



GLOSSARY OF TERMS

This Glossary includes words that have not been used in the Factsheets. There are a number of different terms that can be used in the Procurement and Commissioning process but, for simplicity and consistency, we've kept it simple. In other publications you will find a variety of different wording. The aim of this glossary is to help explain this terminology. It is not a memory test!

| WORD | MEANING |
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| Accountable Body | An organisation that takes responsibility for the delivery of a contract by a partnership or a consortium of organisations. An accountable body can find itself performance managing other organisations in a consortium and, for that reason, the role should not be taken on lightly. (See also “Prime Contractor”) |
| Agent | A party that acts on behalf of, usually, a supplier or a seller. |
| Aggregation | EU rules sometimes require that contract values must be combined together. The total value of an ‘aggregated’ contract may then trigger EU procurement thresholds |
| Aims | The difference an organisation intends to make usually detailed in a Constitution |
| Annual Report | For organisations interested in contracting to deliver public services, there is value in producing a printed document that showcases the organisation’s accomplishments, drive and purpose and the difference it has made. Include case studies – people are impressed by real stories about real people – and photographs. In the annual statement of accounts, explain where the money came from and how it was spent. A copy of an organisation’s annual report will usually be requested by a Pre-Qualification Questionnaire. |
| Appraisal Policy | An Appraisal (or Appraisal and Development) Policy demonstrates a commitment to employees and volunteers performing to a high standard. While Support and Supervision occurs at regular intervals during the year, an Appraisal is a more formal interview focused on performance. An Appraisal compares performance against expectations and results in an agreed performance plan. The policy and evidence of systems in place to implement it may be required in a Pre-Qualification Questionnaire. |
| Approved Suppliers | Suppliers who have met Commissioners’ pre-set criteria. See also “Preferred Suppliers”. |

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| Assets | Things of financial value owned by an organisation. This includes 'fixed' assets (buildings, plant and machinery), 'current' assets (stock, cash, debtors) and intangibles (trademarks, brand names, intellectual property). |
| Audited Accounts | All charities with an income higher than £250,000 require an annual independent audit. Smaller charities and voluntary and community organisations require the same if their governing documents require it. Statutory organisations seeking to award contracts will want to know that organisations they contract with have their financial affairs in order. Copies of an organisation's most recent audited accounts will be required by a Pre-Qualification Questionnaire. |
| BATNA | Best Alternative to a Negotiated Agreement. The course of action to be followed if a negotiation fails. |
| "Beauty Parade" | Formal presentations to a Commissioner panel from short-listed providers after submission of the tender document: suppliers' last opportunity to influence the Commissioner's decision |
| Best Practice | Public Sector procurement practices must observe Best Practice guidance issued by the Office of Government Commerce (OGC). |
| Best Value | Public Sector organisations are obliged to achieve Best Value when procuring all goods, works and services. Price must be one of the criteria but not the only one. Others include quality, whole life costs and, where relevant, environmental considerations. The optimum combination of quality and whole life costs that best meets a Commissioner's requirements. Also known as "Value for Money". |
| Bid | The submission of a tender proposal for a contract by a potential supplier within a competitive procurement process. |
| Broker | A party that mediates between a buyer and a supplier. |
| Business Questionnaire | Some Local Authorities' name for a Pre-Qualification Questionnaire (PQQ). |
| Buyer | The body that purchases goods or services. Also variously known as Customer, or Purchaser. Where a buying organisation employs a Commissioner then they will be the Commissioner's Client (as a personal shopper helps a client with purchasing). |
| Civil Society | Traditionally used to describe those self-governing groups and organisations in the community untouched by and unconcerned about Government. Now popular with the Coalition as potentially providing the ingredients and vitality for the development of "Big Society". |
| Client | See Buyer |
| Commissioning | The process by which public bodies anticipate future needs and decide how to secure the best possible services for the money available. The Commissioning Cycle assesses people's needs, |

