 p.m. on 31 December 2020 i.e. it allows buyers to ask questions to identify suitably qualified and experienced bidders for their procurement.

EU Thresholds

The rules by which a public sector buyer runs their procurement exercise for procurement exercises published before 11 p.m. on 31 December 2020 (including the procurement process used) is in part dictated by the thresholds that the EU update every 2 years in January.

[Exclusion Grounds](#)

Grounds when a bidder must be excluded from the procurement process i.e. a **Mandatory Exclusion Ground**, or grounds when the buyer can consider on a case by case basis whether the bidder can still be included i.e. a **Discretionary Exclusion Ground**.

Fair Work Practices

Employment practices that support wellbeing e.g. training and development.

[Framework
Agreement](#)

An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.

[Innovation
Partnership
Procedure](#)

A procurement procedure which can be used by public sector buyers to procure goods or services.

Just Transition

A fairer, greener future for all – and the process that must be undertaken in partnership with those impacted by the transition to net zero. It supports a net zero and climate resilient economy in a way that delivers fairness and tackles inequality and injustice.

Key Suppliers

Those suppliers identified as business critical in terms of risk/value and business continuity.

Local Authorities

A term used for councils in Scotland.

Lots

Grouping similar requirements within a procurement e.g. by geographical location.

MEAT

The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.

[Negotiated
Procedure without
Prior Publication](#)

A procurement procedure which can be used by public sector buyers to procure goods or services.

[Net Zero](#)

Achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it.

[Non Regulated
Procurement](#)

A procurement whose value is less than £50,000 excluding VAT for goods and/or services for the full life of the contract.

OJEU	Official Journal of the European Union. The means by which procurement exercises over a certain value for procurement exercises published before 11 p.m. on 31 December 2020 are published throughout Europe.
<u>Open Procedure</u>	A one-stage procedure whereby all suppliers are invited to tender for the contract or framework agreement. The organisation cannot limit the number of bids it receives.
Output Specification	The specification requirements set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.
Outsource	Obtain (goods or a service) by contract from an outside supplier.
Over OJEU	A common term used by procurement professionals to describe a procurement exercise published before 11 p.m. on 31 December 2020 whose estimated total contract value was expected to be equal to or above the relevant current EU threshold.
Procurement Exercise	Full end to end procurement exercise from strategy development to contract & supplier management.
Procurement Function	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
<u>Procurement Journey</u>	Public procurement website containing guidance for public sector buyers.
Procurement Officer	Normally the name given to the role/person who is a buyer in a public sector organisation. They are an individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods and services.
<u>Procurement Procedure</u>	For over threshold value contracts, procurement officers must choose to tender using six main procurement procedures. Some procurement officers may choose to follow one of these procedures for below threshold value contracts.
<u>Procurement Process</u>	A procurement procedure can be run in a number of ways (procurement processes) e.g. a Framework Agreement.
<u>Procurement Strategy</u>	A Procurement Strategy is not a Commodity Strategy (see above). It is mandatory for a public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
<u>Prompt Payment</u>	Suppliers your sub-contractors and sub-sub-contractors who supply public sector contracts should be paid promptly i.e. within a maximum of 30 days from the date of receipt of a valid invoice.
<u>Public Sector or Public Sector Body</u>	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.

Public Sector Buyer	A procurement officer who procures on behalf of an organisation which is subject to public procurement laws. This may be a government, council, university, college, the NHS or registered social landlords.
<u>Public Contracts Scotland (PCS)</u>	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
<u>PCS-Tender</u>	An on-line e-sourcing tool which some public sector bodies in Scotland use to for their procurement exercises i.e. to publish their documents and for organisations to provide their responses in.
<u>Public Procurement Rules</u>	The summary term used to refer to all procurement legislation public sector buyers must adhere to in Scotland.
<u>Quotation/Quick Quote</u>	A process used by public sector buyers in Public Contracts Scotland to advertise low value/low risk procurement requirements (normally under £50k in value).
<u>Regulated Procurement</u>	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract.
<u>Reserved Contract</u>	A contract which can only be supplied by a Supported Business or Businesses.
<u>Restricted Procedure</u>	A two-stage procedure whereby suppliers are required to complete an ESPD and must satisfy certain selection criteria(the first stage). This process enables the organisation to limit the number of suppliers which are invited to tender (the second stage). Selection Criteria (questions) are used to confirm if you are capable and suitable to perform the contract if it were to be awarded to you. Selection Criteria focus on the bidder and asks for past or existing bidder information.
<u>Selection Criteria</u>	
Single Point of Enquiry (SPoE)	An impartial point of contact where suppliers can seek advice or raise concerns if they are dissatisfied with specific public procurement practices.
<u>Single Procurement Document (SPD)</u>	The SPD contains questions used at the selection stage of a procurement exercise for procurement exercises published after 11 p.m. on 31 December 2020 i.e. it allows buyers to ask questions to identify suitably qualified and experienced bidders for their procurement.
Small Medium Enterprise (SME)	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Specification	How a Procurement Officer details what is required for the procurement of the goods or services being purchased.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
<u>Standstill</u>	A short (at least 10 calendar day) pause between the point when the contract award decision is notified to bidders, and the final contract conclusion

Sub-Central Organisation	A public sector organisation which does not belong to Central Government or National Health Service. All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supply Chain	A set of techniques to plan and execute all steps used to: buy raw materials from suppliers; transform them into finished goods; and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.
Supply Chain Management	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
<u>Supported Business</u>	
<u>Tender</u>	The term used to describe the procurement process of advertising, requesting and awarding a contract.
<u>Tender Clarification</u>	When a public sector buyer asks a bidder a question on a part of their bid which may be e.g. unclear or inconsistent.
Under OJEU	A common term used by procurement professionals to describe a procurement exercise published before 11 p.m. on 31 December 2020 which whose estimated total contract value is expected to fall below the relevant current EU threshold.
Value for Money	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
Whole Life Costing	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.