

## Glossary of Procurement Terms

**Agency Procurement Officer (APO):** The APO is the local agency procurement representative to assist in initiating purchases and resolving issues that arise (The APO for IMSA is Carla Carreno)

**Basic Ordering Agreement (BOA):** A special form of a contract that is used for fixed/catalogue type items. A BOA with a value of >\$25K requires vendor certifications.

**Business Enterprise Program (BEP):** The Business Enterprise Program promotes the economic development of businesses owned by minorities, women, and persons with disabilities. The Business Enterprise Program for businesses owned by minorities, women, and persons with disabilities is committed to fostering an inclusive and competitive business environment that will help business enterprises increase their capacity, grow revenue, and enhance credentials. IMSA has a goal to purchase 20% from BEP vendors. BEP vendors must be registered to appear in the website located here: <https://www2.illinois.gov/cms/business/sell2/Pages/VendorSearch.aspx>

**Bid:** (a.k.a. Formal Bid) - A "bid" is a vendor response, including final guaranteed costs, to a "Request for Proposal" (requirements document) that a State Agency posts to the Illinois Procurement Bulletin. Note: The "Bid" process is a formalized set of actions requiring the involvement of the purchaser and the Agency Procurement Officer. Note: A "bid" is different than a "quote;" a "bid" is a more formal and complex process. For more information about the bid process go to: [http://sell2.illinois.gov/FAQ\\_BidAds.cfm](http://sell2.illinois.gov/FAQ_BidAds.cfm)

**Big Bid Purchase:** A purchase that requires a formal bid.

**Chief Procurement Officer (CPO) Higher Education:** The CPO exercises independent procurement authority under the Illinois Procurement Code (30 ILCS 500) on behalf of and for the benefit of public institutions of higher education (state universities). (The CPO for Higher Education is Ben Bagby) For more information, see: <http://www2.illinois.gov/cpo/HigherEd/Pages/default.aspx>

**Central Management Services (CMS):** The Illinois Department of Central Management Services (CMS) provides a broad range of programs and services to other state agencies and to the general public ranging from procurement and IT expertise to personnel and benefits to management of many properties around Illinois. CMS helps ensure that state agencies serve the people of Illinois efficiently and cost-effectively. For more information, see: <http://www.cms.il.gov/cms/>

**Consumer Price Index (CPI):** A consumer price index (CPI) measures changes in the price level of consumer goods and services purchased by households. The CPI in the United States is defined by the Bureau of Labor Statistics as "a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services."

**Contract:** A formal written agreement between a State Agency and a Vendor, that includes specific terms and conditions required by the State of Illinois Procurement Code and Ethics regulations.

**Contract Limits:**

Value > \$20K OR a multiyear commitment (effective August 2012)

**Contract Obligation Document (COD):** The cover sheet of a contract or BOA.

**Formal Bid:** See Bid above

**Formal Bid Threshold:**

(effective July 1, 2014)

Type of Purchase = Construction AND Value > \$77.7K OR

Type of Purchase = Professional and Artistic Services AND Value >\$19,999 OR

Type of Purchase = Supplies and Services AND Value > \$55.4K

**Illinois Correctional Industries (ICI):** Illinois Correctional Industries (ICI) offers quality products at competitive prices that are designed and manufactured by adults incarcerated in the Illinois correctional system. ICI operates factories, farms, and service programs throughout Illinois. The ICI Website is <http://www.idoc.state.il.us/subsections/industries/default.shtml>

**Illinois Procurement Gateway (IPG):** The Illinois Procurement Gateway (IPG) is an internet portal vendors are able to use effective in Spring 2014. Vendors are able to use the portal to submit certain procurement related information in advance of responding to solicitations. The IPG is managed by the four independent Chief Procurement Officers (CPOs) who exercise procurement authority for the state agencies and the state universities. The IPG website is <https://ipg.vendorreg.com/>

**Illinois Public Higher Education Procurement Bulletin (IPHEPB):** The Bulletin is a free online resource for vendors wishing to do business with the public universities in Illinois. Participating universities post notices for upcoming bids, requests for proposal, and requests for information, solicitation documents, and awards

Vendors can search for notices that may be of interest to them, download bid documents, and return to check the status of a bid. The IPB enables registered vendors to: receive email alerts, respond to notices and bid requests, and view contracts awarded. The IPHEPB website is: [http://www.procure.stateuniv.state.il.us/dsp\\_about.cfm](http://www.procure.stateuniv.state.il.us/dsp_about.cfm)

**Intergovernmental Agreement (IGA):** An intergovernmental agreement is any agreement that involves or is made between two or more governments to cooperate in some specific way.

**Internal Waiver:** For purchases of \$5,000.00 or greater, IMSA requires that the following preferred vendor categories of State of Illinois businesses be contacted when making purchases: BEP-Business Enterprise for Minorities, Females and Persons with Disabilities Act (30 ILCS 575); SB-Small Business; VOSB-Veteran-owned small business; SDVOSB-Service-Disabled Veteran-owned small business (30 ILCS 500/45-57 and SWS-Sheltered Workshop (30 ILCS 500/45-35). In addition the SMC-State Master Contracts and ICI-Illinois Correctional Industries (30 ILCS 500/45-30) should be contacted to ensure IMSA is obtaining the best value/price. A waiver can be requested for a purchase of \$5,000.00 or greater provided a discernible and clear justification is provided.