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| | then designs and secures services to meet those needs. |
| Compact | A written agreement between government or local public bodies and the voluntary and community sector containing principles and undertakings to observe those principles when doing business. |
| Competitive Dialogue | A procurement process allowed under EU directives in which the awarding authority discusses all aspects of the contract with prospective suppliers. Used for complex contracts where price and requirements are difficult to define. |
| Consortium (plural: Consortia) | A group of independent companies or organisations with complementary skills, experience and resources, formed to tender for, and work together on, a contract. |
| Contestability | A technical term to describe efforts to increase the potential for new entrants to the market to ensure healthy competition |
| Consideration | The technical term for the payment or recompense made for goods or services supplied as part of a contract |
| Contract | A legally binding agreement. A contract's terms specify what is to be provided (e.g. goods and/or services) for what consideration (e.g. an amount of money). They also specify the legal obligations the parties accept in order to fulfil the purposes of the contract. |
| Contract Award Notice | The notice published in the OJEU to notify suppliers/contractors that a contract or contracts have been awarded in accordance with EU Procurement Directives. |
| Contract Notice | The notice that appears in the OJEU to notify suppliers that specific tender exercises are to be undertaken and to invite them to express their interest in tendering. |
| Contract Specification | See Specification |
| Contractor | See Supplier |
| CPV Codes | Common Procurement Vocabulary: EU 9 digit codes that indicate the type of products or services required by the tender. |
| Customer | See Buyer |
| Data Protection Policy | The Data Protection Act 1998 requires that all organisations that hold personal data about individuals comply with some key principles covering the use, privacy and disclosure of that data. Loss, damage to or misuse of that data is a breach of the Act and is not only criminal but can seriously damage reputations. A Data Protection Policy sets down the decisions an organisation has made about how to comply with the Act and about ensuring individuals know what their responsibilities are. The policy and evidence of systems in place to implement it will be a requirement of a Pre-Qualification Questionnaire. |
| Dignity | See "Privacy and Dignity" |
| Due Diligence | With its origins in the private sector, the term "due diligence" |

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| | refers to the process through which a buyer/funder researches an organisation's financial and organisational health and capacity to deliver a contract. It is the process in which a buyer/funder seeks the "truth" about a potential supplier. |
| Dynamic Purchasing System (DPS) | An electronic system for purchasing commonly used goods and services which remains open to indicative bids for the lifetime of the system with the aim of achieving the best value bid for a specific contract. A DPS has a limited life of no more than 4 years. |
| eAuctions | An online exercise in which suppliers compete to lower the tender price – also known as a 'Reverse Auction'. |
| eMarketplace | An internet facility that enables trade between buyers and suppliers and offers a range of electronic services such as directories and catalogues for online purchasing of goods and services. |
| Employee Liability Insurance | Employee Liability Insurance is a legal requirement if a group employs staff (i.e. anyone who has a written contract of employment or apprenticeship, whether written, oral or implied). Some policies can be specifically set up to cover volunteers. Evidence of a current insurance policy will be a requirement of a Pre-Qualification Questionnaire. |
| Environmental Strategy | Increasingly suppliers will be required to demonstrate that they have an environmental policy or statement that shows they comply with relevant legislation and seek to minimise waste and pollution, to reuse, to recycle, and to be energy efficient. See also "Sustainability Strategy". |
| Environmental Sustainability | There are many definitions. This is one: "A movement towards redesigning the ways society's needs and wants are met so that they can be accommodated within the long-term carrying capacity of the environment". See also "Sustainability Strategy". |
| EOI | See "Expression Of Interest" |
| eProcurement | The use of electronic methods of communication for every stage of the purchasing process, from identifying the requirement to final payment and potentially including contract management. |
| Equality Impact Assessment | Public Sector organisations that contract out services are increasingly being asked for evidence of equality and diversity objectives, strategies and outcomes in relation to employees, service users and the community. Organisations bidding for contracts will not be asked to conduct Equality Impact Assessments themselves but will be asked for evidence that they are active in the promotion of equality and human rights as appropriate to the nature of the service and in proportion to its size. |
| Equal Opportunities | It is illegal to discriminate in employment matters or service delivery against people with protected characteristics (Equalities |

