

## Purchasing Policy Glossary

**All or Nothing Award** - 1) A method of award resulting from a competitive solicitation by which the purchasing activity will award the resulting contract to a single bidder. (236-48-003 WAC) 2) A designation the bidder may use in its bid or response to indicate its offer is contingent upon full award and it will not accept a partial award.

**Alternate** – 1) A substitute offer of goods and services that is not at least a functional equal in features, performance and use and which materially deviates from one or more of the specifications in a competitive solicitation. (236-48-003 WAC)

**Amendment** – A modification to an existing contract that changes the contract after it is fully signed by both parties. Amendments must be in writing, describe the agreed upon change(s), including any terms and conditions required to support the change, and signed by both parties before performance of the modified contract.

**Apparent Low Bidder** –The bidder that appears to have submitted the lowest price bid in response to a Request for Bids. Once bidder responsibility criteria have been evaluated, the ranking of bidders may change.

**Architectural and Engineering (A&E) Services** – Services within the scope of the professional practice of architecture and professional engineering as defined in [RCW 18.08](#) (Architects), [RCW 18.43](#) (Engineers and Land Surveyors), or [RCW 18.96](#) (Landscape Architects). Services typically involve research, design, and development. A&E services are defined and governed by [RCW 39.80](#).

**Architectural and Engineering (A&E) Roster** – The City maintains an A&E Roster that departments/divisions can use to contract with architects, engineers, land surveyors, and landscape architects. The roster cannot be used for projects with state or federal funding that require the use of Washington State Department of Transportation (WSDOT) [Local Agency Guidelines](#) (LAG)).

**Assignment of Agreement** – The transfer of rights held by one party—the assignor—to another party—the assignee. The legal nature of the assignment determines some additional rights and liabilities that accompany the act. Assignment of Agreement can include property rights, partnership rights, and intellectual property rights. Contact the Legal Department regarding assignment of agreement contracts.

**Best Practice** – A business process, activity, or operation that is considered outstanding, innovative, or exceptionally creative by a recognized peer group. It may be considered as a leading-edge activity that has been successfully adopted or implemented and has brought efficiency and effectiveness to an organization. It may result in improved productivity, quality, reduced costs, and increased customer service.

**Bid** – An offer, proposal, or quote for goods or services in response to a solicitation.

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**Bid Bond** – A guaranty by a bonding company that the bidder will enter into a contract with the owner if awarded the project. Normally, these bonds are in the amount of five percent of the amount bid, and they serve to compensate an owner if a bidder fails to enter into a contract if awarded the contract.

**Bid Evaluation** - The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the bid that relate to determination of the successful bidder.

**Bidder** – see Respondent.

**Bonding Company** – Also known as a surety, or surety company.

**City** – City of Tacoma as a public entity. Includes all General Government departments and Tacoma Public Utilities divisions.

**Citywide Contact** – Competitively-bid contracts for common use services or items that are administered by Purchasing and available for use by all General Government (GG) departments and Tacoma Public Utilities (TPU) divisions.

**Competitive Negotiation** – The method of acquiring supplies or services in which discussion or negotiations may be conducted with responsible respondents as part of a Request for Proposals, resulting in contract award.

**Competitive Solicitation** – The procedure used to solicit bids, proposals, quotes, qualifications, and other information, as well as offers to purchase personal property, from multiple entities or persons to obtain the most favorable terms for the City. This includes all forms of City request for same. A documented process providing an equal and open opportunity to bidders and culminating in a selection based on predetermined criteria.

**Construction Contract** – Standard one-page contract used for public works and improvements projects.

**Contract** - Any type of legally binding agreement, regardless of form or title, that governs the terms and conditions for provision of supplies, services, public works, or for the sale of surplus property. Contracts include the terms and conditions found in specifications, bidder or respondent submittals, and purchase orders issued by the City.

**Contracts and Awards Board (C&A Board)** – The C&A Board recommends award or rejection of all purchases and contracts (except real estate transactions) over \$500,000 prior to City Council and/or Public Utility Board action. C&A Board review includes waiver requests for non-competitive purchases, contracts, and provides due process for supplier protests.

**Contracts and Awards (C&A) letter** – A required document submitted to Purchasing by departments/divisions to have procurement transactions added to the C&A Board agenda for

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rejection or approval prior to City Council and/or Public Utility Board action. C&A letter templates are available on the Procurement and Payables intranet site.

