



UNIVERSITY of WISCONSIN

GREEN BAY

Purchasing Policy and Procedure Number PPP 18

PPP Definitions Dated: 11/01/2004

Abandoned Property: Items not owned by the State or university that is abandoned on UW-Green Bay property.

ADA: American Disability Act

Agreement: A legally binding contract that states terms and conditions of a procurement between two or more parties

American Made Materials Policy: Wisconsin statutes provide that the State will purchase materials that are manufactured to the greatest extent in the United States when all other factors are substantially equal.

ASSA: Academic Support Services Agreement

ASSO: Academic Support Services Order

Auction Sales: Process used to offer surplus property to the general public

Award: Selection of the lowest price bid that meets all specifications of the bid.

Back Orders: A stock item that is ordered and is temporarily out of stock

Badger State Industries (BSI) Program: Policy on procurement of BSI materials and services: see website: <http://www.buybsi.com>

Best Judgment Purchase: A purchase of \$1500 or less (excluding freight) for only that particular purchase. Best Judgment purchases may not be used for capital equipment, printing services, radioactive materials or gas cylinders.

Blanket Order (non-contract): A purchase order issued to establish an account with a vendor or State agency to obtain miscellaneous supplies or services (e.g., laboratory supplies, repair parts) during a specified period of time.

Brand/Trade names: Manufacturer's name and/or model.

Cancellation Order: An order issued to cancel an existing purchase order when none of the items ordered are wanted or available.

Capital Equipment: Items that individually have a cost of \$5,000 or more and have a useful life of two years or more.

Certified Minority Business Enterprise: A business certified as a minority owned business by the Wisconsin Department of Development under s.560.036(2), Wis. Stats.

Change Order: An order issued to change or modify an existing purchase order.

Competitive Process: Contacting a minimum of three qualified vendors to solicit bids. Department personnel are authorized to obtain bids for orders up to \$5000. Orders exceeding \$5000 will be bid by the Purchasing Office.

Confirming Order ("Confirmers"): A comment that should be included on purchase orders that are entered into PeopleSoft and have already been placed with the vendor (ex. via a phone call).

Contract (Purchase): An established legally binding agreement between the University/State of Wisconsin and one or more vendors in which the vendor agrees to provide certain supplies or services at a specified price or at a discount from price list for a set period of time.

Contract Blanket Order: A blanket type purchase order supported by an UW-Madison, UW-System Contract, a State Contract (Procurement Bulletin) or a Governor's Waiver.

Contract Compliance Affirmative Action Program: This State of Wisconsin requirement commits the contract vendor to a program designed to achieve a balanced work force within a reasonable period of time. It contains, at a minimum, a policy statement, work force analysis, program goals, internal monitoring system, and dissemination of the plan.

Contractor: A vendor with whom the University/State has entered into a contract or negotiated an agreement for certain supplies or services with specific pricing and a set period of time.

Controlled Substances: Chemicals, drugs, or compounds of which the use and/or purchase is controlled by state or federal rules and regulations.

Credit Memo: Issued by a vendor to offset all or part of an invoice.

Cash With Order (CWO): Payment for purchase is mailed with the vendor copy of the document prior to supplies or services being received.

Direct Payment: A payment for goods or services which does not use a purchase order or purchasing card.

E-Commerce: The use of electronic means to view, select, order and arrange payment for goods and services (ex. Boise)

Emergency Purchase: A purchase of goods or services needed to respond to an emergency situation. An emergency situation is something which threatens public health, safety or welfare and in which all the following conditions exist: 1) was unforeseen; 2) calls for immediate action; 3) cannot be responded to

using established procurement methods. An emergency situation may also exist as the result of a proclamation by the Governor, under Wis. Stats. S.166.03(1)(b)1. Printing cannot be purchased using emergency purchasing procedures.

Encumbrance: A reservation/commitment of budgeted funds into the campus accounting system.

Exchange: The return of all or part of a purchase to a vendor or manufacturer in exchange for replacement goods if the products received are defective or incorrect merchandise or caused by an error during the ordering process.

Exchange For Partial Credit: An exchange where the replacement goods are of a lesser value than the original order or of the same value but in a quantity smaller than the original order. The vendor will usually issue a credit memo.

Fragmenting of Purchases: The intentional splitting of orders for like items from the same vendor with the intention of avoiding the competitive bid process.

Gift-in-Kind: A non-monetary gift voluntarily bestowed upon the University without restrictions.

Illegal purchase: Any procurement action taken that obligates the University for payment for goods or services without using proper purchasing procedures.

Invoice: A request or bill for payment of item(s) shipped and/or services rendered with a detailed accounting of all charges and total amount due.

Maintenance Agreement: A contract for repair or service of specified equipment, building equipment (i.e., elevators, furnaces) or non-consumable supply items that is done on an ongoing basis.

Minority Business Enterprise (MBE): Any firm that is identified as being owned 51% or more by an individual of an identified minority group as defined by the State of Wisconsin Department of Commerce.

Minimum Requirements: Basic needs identified by the department user.

Minority Business Enterprise Policy: Minority Business Enterprises are encouraged to respond to the state's procurement needs. All efforts are made to identify and eliminate any procedural or technical impediments to full participation of minority business enterprises in state procurement.

Negative Approval: The usual payment process, without special department approval, in which a properly prepared invoice is automatically processed for payment and a copy is scanned for the department to review. It is the department's responsibility to review the approved invoice and contact Accounts Payable if the invoice should not have been processed for payment.

Office Equipment: Equipment typically found in an office; e.g., microcomputers, typewriters, calculators, laboratory fixtures.