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| Policy | Act 2010): age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation. The Act comes into force from October 2010 and it is advisable to refresh existing Equal Opportunities policies in light of this. By developing good practice an organisation will benefit from a more diverse pool of customers and a wider pool of skills, expertise and experience from which to recruit, whether for paid employees or for volunteers. A copy of the policy and evidence of the systems in place to implement it will be requirements of a Pre-Qualification Questionnaire. |
| eTendering | Internet technology used to inform suppliers about contracts and to receive tender responses from suppliers. |
| eSourcing | The use of electronic methods of communication to locate and establish relationships with potential suppliers of goods and services. |
| EU Procurement Directives | The Public Sector Directive and the Utilities Directive set out the procedures that must legally be followed by buyers in the public and the utilities sectors within all EU countries. Implemented in the UK by the Public Contract regulations. |
| EU thresholds | Financial levels or limits relating to the estimated value of a contract over its entire life-time. Where the value of a contract is expected to exceed the relevant threshold, the contracting authority must advertise the contract in the Official Journal of the European Union (OJEU), as established by EU procurement law. |
| Evaluation | Using performance monitoring and other information to judge the success of an organisation or a project |
| Expression of Interest (EOI) | An occasional early stage in a tendering process. A formal EOI in the form requested should result in the tender documents being sent out. Some questions may be asked but usually much less stringent than a Pre-Qualification Questionnaire. |
| Feasibility Study | Assembling information and evidence to help decide whether something is possible. 'Can it be done?' See also "Viability". |
| Financial Standing | An organisation's reputation based upon past performance, credit history, sound business. Effectively a reputation which enables others to make judgements about an organisation's trustworthiness to deliver as required. |
| Framework Agreement | An arrangement between buyer(s) and supplier(s) where both parties agree the terms of future dealings between them without committing to or guaranteeing any specific purchase or contract. |
| Freedom of Information | The Freedom of Information Act 2000 gives people a general right of access to information held by or on behalf of public bodies – anyone funded from the public purse. It does not apply directly to the Voluntary Sector but some information about a Voluntary Sector organisation may be made available following a Freedom |

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| | of Information request if it is contracted to deliver public services. |
| Full Cost Recovery (FCR) | Recovering or funding the full costs of delivering a service. “Full Cost Recovery” refers to the costs of the work itself plus relevant on-costs. It is a principle in the Compact that organisations delivering services for public sector bodies should be paid the full cost of that service-delivery. Organisations tendering for a contract should ensure that the contract value is sufficient to cover the full cost to their organisation of the delivery of that contract. |
| Goods | Physical products provided by a supplier (e.g. stationery, office furniture, IT equipment, construction materials). |
| Government Procurement Agreement (GPA) | Under the auspices of the World Trade Organisation (WTO) 40 members, including all EU states, the USA and Japan, accept common general rules on public procurement. |
| Government Procurement Card (GPC) | A branded VISA purchasing card endorsed by the Treasury and the National Audit Office for use in the UK public sector, designed to streamline public sector payment processes, reduce delays and control expenditure. |
| Grant | Grants are usually given for specific purposes and so constitute ‘restricted funds’ (they can only be spent for the specific purposes for which they were given). |
| Health and Safety Policy | No matter the size of an organisation it will need to have in place procedures to ensure that accidents are minimised during the course of day to day business. It is good to record these procedures in a policy document and to maintain an incident book to record any incidents that do occur. Organisations with 5 or more employees are required by law to have a written Health and Safety policy. Evidence of the policy and the systems in place to implement the policy will be requested as part of a Pre-Qualification Questionnaire. |
| Impact | The longer term effects of an organisation’s or a project’s activities, outputs and outcomes |
| Impact Assessment | Either: An estimation of likely future impact of a project, for example on the environment, the health of a community or equality of opportunity, or An assessment of the impact that an organisation or project has had either overall or in specified areas of interest Tools such as “Social Return on Investment” (SROI) and “Social Accounting” have been created to help organisations better quantify or “financialise” their social impact. SROI requires assumptions to be used and needs external verification so can be expensive. |
| Indicators | Well defined and specific pieces of information that are used to show how well an organisation or a project is performing. They |

