

## SCOTTISH PROCUREMENT GLOSSARY

TERM	DESCRIPTION
<b>ADDED VALUE</b>	Features and benefits that a business can offer which exceed the specification for the contract and help the business stand out from the competition.
<b>AWARD</b>	The issue of an order or contract to a supplier.
<b>AWARD CRITERIA</b>	The criteria used by the buyer to compare and score the merits of a specific bid for the contract. This must include quality and price.
<b>BALANCED SCORECARD</b>	A tool used to monitor and measure contract and supplier performance.
<b>BEST PRACTICE</b>	The most effective and desirable method of performing a task or completing a service.
<b>CALL OFF CONTRACT</b>	An enabling agreement/framework with one or more suppliers for a defined range of works, goods or services covering terms and conditions from which users 'call off' to meet their requirements using a simplified contract form.
<b>CATEGORY</b>	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.
<b>COMPETITIVE DIALOGUE PROCEDURE</b>	A procurement procedure which can be used by public sector buyers to procure goods or services.
<b>COMPETITIVE PROCEDURE WITH NEGOTIATION</b>	This procedure mirrors the restricted procedure in its structure but is intended to be used for the procurement of innovative solutions, or where customisation may be required, or where a detailed specification cannot be easily produced. Where negotiation is required, this will take place after the return and evaluation of tenders and before an award decision is made.
<b>CONSORTIA</b>	A group of public sector organisations that engage in joint procurement for a portfolio of works, supplies or services. Often when doing this the organisations involved obtain better value through economies of scale and reduced tendering costs.
<b>CONTRACT</b>	An agreement by two or more parties that is legally binding.
<b>CONTRACT AWARD NOTICE</b>	A publication which confirms the details of a contract which has been awarded to a supplier.
<b>CONTRACT COMPLIANCE</b>	Items covered by a contract are procured from the contracted supplier using the contract terms.
<b>CONTRACT MANAGEMENT</b>	The process of monitoring supplier performance on a contract.

<b>CONTRACT NOTICE</b>	A publication which advertises a procurement requirement.
<b>CONTRACT VALUE</b>	This is an estimate of the value 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 potential extension periods.
<b>CONTRACTING AUTHORITIES</b>	A term used to describe the public sector buyer who has a procurement requirement.
<b>CONTRACTS REGISTER</b>	Public sector bodies have a legal obligation to publish scheduled contracts.
<b>CORPORATE SOCIAL RESPONSIBILITY</b>	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.
<b>COMMON PROCUREMENT VOCABULARY (CPV)</b>	Common Procurement Vocabulary (Codes) are used throughout the European Union to generically describe products or services. The use of CPV codes by public sector purchasers to define their requirements in a Contract Notice is mandatory.
<b>DEBRIEF</b>	The process where feedback is provided to successful/unsuccessful bidder(s) on their bid. In public sector procurement, a debrief is a legal obligation – there is no such obligation in private sector procurement.
<b>DYNAMIC PURCHASING SYSTEM</b>	An electronic procurement process, similar to a Framework Agreement, but where the Contract Notice remains open throughout the lifetime of the Dynamic Purchasing System (DPS) meaning that new suppliers can join at any time.
<b>EMS</b>	Environmental Management System. This is a system of rules and directives setup by an organisation with the aim to reduce the impact it has on the environment.
<b>E-TENDERING</b>	The process of using an online system in procurement to view and submit tenders.
<b>EU LEGISLATION</b>	EU Public Procurement Directives, which are the rules and regulations that public sector organisations must comply with when completing any procurement process.
<b>EU THRESHOLDS</b>	The rules by which a public sector buyer runs their procurement exercise is in part dictated by the Thresholds that the EU update every 2 years in January.
<b>EUROPEAN SINGLE PROCUREMENT DOCUMENT</b>	The ESPD (Scotland) contains questions used at the selection stage of a procurement exercise i.e. it allows buyers to ask questions to identify suitably qualified and experienced bidders for their procurement.
<b>EVALUATION</b>	The process of assessing each tender to be able to select the best option suitable to the requirements of the contract.
<b>EXCLUSION GROUNDS</b>	Grounds when a bidder must be excluded from the procurement process i.e. a Mandatory Exclusion Ground, or grounds when the buyer can consider a case by case basis whether the bidder can still be included.