Office Furniture: Furniture typically found in an office; e.g., desks, tables, chairs, file cabinets.

Positive Approval: The payment by which any invoice received against a purchase order is sent to the department for review and approval before payment is made.

Price Lists: A list that indicates the price of items.

Public Funds: All moneys deposited with the University regardless of source (e.g., state and federal funds, grants, contracts, gifts, donations, tuition, etc.) accepted by the Board of Regents.

Purchasing Policies & Procedures (PPP): Policies and procedures developed by UW-Green Bay Purchasing that detail the proper methods of processing purchasing related functions.

Reciprocity Law: This is a practice to establish a listing of in-state preference practices of other states that may affect UW-Green Bay pricing for products from that state.

Recycling Program: To define the procedures that agencies must follow in purchasing products with recycled content or disposing of products properly that can be recycled.

Release Order: An individual purchase via telephone, FAX, or in writing of an item(s) made against a blanket order.

RFB (Request For Bid): Formal procedure conducted by Purchasing using written documents and defined time frames to request and receive quotations from prospective vendors.

RFP (Request For Proposal): A formal procedure conducted by Purchasing using written documents, advertising and defined time frames to request and receive proposals and supporting information from prospective vendors.

RMA (Return Materials Authorization Form): A form initiated by a department or vendor to accompany goods returned to a vendor. An RMA may authorize the vendor to repair or exchange the returned goods and provides a current purchase order number to invoice any charges resulting from the transaction.

Serial Purchasing: An illegal practice in which an individual/project issues a series of purchase orders totaling more than \$25,000.00 in any 90 day period to the same vendor for the same commodity or service without the benefit of sealed bidding procedures.

Services: The furnishing of labor, incidental parts and materials by a vendor; not involving the delivery of a piece of equipment or a supply item. (General rule of thumb: labor portion of any service agreement is 50% or greater of the entire procurement.)

Sheltered Work Center Program: A charitable organization or nonprofit institution which is licensed under s. 104.07, and incorporated with the State or a unit of county government and which is operated for the purpose of carrying out a program of rehabilitation for severely handicapped individuals and for providing the individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature, and which is engaged in the production of materials, supplies or

equipment or the performance of contractual services in connection with which not less than 75% of the total hours of direct labor are performed by severely handicapped individuals.

Signatory Authority: Authority delegated by the Department of Administration allowing specified individuals to legally commit the University to contracts and agreements.

Simplified Bidding: An informal procedure used by Purchasing when the estimated cost of a transaction is more than \$5,000, but less than \$25,000 to obtain at least three competitive price quotes.

Small Business: A business that has had less than \$1.5 million in gross annual sales in the most recent calendar or fiscal year.

Software License: A written contract between the University and a provider of computer software. The license usually describes the terms for how the software may be used legally and copied and includes non-disclosure language. The license may cover the types of software evaluation or development needed in return for grants (donations) of computer equipment.

Special Approval: A written document or form, or a required review and approval of the request for procurement of a product or service before the product or service can be purchased.

Special Conditions of Bid: Written instructions included in bids or Requests for Proposal that are applicable and particular to the commodities and services being purchased.

Specifications: Detailed statements used in bids or Requests for Proposal describing the materials, dimensions, performance requirements, and workmanship of something to be built, installed, manufactured or processed.

SPM (State Procurement Manual): containing rules for purchasing goods and services for the State of Wisconsin. See website: <http://vendornet.state.wi.us/vendornet/procman/index.asp>

Standard Terms and Conditions: A preprinted set of instructions and information included in all bids or Requests for Proposal that need to be considered and agreed to by bidders in response to the bid or RFP.

State Property: All materials, supplies, and equipment of any state agency, regardless of value (not real property). This includes items that may be considered worthless and which still need to be disposed of through the proper disposal procedures.

Subscription: A contract to receive a magazine, journal, or periodical on established regular intervals and a stated length of time.

Supplies: Customarily, items consumed or expended in the course of being used. This does not include construction, services, capital equipment, and printing.

Surplus Property: State property that is in excess of department needs, no longer in use by the department, technically or mechanically obsolete, no longer functioning, or has no intrinsic value (junk).

Surplus Property Declaration Form: Must be completed to dispose of surplus property.

Tracing: A follow-up inquiry with the vendor to locate missing goods, invoices, or credit memos.

Transaction: The complete business process of the procurement and payment of goods and services.

UDDS: An accounting acronym for Unit, Division, Department, Sub-Department used to designate a particular organizational unit within the UW-System.

Unresolved Problem: A problem or complaint (e.g., late deliveries, disputes over pricing, or dissatisfaction with a product or service) with a vendor that cannot be resolved.

Vehicle: Any automobile, truck, motorbus, self-propelled or motor-driven vehicle operated on a public highway [MVD 194.01(01)], and aircraft and inboard motor powered boats.

Vendor: A supplier of goods or services.

Vendor Net: State of Wisconsin Department of Administration System by which a subscribing vendor may be notified of bids or Requests for Proposal greater than \$25,000.00 that are solicited by any State agency. Vendornet is also an informational tool to provide materials and information to state agencies through one source. See website: <http://vendornet.state.wi.us/vendornet/>

Veteran-Owned Business Program: A small business, as defined in 16.75(4) (c), that is certified by the Department of Veterans Affairs as being at least 51% owned by one or more veterans, as defined in s. 45.35(5).

Waiver: A request that is approved with prior and adequate justification, that allows a purchase to be made without competitive bidding.

Wisconsin Fleet Policies and Procedures: The minimum policies and procedures published by DOA regarding the use and operation of state owned pool vehicles.