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| | can be qualitative or quantitative. |
| Individual Budgets | Sometimes called 'Personal Budgets'. The process by which service-users control or influence the way the money that pays for their service(s) is spent. Central to "Putting People First". |
| Induction Policy for Employees and/or Volunteers | An employee and/or volunteer induction policy lays down the processes an organisation follows to introduce new joiners into their working environment so they can contribute effectively to the work of the organisation as quickly as possible. The policy and evidence of the systems in place to implement it may be required as part of a Pre-Qualification Questionnaire. |
| Intelligent Commissioning | Defined as Commissioning "based on knowledge of potential providers and desired outcomes, based on user needs. Intelligent Commissioners should know whether contracts or grants are the right way to fund a service, how important price should be and whether there is scope for innovation." |
| Invitation to Tender (ITT) | The collection of documents sent to potential bidders, or available to them online, that provides clear and comprehensive information of the goods or services being procured, enabling bidders to cost and to submit a tender. |
| ITT | See "Invitation To Tender" |
| KPI | Key Performance Indicator – the important (set of) measures by which a Commissioner will assess a tender and a supplier's performance in fulfilling a contract. |
| Least Acceptable Outcome | The point beyond which the terms being offered by the other party to a negotiation become unacceptable. Also known as the 'Exit Point' or 'Walk Away' point. |
| Legal Status | Commissioners need to know the legal status of potential contractors. If an organisation is a registered charity or a company limited by guarantee (or both) they will need registration number(s) from the Charity Commission and Companies House. Whatever type of organisation, Commissioners will need information about governing documents, governance structures and registration details. |
| Liabilities | A general term for what an organisation owes. It can be long term loans, short term debts or, sometimes, particular functions that cost more than they are worth to the organisation. |
| Local Area Agreement | The Local Area Agreement is the 'contract' the government uses to performance manage local authorities. |
| Loss Leader | To price a tender below cost price in order to win a contract |
| Low Ball | To price a tender very low in order to win the contract |
| Main Contractor | See "Prime Contractor" |
| Marketing Strategy | When an organisation promotes itself and its services to the general public a Commissioner will want to see that the information published is of good quality, accurate and up to date. |

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| | They may request copies, web addresses and so on, to ensure their required standards are met. Where appropriate a copy of the strategy and supporting information may be required by a Pre-Qualification Questionnaire. |
| Master Vendor | See “Prime Contractor” |
| M.E.A.T. | ‘Most Economically Advantageous Tender’ allows Commissioners to assess tenders on other criteria than purely cheapest price. |
| Micro-business | A very small business generally defined as having no more than 10 employees. |
| Mind Map | Non-linear technique for mapping information using combinations of words, pictures, shapes and colours. |
| Monitoring | The systematic and regular collection and recording of specific information for the purpose of assessing progress against intended targets and outcomes. |
| Most Desirable Outcome | The best possible outcome from a negotiation. |
| National Indicator Set (NIS) | 198 headline indicators that central government uses to performance manage local authorities. |
| NDA | See “Non Disclosure Agreement”. |
| Negotiated Procedure | One of the procurement processes allowed under the EU Directives, in which the awarding authority is allowed to negotiate detailed pricing and other terms with prospective suppliers. Following the introduction of the competitive dialogue procedure it is now only used in exceptional circumstances. |
| Negotiation | The process through which two or more parties seek to achieve an agreement in their mutual interest or for their mutual benefit. This usually means the provision of goods and services in exchange for money. |
| Nomenclature of Territorial Units for Statistics (“NUTS”) | A “NUTS” (from the French) code identifies the country, and the region within it, where a contract will be undertaken. |
| Non-Disclosure Agreement | An agreement to observe confidentiality about elements of a contract, often the cost-price. |
| “NUTS” | See “Nomenclature of Territorial Units for Statistics”. |
| Objectives | The short-term goals of an organisation that enable it to make progress in achieving its aims |
| OJEU | The Official Journal of the European Union. All contracts above certain EU contract value thresholds <u>must</u> be carried in this journal. It can be viewed at Tender Electronic Daily http://ted.europa.eu/ . See also Part A and Part B Services (below) |
| Open Procedure | One of the procurement processes allowed under the EU Directives, which invites all suitable suppliers to tender in a one- |