<b>FRAMEWORK AGREEMENT</b>	An arrangement where a purchaser selects suppliers and fixes terms and prices for a period in advance (often 4 years as the max.), and then calls on the suppliers to deliver as and when required. There is never a guarantee of work, even if you are selected as part of a framework agreement.
<b>INVITATION TO TENDER (ITT)</b>	A formal communication from a public sector organisation to a supplier inviting it to submit a tender. The ITT will usually also include a specification for the contract, instructions for submitting the tender, and the terms and conditions, which will govern the contract once it is active.
<b>LOCAL AUTHORITIES</b>	A term used for councils in Scotland.
<b>LOT(S)</b>	Some contract are divided into several parcels of work (called lots) and suppliers are invited to state whether they are bidding for the whole contract, or just parts of it.
<b>MEAT</b>	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 and not just price when reaching an award decision.
<b>NON-REGULATED PROCUREMENT</b>	A procurement whose value is less than £50,000 excluding VAT for goods and/or services for the full life of the contract.
<b>OJEU</b>	Official Journal of the European Union which contains procurement exercises over a certain value and are published throughout Europe. In Scotland all procurements which are published via Public Contracts Scotland, and meet this threshold requirement, will automatically be published in OJEU within 48 hours.
<b>OPEN PROCEDURE</b>	This procedure is the only "one stage" procurement process. You will need to complete the ESPD and the tender section at the same time and submit them both before the deadline. These are then evaluated and the contract awarded to the successful bidder. Best chance for SMEs as all parties who successfully meet the selection criteria will have their tender evaluated, whereas in the other procedures the buyer need only invite five bids and in other procedures they need only invite three.
<b>PCS-TENDER</b>	An online e-sourcing tool which some public sector bodies in Scotland use for their procurement exercises i.e. to publish their documents and for organisations to provide their responses. You can link your PCS-Tender profile to a PCS profile.
<b>PRIOR INFORMATION NOTICE (PIN)</b>	Buyers may issue a Prior Information Notice, but not always. It may be used to issue notification to the market and request ideas and information - or could be an invitation to an open day to discuss the authority's requirements. This gives advanced notice that a contract may be advertised at some point - perhaps later in the year.

<b>PROCUREMENT</b>	The acquisition by purchase, lease, rent, hire, transfer, loan or other legal means of the goods, services and works required and/or used by an organisation.
<b>PROCUREMENT EXERCISE</b>	Full end to end procurement exercise from strategy development to contract & supplier management.
<b>PROCUREMENT FUNCTION</b>	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.
<b>PROCUREMENT PROCESS</b>	A procurement procedure can be run in a number of way (procurement processes) e.g. a Framework Agreement, an Open Procedure, a Restricted Procedure etc.
<b>PUBLIC CONTRACTS SCOTLAND (PCS)</b>	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
<b>PUBLIC PROCUREMENT RULES</b>	The summary term used to refer to all procurement legislation public sector buyers must adhere to in Scotland.
<b>PUBLIC SECTOR BUYER</b>	A procurement officer who procures on behalf of an organisation which is subject to public procurement laws.
<b>PUBLIC SECTOR OR PUBLIC SECTOR BODY</b>	All organisations which are subject to public procurement laws. This includes government, local councils, universities and colleges, the NHS and registered social landlords.
<b>QUICK QUOTE</b>	A process used by public sector buyers in PCS to advertise low value/low risk procurement requirements. Supplier must be registered on PCS to be invited to quote.
<b>REGULATED PROCUREMENT</b>	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract.
<b>RESERVED CONTRACT</b>	A contract which can only be supplied by a Supported Business or Businesses.
<b>RESTRICTED PROCEDURE</b>	This procedure has two stages. First stage is referred to as the Selection Stage but is identical to the selection stage in an open procedure. Once the ESPD has been evaluated, the buyer will invite a minimum of five contractors to respond to the Invitation to Tender (ITT) set by the deadline. (the second stage)
<b>SELECTION CRITERIA</b>	Selection Criteria or questions are used to confirm if you are capable and suitable to perform the contract if it were awarded to you. Selection Criteria focus on the bidder and asks for past or existing bidder information.
<b>SPECIFICATION</b>	How a Procurement Officer details what is required for the procurement of the goods or services being purchased.

<b>STAKEHOLDER</b>	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.
<b>STANDSTILL</b>	A short (at least 10 calendar days) pause between the point when the contract award decision is notified to bidders, and the final contract conclusion.
<b>SUPPORTED BUSINESS</b>	An organisation whose main aim is the social and professional integration of disable and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
<b>TENDER</b>	The term used to describe the procurement process of advertising, requesting and awarding a contract.
<b>TENDER CLARIFICATION</b>	When a public sector buyer asks a bidder a question on part of their bid which may be unclear or inconsistent.
<b>TIER 1 SUPPLIER</b>	An organisation at the top of the supply chain providing goods or service directly to the end client - also known as the Main Contractor.
<b>VALUE FOR MONEY (VFM)</b>	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.
<b>WHOLE LIFE COSTING</b>	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.