

Los Angeles City College Administrative Services "How To" Book	Purchasing	VII
		K-1
How Do I Find a Definition for a Procurement Terminology		

Glossary of Terms

Accounts Payable - This is the money that the District owes to vendors for products and services. At the college level, the Accounts Payable Section is within the College Purchasing Department and all invoices are processed and paid by the Accounts Payable Section. At the District level, the Accounts Payable Department generates the check for the vendors and mails them.

Authorization to Pay - The procedure developed to purchase library materials and instructional resources that do not need to be competitively procured. The Authorization to Pay Form, rather than a Purchase Order Form, is used.

Authorized Payment - This is a recommendation for approval to reimburse a purchase made by an employee, on behalf of the District, that was not previously approved or not in agreement with the District purchasing procedures. The recommendation must be in writing and written by one of the following District Officers - the Chancellor, Senior Vice Chancellor, College President, Vice President of Administration or the Executive Director of Business Services. The written recommendation must also be approved by the Board of Trustees.

Bid-Splitting - A violation of District policy by which the perpetrator or employee splits quantities or dollar amounts of goods to be purchased, or services to be rendered, for the sole purpose of evading the process of advertising for bids.

Budget - A plan of financial operation for a given period, for specified purposes, consisting of an estimate of income and expenditures; the process of allocating available resources among potential activities to achieve the objective of the organization.

Business Card Request Form - Form used to request for the purchase of Business Cards through the College Purchasing Department.

Campus Activity Permit - Legal authorization from the District or College for a staff, faculty, student or campus organization to use the college facilities to host or conduct an event.

Campus Activity Request Form - Form used in requesting legal authorization from the District or College to host or conduct an event by a faculty member, staff or any campus organization.

Campus Facility Use Application Form - Form used in requesting legal authorization from the District or College to host or conduct an event by an external organization.

Categorical Programs - Specially funded programs that are continuously and automatically funded from one fiscal year to the other, such as the Extended Opportunity Program (EOP&S).

Check Generation - Printing of vendor checks. The check generation process is done at the District Accounts Payable Department.

Check Transmittal - Mailing of checks to the vendors.

Civic Center Permits - Legal authorization from the District or College for a non-profit organization use of the campus facilities to host or conduct an event.

College Property - That which is legally owned by the District or College.

College Purchasing Department - The College Purchasing Section located within the Administrative Services Department that handles and processes all procurement documents, including contracts, for the College and pays all invoices. The Campus Purchasing Department does not handle purchases or contracts equal to or exceeding the statutory bid limit, as well as large purchases that are handled by the College Procurement Specialist.

Commitment - The same as an encumbrance. Obligations (in the form of purchase orders, contracts, salaries, etc.) for which, part of the budget is reserved.

Confirmation Order - Order issued to a vendor or entered in the procurement database after services have been performed or goods received.

Contract Form - Form used to initiate and obtain approval for requesting a contract to be processed between the District and a third party.

Contract Vendors - Vendors already selected through competitive bidding to provide services or goods to the District or its Colleges, without any subsequent competition for a given period.

Contracting Procedures - The established guidelines that must be followed in order to initiate and award a contract to an external party or contractor.

District - The Los Angeles Community College District

Educational Materials - Instructional materials or supplies utilized by students to support their educational curriculum. These materials can be purchased without any estimates or advertising for bids, as per Education Code Section 81651.

Emergency Contracts - A contract as defined in Public Contract Code section 20654 that can be awarded on behalf of the District by the Chancellor, Senior Vice Chancellor, Executive Director of Facilities Planning and Development, Director of Business Services, or their designees, for the performance of repairs, alterations, work or improvement with the furnishing of materials or supplies for an emergency purpose without advertising or inviting bids.

Expenditure - The economic cost or sacrifice that the college or a governmental organization incurs through its operations to meet its goal or provide services. **Expenditure** is the same as an **expense**. However, the term **expense** is primarily used within a profit oriented organization.

Expense - The economic cost or sacrifice that a business incurs through its operations to earn revenue. For the District or other governmental units, the term **expenditure** is used.

Film Permit - Legal authorization from the District or College for a movie producing organization to use campus facilities to host or conduct an event; or shoot or make movies on the College premises or facilities.

Fiscal Year - For the college or any government entity in the state of California, Fiscal Year is the period beginning July 1 to June 30.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources. Fund is a uniquely identified source of revenue. The Unrestricted or General Fund number for the District is 10100.

Fund Center - A set of functions or operations related to an academic discipline or a grouping of services; also, the account segment that defines such a set. A fund center is sometimes referred to as a cost center. For Specially Funded Programs, the fund center number is called the **WBS** number.

Food/Cafeteria Supplies - Perishable food stuff and seasonal commodities purchased by the District for the cafeteria without competitive bidding. (Public contract Code 20660)

General Fund - The fund used to account for the basic operations of the district. It is available for any legally authorized purpose not specified for payment by other funds.

General Ledger Number (G/L) - Expenditure classification category of an item or service purchased. For example, Supplies G/L number is 452100.

Goods - Supplies, materials, equipment or other personal property procured by the District for its business use.

“How to” Book - The manual prepared to assist staff in the understanding of the various operational procedures of the Administrative Services Department.

Invitation for Bid (IFB) - The solicitation used to request sealed Bids in accordance with Public Contract Code section 20650 et. Seq. and Education Code section 81641 et. Seq.

Items - Goods, supplies, materials, equipment or other personal property procured by the District for its business use.

Lease - An agreement between the District and a third party for the use of the third party asset for a year or more in which the District (Lessee) has physical possession of the asset through the lease term but the title of the asset remains with the third party or supplier/assignee (lessor).

Loan or Donation of Equipment/ Educational Materials - Items acquired through loans or donations from public or private entities or individuals.