**Invitation for bid (IFB):** A invitation for bid (IFB) or invitation to bid (ITB) is an invitation to contractors or equipment suppliers, through a bidding process, to submit a proposal on a specific project to be realized or product or service to be furnished.

**Large Business:** any business that is NOT registered with the State of Illinois as a small business.

**Less Than \$5K Purchase:** A purchase that is less than \$5000. These purchases still require due diligence to get the best price and value. All procurement rules still apply. The requestor does not have to get a waiver for using a non-preferred vendor.

**Master Contract:** Master Contracts refer to contracts the State of Illinois has entered into to enable cost effective purchasing of products and services that are purchased in high volumes each year. The goal of Master Contracts is to provide agency and local government buyers the ability to purchase items used most often at the least cost to the State.

**Microix:** Also known as the “Requisition system,” this is the application that purchasers (at IMSA) use to create purchase orders. A shortcut (icon) is on the desktop of staff computers at IMSA.

**Preferred Vendor:** State Master Contract, the Illinois Correctional Industries (for items they carry), or a vendor with an active State Master Contract that can be used, or a vendor registered in the Business Enterprise Program (BEP), or the Small Business Program (SB) or the Service Disabled Veteran-Owned Small Business (SDVOSB) \ Veteran-Owned Small Business (VOSB) program. A vendor may be registered in multiple databases. Sheltered Workshop Vendors (SWS) are a subset of the BEP vendors.

**Private Grant:** as used in “Procurement expenditures for events or activities paid for exclusively by revenues generated by the event or activity, gifts or donations for the event or activity, private grants, or any combination thereof”. Non-Government Grant. Grant money from the Federal Government, another State Agency or Local School Board would NOT be private.

**Quote:** A “quote” is a cost that a vendor provides to a buyer when the buyer asks for a price for a given purchase of product(s) and/or service(s). Buyers should request as many quotes as possible, but are required to obtain at least 3 quotes for a purchase when the cost exceeds \$5,000. Note: A quote is different from a “bid” (see definition in this document).

**Request for Information (RFI):** A request for information (RFI) is a proposal requested from a potential seller or a service provider to determine what products and services are potentially available in the marketplace to meet a buyer's needs and to know the capability of a seller in terms of offerings and strengths of the seller. RFIs are commonly used on major procurements, where a requirement could potentially be met through several alternate means. An RFI, however, is not an invitation to bid, is not binding on either the buyer or sellers, and may or may not lead to an RFP or RFQ.

**Request for Proposal (RFP):** A request for proposal (RFP) is issued at an early stage in a procurement process, where an invitation is presented for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service. The RFP process brings structure to the procurement decision and is meant to allow the risks and benefits to be identified clearly up front

**Request for Quote (RFQ):** A request for quotation (RFQ) is used when discussions with bidders are not required (mainly when the specifications of a product or service are already known) and when price is the main or only factor in selecting the successful bidder.

**SharePoint site:** SharePoint is a Microsoft product that enables quick creation of a Web site that provides a central storage and collaboration space for documents, information, and ideas. SharePoint may be used in the near future to enable employees to find and access procurement documents at IMSA.

**Sheltered Workshop Vendor (SWS):** A vendor registered in BEP that provides work for the disabled. Also known as a State Use Vendor. IMSA has a goal for procurements from SWS of 1% of the 20% BEP. SWS is a classification that appears on the search results of a BEP search.

**Small Business Set Aside Program (SBSP):** The Small Business Set-Aside Program allows for the Chief Procurement Officer of the State of Illinois to reserve a fair portion of construction, supply, and service contracts so that small Illinois businesses only can compete for them. Legislation effective January 1, 2005 increased annual sales limits for wholesale and retail businesses so that more companies can be considered small businesses when competing for state contracts. IMSA has a goal to purchase 10% from Small Business vendors.

**Small Business Vendor:** A business registered in the Illinois Small Business Program (SB) [see the definition in this document for details). You will search for registered Small Business vendors here: [Illinois Procurement Gateway](#)

**Small Purchase:** In most cases, this term refers to any purchase under the Bid Limits

**State Procurement Officer (SPO):** The SPO is assigned by the State to our agency, among others, to review and approve purchases made by IMSA (The SPO assigned to IMSA is Pamela Amoaka)

**Thresholds:** State Agency purchases have specific requirements based on the dollar amount and types of the purchase. For example: Any purchase from a vendor other than a state Master Contract vendor or the Illinois Correctional Industries that is over \$20,000 requires a contract. Any small business purchases over \$5000 require a minimum of 3 quotes. Thresholds are defined, when required, in the IMSA Procurement process documentation.

**Solicitation:** What we call a formal bid (see above)

**Veteran Business Vendor:** The Service Disabled Veteran-Owned Small Business (SDVOSB) \ Veteran-Owned Small Business (VOSB) program is designed to promote procurements from Veteran Owned Businesses. IMSA has a goal to purchase 3% from Veteran Owned Business vendors. Veteran Business vendors must be registered to appear in the VOSB/SDVOSB website is located here: <https://www2.illinois.gov/cms/business/sell2/Pages/VendorSearch.aspx>