**Contractor** – The respondent(s) awarded a contract pursuant to a solicitation, whether designated as a respondent, supplier, proposer, bidder, seller, merchant, service provider, or otherwise. An individual or entity awarded a contract to perform a service or provide supplies.

**Convenience Contract** – A contract that results from adopting another public entity's competitive contract. These contracts are available for all GG and TPU departments and divisions.

**Davis-Bacon and Related Acts** – United States law that requires all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts in excess of \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor and must be included in the specification documents.

**Debar** - To prohibit a contractor, individual, or other entity from submitting a bid, having a bid considered, or entering into a contract during a specified period of time as set forth in a debarment order.

**Delegated Authority** – The amount any City of Tacoma department is authorized to spend without competitive solicitation. The current delegated authority is up to and including \$10,000.00. If intending to spend more than \$10,000.00, the competitive solicitation process must be followed. This delegated authority does not apply to public works or A&E contracts. Those categories have their own competitive requirements set by separate statutes.

**Department/Division** – GG department or TPU division.

**Direct Solicitation and Negotiation** – A method for direct acquisition of professional and personal services, excluding A&E.

**Emergency** – From [RCW 39.04.280\(3\)](#): ““Emergency” means unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.”

**Equity in Contracting** – The Equity in Contracting program (formerly SBE) is a service provided by the City to increase employment opportunities for small business contractors and individuals seeking to increase their skills through training and apprenticeship on City projects.

**Fixed Asset** – Anything with an initial purchase price over \$5,000 and a useful life of one year or more. (This is a City of Tacoma definition.)

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**Formal bid process** – See sealed competitive process.

**Governing Body** – As the governing body of the City, the City Council exercises all powers of the City except as stated in the [City Charter](#). As the governing body of TPU, the Public Utility Board (members nominated by the Mayor and appointed by the City Council), oversees the management and operation of TPU.

**Informal Requests for Bids** – Also known as informal bids and the informal competitive solicitation process with an estimated cost of \$500,000 or less.

**Interagency Agreement** – Any agreement solely between public agencies, often documented as a Memorandum of Agreement.

**Interlocal Purchase** – Purchases made using another public entity's competitively procured contract. Also called "piggy backing."

**LEAP (Local Employment and Apprenticeship Program)** – LEAP is a mandatory City program that requires all Contractors constructing Civil Projects or Building Projects, and all service providers involved with the construction of a Public Work or Improvement, shall ensure that at least 15 percent of the total labor hours actually worked on the project are performed by persons having their residence within the boundaries of the City of Tacoma or economically distressed zip codes, whether or not any such person is an Apprentice. Fifteen percent of the total labor hours on contracts above \$1,000,000 shall have work performed by Apprentices who are residents of the TPU Service Area consistent with [RCW 39.04.320\(1\)\(a\)](#), subject to waiver based on exceptions as specified in [RCW 39.04.320\(2\)\(a\)](#), (b), and (c).

**Lowest and Best Responsible Bidder** - The bidder submitting the lowest bid that is within the range of acceptable bids, that also has the ability to timely perform the contract considering such factors as financial resources, skills, quality of materials, past work record, and ability to comply with state, federal, and local requirements, including those set forth in the Equity in Contracting Regulations.

**Material change** – A major variance, change, deviation, or substitution taken to specifications that gives the offeror a substantial advantage or benefit not enjoyed by all other offerors or that gives the purchaser something significantly different from what was specified. (Nash, Schooner, & O'Brien, 1998).

**MIGO** - SAP transaction confirming receipt of supplies ordered by purchase order. A goods receipt. A MIGO in effect gives Accounts Payable the okay to pay.

**Minority and Women's Business Enterprises** – Businesses certified through the Washington State Office of [Minority & Women's Business Enterprises \(OMWBE\)](#). They are part of the City's [Equity In Contracting program](#) and governed by [TMC 1.07](#).

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**Ordinary Maintenance** – Regularly scheduled work that is performed by the agency (City staff) itself.

**Owner** – The City of Tacoma (or any agency).

**PCard** – See procurement card.

**Payment Bond** – A bond issued by a bonding company guaranteeing that the bonding company will ensure that a contractor will pay its subcontractors and suppliers. This bond is normally in the amount of 100 percent of the amount of the contract award. RCW 39.08.