Location - Any of the nine Colleges and District Office, for a total of 10 locations within the District. A satellite campus is deemed to be a part of its associate College.

Long Term Contract - An agreement between the District and a contractor (third Party) to provide services for a term equal to and greater than one year and amount equal to or greater than \$5000.00.

Payment to Contractor - The payment of a contractor invoice for services rendered to the District or College based on an approved contract from the College or District.

Payment to Vendor - The payment of a vendor invoice for goods or items shipped and received by the District or College based on a Purchase Order or other legal authority issued by the District or College.

Permit for Use - Legal authorization from the District or College for a profit oriented organization to use the college facilities to host or conduct an event.

Personal Property - Any property that is not Real Property; any goods.

Personal Service - Routine labor for which no special training, education or certification or license is required, such as maintenance, and which is not a professional service. Personal Services reasonably projected to cost more or equal to the bid threshold must be procured through the issuance of an Invitation to Bid.

Procurement - A purchase order, contract, lease, license, authorization of payment, authorization to pay library materials, purchasing card transaction, or other methods used within the District to acquire Goods or Services for the benefit of the District. Also, the act of purchasing or contracting for goods or services.

Professional Service - Also referred to as Special Service; labor, which is described in Government Code Section 53060. Professional Services are deemed to be exempt from the requirement in Public Contract Code Section 20651 for sealed bidding. However, if the estimated value equals or exceeds the statutory bid threshold, a Request for Proposals process is customarily used to procure the service.

Proposal - A firm offer from a supplier to sell to the District goods or services at a specific price for a procurement in which award will be made based on price and other factors considered together. Proposals are to be solicited only for professional services and electronic data-processing equipment and other goods and services as referenced in the Educational Code 81645 and Government Code Section 53060.

Purchase Request Form - Form used to initiate the generation of a purchase order for the purchase of goods.

Purchasing Card - The District business credit card that can be used for small-dollar purchases of goods and services by authorized employees of the District.

Purchasing Procedures - The established District or College procedures that must be complied with in the procurement of goods and services for vendors.

Purchase Order - A legal document authorizing a vendor to ship to the District or College goods that will be paid for by the District upon providing such goods or items.

Quote - A firm offer from a supplier to sell to the District goods or services at a specific price for a procurement costing less than the statutory bid threshold in which award will be made to the supplier offering the lowest price, assuming all other factor being equal. Unless otherwise specified, a quote may consist of a catalog price or an emailed, faxed, mailed or hand-delivered written offer.

Receiving Department - The section within Administrative Services division of the College where all items or goods ordered are received and entered into the SAP system and tagged. It is the Receiving Department that releases all Purchase Orders for payment to the Accounts

Payable Section, indicating that the items purchased on the Purchase Order have been received.

Rental - An agreement for the lease of an asset for less than one year.

Replacement & Disposal Form - Form to be completed for approval for the disposal or replacement of an asset.

Request for Proposals - The solicitation used to solicit Proposals for Professional Services as described in Government Code section 53060 and electronic data-processing equipment and other Goods and Services, as described in Educational Code section 81645.

Restricted Fund - Fund that is restricted for specific use, such as the Cal Works Programs, etc. It is not the General College Operating fund. Restricted Fund are limited as to use or disposition, by their funding sources.

Return of Items - Items that have been purchased, received from the vendor and shipped back to the vendor for one reason or the other.

Revenue - The allocation or taxes collected by the State and given to the LACCD for operations. The benefits received from services given up, such as cash collected from students for services rendered.

Services - Labor, as distinguished from Goods purchased by the District for its business use. See also "Personal Services" and "Professional Services."

Short Term Agreement - An agreement between the District and a contractor to provide services for a term less than one year or an amount less than \$5000.00 within a single fiscal period or twelve consecutive months, from the inception of the initial contract.

Short Term Contract - The same as a short term agreement or an agreement between the District and a contractor to provide services for a term less than one year or amount less than \$5000.00 within a single fiscal period or twelve consecutive months, from the inception of the initial contract.

Software License - The right or permit purchased for the use of software. It is a contract or agreement between the District and the Supplier of the software authorizing the non-exclusive use of the software with the ownership still remaining with the Supplier or Provider of the software.

Sole Source - Refers to the market condition in which only one supplier exists for needed products or services, thereby preventing any competitive process in selecting the vendor. It is the same as single source.

Special Services - Also referred to as Professional Services; labor, which is described in Government Code section 53060. Professional Services are deemed to be exempt from the requirement in Public Contract Code Section 20651 for sealed bidding. However, if the estimated value equals or exceeds the statutory bid threshold, a Request for Proposals process is customarily used to procure the service.

Specially Funded Program - This is a restricted program. A program that is not funded from the General Fund.

Statutory Bid Limit - The cost limit at which a purchase or contract must be publicly advertised and go to bid rather than accepting a sole source vendor or three quotations for evaluation and subsequently selecting the lowest quote.

Unrestricted Fund - The same as the General Fund or the College or District main operating fund. It is the State allocation of the general state apportionment for basic operations of the District and its colleges. This Fund number is 10100.

Vendor - A supplier or a business that provides goods to the District for a cost.

Vendor Credit - A Credit Note sent by a vendor to the District which can be applied against future purchases from the same vendor as payment. If the District prefers, a check reimbursing the District can be requested in-lieu of the Credit Note.

Vendor Form - Form that is completed by new vendors to provide the District the vendor tax, mailing and other relevant information concerning the vendor.

Vendor Number - The number assigned to a new vendor for identification purposes after the vendor has completed and submitted the Vendor Form to the District Procurement Office.

Vice President of Administrative Services - The Vice President Administrative Services or Vice President of Administration at a College. At the District Office, the Director of Business Services.