

Procurement Glossary

Advertisement or Advertise – A public legal notice put in a newspaper of general circulation containing information about an Invitation for Bid or a Request for Proposal.

Amendment – A document used to change the terms and/or conditions of a Solicitation.

Annual Term Contract – A recurring contract for goods or services, usually in effect for a 12-month period.

Auditor – Chambers County Auditor and the designated representatives.

BONDS

Bid Bond – A guarantee that promises the bid will not be withdrawn prior to contract award. Normally it is five percent (5%) of the highest amount bid and is in the form of a financial guarantee provided by a surety; however, it can be cashier's or certified checks, or U.S. currency. Bonds of unsuccessful bids are returned after award. Bond of successful bidder is retained until the contract is executed and any necessary payment/performance bonds are submitted and accepted. If the successful bidder refuses to execute the contract or submit proper payment and performance bonds, then the bid bond is "called" for the difference between their bid and that of the next low responsive responsible bidder, up to the penal amount of 5% of the bond.

Payment Bond – A guarantee that promises payment to subcontractors and suppliers on a contract during performance. It must be submitted prior to any work. It is normally one hundred percent (100%) of the contract price and is in the form of a financial guarantee provided by a surety, but can be cashier's or certified checks, or U.S. currency. It is normally maintained until expiration of any required warranty. If the contractor fails to pay subcontractors and suppliers, then the payment bond is "called" for the amount of non-payment.

Performance Bond – A guarantee that promises that the contract will be performed as required. It must be submitted prior to any work. Normally it is one hundred percent (100%) of the contract price and is in the form of a financial guarantee provided by a surety, but can be cashier's or certified checks, or U.S. currency. It is normally maintained until expiration of any required warranty. If the contractor fails to perform and complete the contract as required, then the performance bond is "called" for the amount required to complete the contract. A surety that provides a bond may be permitted to "take over" a failed or defaulted contract.

Change Order – A document used in construction contracts that changes the contract by increasing or decreasing the cost or time for performance, or changes the goods/services to be delivered.

Commissioners Court – Chambers County Commissioners Court.

Competitive Bidding – Letting available vendors compete with each other to provide goods/services.

Competitive Proposal Process – Letting available vendors compete with each other to provide goods/services in compliance with Texas Local Government Code Chapter 262.

Component Purchases – Purchasing a series of component parts of goods that normally would have been purchased as a whole.

Contract – A formal, written agreement executed by the County and a vendor, containing the terms and conditions under which goods/services are to be furnished to the County. A contract, when properly signed by the authorized County representatives, is a commitment for County funds.

County – Chambers County, Texas.

County Attorney – Chambers County Attorney or the designated representatives.

County Clerk – Chambers County Clerk or the designated representatives.

Customers – The County departments.

Department – All County and precinct offices and subdivisions of them, as well as district offices and subdivisions when the purchase is even partially funded by County money.

Designee – Individual Purchasing Department employee given the authority as an additional agent to the Purchasing Agent to perform County business.

Disadvantaged Business Enterprise (DBE) – A business in which at least 51% ownership is represented by one or more persons who have been historically underutilized (socially disadvantaged) because of their identification as being African American, Hispanic American, Asian-Pacific American, Native American, or Women.

Emergency Purchase – A purchase that is needed because of an emergency condition as described in Texas Local Government Code Section 262.024(a)(1).

Employee – Any County or precinct elected official, appointed official, or employee and any district elected official, appointed official, or employee when the purchase will be partially funded with County money.

Executive Manager – Any executive manager and any person authorized to act on their behalf.

Formal Competitive Bidding – The bidding process in compliance with Texas Local Government Code Section 262.023, which requires approval by the Commissioners Court.

Goods – Includes any personal property to be purchased by the County, including equipment, supplies, material, and component or repair parts.

Invitation for Bid or IFB – Specifications and formal bidding documents requesting pricing for a specified good/service that has been advertised for bid in a newspaper.

Lease – A contract for the use of personal property for a period of time for a specified compensation.

Lowest Responsible Bid – The offer from the responsible bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid. It expressly is understood that the lowest responsible bid includes any related costs to the County in a total cost concept. The term “responsible” refers to the financial and practical ability of the bidder to perform the contract, and takes into consideration the past performance of the vendor.

Modification – A document used to change the terms/conditions of a contract.