**Performance Bond** – This bond is often issued in conjunction with a Payment Bond and thus the bond serves a dual purpose guaranteeing both payment and that the contractor will perform and complete the work. If the contractor fails to perform and complete the project, an owner may turn to the bonding company to have them complete the work through hiring a contractor. Also known as a surety bond. RCW 39.08.

**Personal Property** – Property owned by an individual or business that is not affixed to or associated with the land. Basically, personal property is everything except real estate (see [real property](#)). Personal property is moveable while real property is not.

**Personal Services** – Services for which submittals are evaluated on the basis of defined performance criteria in addition to price. May also be defined as an intellectual exercise that requires expertise/certification/training and results in a report rather than delivery of a product or physical labor.

**Planholders List** (aka bid holders list) – The list of vendors who ‘hold’ the specifications and plans for a particular competitive solicitation. For Tacoma, this is a self-registration process that vendors complete from the City’s [Current Contracting Opportunities](#) website. Prospective bidders/proposers **must** register at this website for each solicitation of interest to receive notice of addendums, announcements or other updates.

**Prevailing Wages** – The hourly wage, usual benefits, and overtime paid in the largest city in each county to the majority of workers, laborers, and mechanics. Prevailing wage rates are established by the Department of Labor and Industries (L&I) twice a year for each trade and occupation. They are established separately for each county and reflect local wage conditions. A link to, or a copy of, the applicable prevailing wage rates on the L&I website must be included in public works and improvements solicitations.

**Procurement Card** (PCard; Purchase Card) – A City issued credit card.

**Professional Services** – Professional Services are services involving professional or technical expertise, provided by a respondent to accomplish a specific study, project, task, or other work statement, rather than delivery of a product or physical labor.

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**Professional Services Contract** – Standard contract for professional, personal and consultant services.

**Public Agency** – As defined in [WAC 236-48-003](#). Shall include all agencies outlined under [RCW 39.34.020](#).

**Public Bid Opening** – The process of opening submittals at the time and place specified in the Request for Bids/Request for Proposals/Request for Qualifications and Quotations, in the presence of anyone who wishes to attend.

**Public Works / Public Works and Improvements (PWI)** – Defined by the Department of Labor and Industries as all work: construction, alteration, repair, or improvement that is executed at the cost of a public agency. Includes, but is not limited to, demolition, remodeling, renovation, road construction, building construction, ferry construction, utilities construction, and building maintenance services, including janitorial. Also applies to maintenance services performed by contract and the production and delivery of certain materials (such as sand, gravel, concrete, and similar products). Bidding for PWI involves specific state requirements. [RCW 39.04.010](#).

**Purchase Order (PO)** – Purchaser's written document provided to a supplier formalizing terms and conditions of a proposed purchase transaction, such as description of the requested supplies or services, delivery schedule and freight terms, and payment terms.

**Purchased Services** – Non-public works services for which submittals may be evaluated merely based on price and satisfaction of minimum qualification criteria. Purchased services are typically procured using an Informal Bid, sealed Request for Bids or Request for Proposals unless a waiver of competitive solicitation applies. Purchased services are those provided by a vendor to accomplish routine, continuing and necessary functions. Examples include services for equipment maintenance and repair, operation of a physical plant, security, and computer hardware. Generally, these services meet more routine needs of an agency for general support activities.

**Purchase Requisition (PR)** – Request to obtain supplies or services and authority to commit funds to cover the purchase. PRs are used to create purchase orders.

**Real Property** – Land and buildings and anything affixed to the land; real estate.

**Request for Bids (RFB)** – A solicitation method by which purchases of supplies, services, and public works, as well as offers to purchase personal property, where price is the primary evaluation factor, in conformity with the specifications and other written terms and conditions advertised by the City.

**Request for Information (RFI)** – A method used to gather information about a products or services, commonly done in advance of an RFP.

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**Request for Proposals (RFP)** – A solicitation method by which purchases of supplies, services and in limited circumstances, public works, are made by competitive negotiation, in conformity with the statement of work or specification and other written terms and conditions. RFPs are used to solicit written proposals from potential suppliers. Both cost and non-cost factors are evaluated in addition to conditions of responsiveness and responsibility to achieve best value. A selection advisory committee is typically formed to evaluate the submittals. A weighted point assignment method of evaluation is often used, as well. RFPs are conducted as sealed solicitations.

