

Procurement Jargon Buster

Approved Supplier List

A list of firms that have successfully completed an assessment process, and are available to be invited to tender for local authority business.

BACS

Bankers Automated Clearing Service. An electronic method used by Councils to pay supplier invoices. The amount due to a supplier is transferred electronically from the Council's bank account to the supplier's bank account.

Collaborative Purchasing

Where a Council works with other Councils to jointly purchase goods or services

Competitive Dialogue Procedure

This is a procedure in which a supplier, contractor or service provider may request to participate and whereby the authority conducts a dialogue with the candidates admitted to the procedure, with the aim of developing one or more suitable alternatives capable of meeting its requirements, and on the basis of which the candidates chosen are invited to tender.

Consortium Purchasing

See Collaborative Purchasing

Comprehensive Performance Assessment (CPA)

The Audit Commission assesses the performance of councils and the services that they provide for local people, the results of which help councils to focus on improvement.

Corporate Contracts

A formal agreement with a supplier that is used by all departments and services in the Council for the purchase of particular goods or services. This agreement will be either a:

- Tendered contract with agreed terms and conditions, set pricing structures for specified goods and services. This agreement will have a set period of validity before re-tendering is required.
- Framework Agreement (in compliance with EU Procurement Directives) – where terms and conditions have been agreed, but a number of suppliers have been appointed to provide a range of goods or services. The selection of an individual supplier for specific goods or services will then be subject to a mini-competition through a quotation process before agreeing which supplier will be used.

Dynamic Purchasing System

A dynamic purchasing system is a new electronic way for authorities to purchase commonly used goods, works or services. It has a limited duration.

Efficiency savings

Time and money saved in the procurement process through the automation of tasks.

e-auction

Electronic auctions (or reverse electronic auctions as they are sometimes called) are on-line auctions where selected bidders submit offers electronically against the purchaser's specification. All communication following and including the invitation to pre-qualified

bidders to submit new prices and/or values must be electronic. This can be used for goods/works and services. Other quality aspects are assessed prior to the auction stage.

E.I.C.

European Information Centre - provides up-to-date information on European Directives and Regulations, public sector contract opportunities, business opportunities, funding and research and development initiatives.

e-Marketplace

An internet based facility that enables trade between one or more purchasing organisations and a variety of suppliers.

e-Procurement

A range of technologies that allows procurement to occur electronically such as;

- e-marketplace
- e-auction
- e-tenders

e-Procurement website

The area of the Council's website used for issues relating to the purchase of goods and services. It includes advice to suppliers on how to sell to the Council, relevant policies, tender procedures and details of tenders that are currently open to suppliers.

e -tenders

An electronic tendering solution facilitates the complete tendering process from the advertising of the requirement through to the placing of the contract. This includes the exchange of all relevant documents in electronic format.

EU Procurement Directives

A public sector contracts within the European Union, no matter what their value, are covered by a treaty which incorporates the free movement of goods and services between member nations and which prevents discrimination against firms on the grounds of nationality. All procurements above certain financial thresholds (these are changed annually) for goods and certain services must follow prescribed procedures.

Framework agreement/contracts

The agreement between the Council and a supplier. The Council purchases against this contract as and when goods and services are required.

Government Purchase Cards

Payment card scheme (like a credit card) operated by Visa which can be used by the whole public sector.

OJEU

Official Journal of the European Union. A daily publication, listing all European contracts over the E.U. procurement value thresholds.

Implementing Electronic Government (IEG)

The implementing electronic government (IEG) statement is a corporate plan, which outlines how a council intends to improve service delivery through e-government. It monitors the progress of all councils in meeting the target for services to be available

online.

Open Tenders

Scheme for which any firm can tender.

Pre-qualification questionnaire

Pre-qualification involves the vetting of suppliers by purchasers to identify those able to meet a required standard. The vetting is usually undertaken prior to tenders and leads to the suppliers being invited to tender. The inclusion of environmental (and social) criteria in the vetting process is an important way in which sustainable procurement can be implemented. The vetting process can consider both whole company policies and procedures and the qualities associated with particular products (for example the award of particular eco-labels).

Purchase-to-pay cycle

The steps the Council goes through when they raise a purchase requisition, place an order, receive goods or services and make payments to suppliers.

Procurement process

The activities involved in the selection of suppliers and the purchase of goods or services.

Purchasing Cards

Procurement cards are charge cards which work in a similar way to credit cards and can be used to procure goods or services. They can be treated like traditional charge cards and can be open to use with any suppliers or they can have controls placed upon them by the employer, limiting them to use with only certain commodities or certain suppliers

Procurement Strategy

The procurement strategy describes the contribution that effective procurement will make to fulfil the Council's aims and objectives. The definition of procurement in this context is not only limited to purchasing – it can have a wider meaning and can address the ways in which the Council can deliver its services – from providing the service in-house to joint commissioning and outsourcing.

Regional collaboration

Joint working between the Council and other Councils or organisations. Joint working between the Council and other Councils or organisations.

Restricted Tender

Scheme where interested firms are required to go through an assessment process prior to being invited to tender.

SME

Small to Medium Enterprise

SME Concordat

This Good Practice Guide supports the Small Business (SME) Friendly Concordat (Statement of Principles), which has been prepared for Local Authorities in support of the National Procurement Strategy for Local Government.

The Guide provides examples of good practice and explains how Local Authorities can

frame and deliver their procurement strategies in accordance with the principles of the Concordat in ways that suit their local circumstances.

Standing Orders

Procurement activities must comply with the Councils' own Contract Procedure Rules contained in their Standing Orders. These Standing Orders regulate how a Council conducts business and employees must conform to them. The procedures for advertising, evaluating and letting the contracts are laid down here.