Occupant Department – The department that will use the goods/services when the purchase or construction is completed, which may be different from the user department.

Official – Any elected or appointed official and any person authorized to act on their behalf.

Pre-Bid/Proposal Conference – A conference conducted by the Purchasing Department for the benefit of those wishing to submit a bid or proposal for services/supplies required by the County. This is held in order to allow bidders/proposers to ask questions about the proposed contract and particularly the contract specifications.

Professional Services Procurement Act – There are three (3) kinds of professional Services specified and allowable in this act:

1. Professional services specified in the Professional Services Procurement Act which require an individual with specified skills.
2. Professional services not specified in the Professional Services Procurement Act. These services include a wide variety of individuals with specialized skills. The Purchasing Agent must rely on the Attorney General and specific court cases.
3. Attorneys that are approved by the Chambers County Attorney.

Prompt Payment Act – Texas Government Code 2251.021(B) TIME FOR PAYMENT BY GOVERNMENTAL ENTITY, states a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of: (1) the date the governmental entity receives the goods under the contract; (2) the date the performance of the services under the contract is completed; or (3) the date the governmental entity receives an invoice for the goods or services.

Proprietary Information – Information in bids or proposals to which the vendor claims ownership or exclusive rights and which is protected from disclosure under the Texas Public Information Act (Texas Local Government Code, Chapter 551).

Purchase Order – An order by the Purchasing Department for the purchase of goods/services written on the Chambers County standard Purchase Order form and, when accepted by the vendor without qualifications within the specified time limit, becomes a contract. It is the vendor's authority to deliver and invoice for goods/services specified, and the County's commitment to accept the goods/services for an agreed upon price.

Purchase Requisition – A request by a department to the Purchasing Department that authorizes Purchasing to enter into a contract with a vendor to purchase goods/services and charge the expenditure to the appropriate department budget. This automated form is for internal use and cannot be used by a department to order material directly from a vendor.

Purchasing – The act, function, and responsibility for the acquisition of goods/services, including construction and professional services.

Purchasing Act – Chapter 262, Subchapter C of the Texas Local Government Code that governs the conduct of purchasing activity for counties.

Purchasing Agent – The purchasing agent for the County who reports to the Purchasing Board and the designated representatives.

Purchasing Department – Chambers County Purchasing Department and its staff.

Request for Services or RFS – A document that requests information about qualifications and details of service to be provided, and costs for services that the Commissioners Court orders exempt in compliance with Texas Local Government Code, Section 262.024(a)(4).

Request for Offer or RFO – A process for soliciting offers from three (3) catalog vendors authorized by the General Services Commission pursuant to Texas Government Code, Chapter 2157, and negotiating with them for the best value and purchase in the best interests of Chambers County.

Request for Proposal or RFP – A document requesting an offer be made by a vendor, which allows for negotiation after a proposal has been received, but before award of the contract for goods/services procured in compliance with Texas Local Government Code, Section 262.0295 or 262.030.

Request for Qualifications or RFQ – A document that requests details about the qualifications of professionals whose services must be obtained in compliance with the Professional Services Procurement Act.

SAP – Chambers County Enterprise Management System which includes the Purchasing module.

Sealed Bids – Competitive bids required to be advertised in a newspaper and submitted to the Purchasing Department in a sealed envelope.

Separate Purchases – Purchases made in a series of separate purchases of goods/services that, in normal purchasing practices, would have been made in one purchase.

Sequential Purchases – Purchases made over a period of time that, in normal purchasing practices, would be made as one purchase.

Services – Includes all work or labor performed for the County on an independent contractor basis, including maintenance, construction, manual, clerical, personal, or professional services.

Sole Source Good or Service – A good or service that can be obtained from only one source that is purchased in compliance with Texas Local Government Code, Section 262.024(a)(7).

Solicitation – A document—such as an invitation to bid, request for proposal, request for offers, or request for qualifications—issued by the Purchasing Department. This document contains terms and conditions for a contract, and it seeks (solicits) a bid or proposal for goods/services needed by the County.

Specifications – A concise description of a good or service that an entity seeks to buy, and the requirements the vendor must meet in order to be considered for the award. A specification may include requirements for testing, inspection, preparing an item for delivery, and preparation or installation for it to be used. The specification is the total description of the item to be purchased.

User Department – The department from whose budget line item the contract will be paid.

Vendor – One who sells something; a “seller.”