**Request for Qualifications (RFQ)** – A solicitation method most commonly used for the procurement of architectural and engineering services per [RCW 39.80](#). Price is not a factor in the evaluation of qualifications.

**Request for Qualifications and Quotations (RFQQ)** – A solicitation method in which a service or need is identified and a specific, detailed plan regarding the work to be done is identified. The purpose of an RFQQ is to permit the target community to provide qualifications to do the work and to quote the lowest price for which the work can be done. The city selects a firm on the basis of qualitative factors and price.

**Respondent** – Any entity or person, other than a City employee, who provides a submittal in response to a solicitation or request for information. This term includes any entity or person whether designated as a supplier, seller, vendor, proposer, bidder, contractor, consultant, merchant, service provider, or otherwise.

**Responsible** – The Respondent has the capability in all respects to fully perform the Contract requirements, and has the integrity and reliability that will assure good faith performance. Consideration must be given to compliance with the criteria stated in TMC 1.06.262. and 1.06.263 (when included in the solicitation). For PWI solicitations, further consideration must be given to state responsibility criteria or supplemental criteria set forth in RCW, and other applicable City program requirements such as EIC and LEAP.

**Responsible bidder or respondent** - A person, firm, or entity that has the capability in all respects to fully perform the contract requirements, and the integrity and reliability, which will assure good faith performance, and meets the elements of responsibility as defined in Tacoma Municipal Code and RCW.

**Responsive** – Responsiveness to requirements of the specification. The submittal conforms in all material respects to the terms and conditions, the specifications, and other requirements of a solicitation. For example, the submittal was received by the due date and none of the required documents were omitted.

**Retainage** – Payment held (retained) as required by state law on a public works contract until all contract close out requirements have been met.

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**Retainage Bond** – This bond may be submitted by a contractor in lieu of the owner withholding five percent of each progress payment to the contractor for Retainage. The bonding company guarantees to pay any claims that would otherwise be due under actual retainage withheld by the owner. RCW 60.28

**Sale** – When associated with surplus property, the disposition of such property by bid, auction, or negotiation process.

**SAP contract** –A document type within SAP used as a tracking tool. Purchase requisitions are written referencing (linking them to) SAP contracts. SAP contracts are not legally binding agreements.

**Sealed Solicitations** – Also known as the sealed competitive process and the formal bid process. Requires advertising in the City's official newspaper if over \$500,000. Solicitation announcements are posted to Purchasing's Internet site ([www.tacomapurchasing.org](http://www.tacomapurchasing.org)).

**Services** –Includes Professional Services, Personal Services, and Purchased Services.

**SES** – Services entry sheet. SAP transaction confirming receipt of services ordered by purchase order. An SES effectively gives Accounts Payable the okay to pay.

**Small Works Roster Program** – Alternate public works process defined and governed by [RCW 39.04.155](#) and [TMC 10.27](#) that allows for streamlined bidding process of smaller public works and improvements projects less than or equal to \$200,000.

**Solicitation** – An Invitation for Bids, a Request for Proposals, email, or any document used to obtain bids or proposals for the purpose of entering into a contract.

**Sole Source** – Purchases that are clearly and legitimately limited to a single source. Goods or services of such a unique nature or sole availability at the location required that a single supplier is clearly and justifiably the only viable source to provide the goods or services.

**Specification** – The entirety of solicitation documents, i.e., the complete RFB, RFP, RFQ, RFQQ, and/or RFI.

**Specification number** (aka bid number) – unique number assigned to identify and track each competitive solicitation. “[Spec numbers](#)” are assigned from a link on the Purchasing website.

**Statement of Services** – See SOS.

**Submittal** – Information received from a RFB, RFP, RFQ, RFQQ, or RFI. A bid, a proposal, statement of qualifications, etc.

**Supplier** – One who sells good or services. See also Vendor.

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**Supplies** – Materials, goods, products, provisions, equipment or other items not considered Services or Public Works.

**Supply contract** – Standard one-page contract occasionally used for some supply contracts.

**Surplus property**– Supplies no longer needed by the City.

**TPU** – Tacoma Public Utilities.

**Utility Specific** – The term “utility specific” shall mean property or equipment that is unique to and necessary for the provision of utility services by TPU.

**Vendor** – One who sells good or services. See also Supplier.

**Waiver** – Emergency, sole source, impracticable to bid or direct solicitation and negotiation of professional services and personal services.