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| | stage procurement process. |
| Outcomes | The changes, benefits, learning or other effects of the work of an organisation or a project. An “Outcomes Approach” puts the service user at the centre of a service and allows for innovative ways of achieving desired outcomes. |
| Outputs | The activities, services and products of an organisation or project. |
| Part A Services | All Part A Services, when above EU procurement thresholds, must be tendered for in full accordance with EU rules. Very broadly Part A services include capital projects and contracts that do not require individual member state ‘local’ knowledge. |
| Part B Services | Part B refers to an appendix of the EU Public Contracts regulations 2006 and includes services excepted from Part A because they require ‘local’ knowledge particular to individual member states. It includes health, education, social care, legal services and others. For Part B services, purchasers are not required to comply with all of the EU regulatory requirements. |
| Personal Safety Policy | Where the personal safety of employees or volunteers may be at risk in the workplace or when delivering services in the community these risks should be assessed and a policy and systems put in place to minimise the risk and manage the situation effectively. Evidence of a Personal Safety Policy and of the systems in place to deliver it may be required in a Pre-Qualification Questionnaire. |
| Personalisation | The process by which service users control the services they receive by spending a personal budget. |
| “PIN” | See “Prior Indicative Notice” |
| PQQ | See “Pre-Qualification Questionnaire”. |
| Pre Qualification Questionnaire (PQQ) | The responses to this questionnaire enable Commissioners to select a shortlist of suitable providers before embarking on the Invitation to Tender stage of the procurement process. The PQQ assesses <u>whether</u> an organisation is a suitable provider by seeking information on their financial history, track record, ability and capacity to deliver the specified contract. |
| Preferred Partners | Identified by a strategic decision to collaborate with one or more third party organisations to develop a service in light of local priorities and needs. |
| Preferred Supplier List (PSL) | A list of potential suppliers who have satisfied a PQQ process and are therefore eligible to be considered for lower value contracts should they arise. Also referred to as “approved suppliers”: the terms tend to be used interchangeably. |
| Prime Contractor | An organisation that wins and manages a contract that requires elements of the work to be sub-contracted to others. Commissioners and Procurers sometimes prefer fewer larger contracts with Prime Contractors taking responsibility for the complexity of the contract (particularly where expertise about |

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| | service detail lies with contractors rather than commissioners). |
| Prior Indicative Notice (“PIN”) | An advertisement in the OJEU to give advance notice of future procurement plans. PINS can be annual (giving the estimated value of different goods and services required by a public authority during the coming financial year), or can be occasional, to advertise a specific contract that may be forthcoming. |
| Privacy and Dignity Policy | Depending on the nature of the services an organisation delivers, a Privacy and Dignity Policy may be necessary. The aim of such a policy is to ensure that service users in a care environment have their privacy and dignity respected at all times. The policy and evidence of systems in place to implement it may be requirements of a Pre-Qualification Questionnaire. |
| Procurement | That stage of the Commissioning Cycle that focuses on securing goods, works and services, from initial advertising through to contract arrangements, which meet the customers’ (and service users’) needs whilst ensuring value for money throughout the life of the product - including disposal. |
| Procurement Processes | The variations most frequently used as part of the procurement process are: Open, Restricted, Competitive Dialogue and Negotiated. |
| Procurement Thresholds | The monetary contract value thresholds at which EU procurement rules apply. |
| Proportionality | The principle that the work required to tender for and to deliver and report on a contract should be in proportion to the size and value of the contract (i.e. light touch requirements for small contracts and greater formality and greater detail as contracts become larger, more complex and more costly). |
| Provider | See Supplier |
| Prudence | Managing risk by overestimating costs and underestimating income. |
| Public Liability Insurance | Public Liability Insurance covers injury, loss or damage caused to anyone as a result of your organisation’s negligence. Policies need to cover employees, volunteers, committee members and visitors. Possession of current and adequate public liability insurance is likely to be a pre-requisite for an organisation bidding for a contract. Where needed a copy of the policy and its terms will be required by the Pre-Qualification Questionnaire. |
| Public Sector | National and local organisations that are funded by public money. This includes central and local government, the National Health Service, the police force, schools and universities. |
| Purchaser | See Buyer |
| Quality | A level of service that results in a high level of customer satisfaction. Commissioners want the highest quality of service for the money they have available. |

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| Quality Assurance | Organisations thinking of tendering for contracts must consider having appropriate quality systems in place. They will need to demonstrate they provide quality services and have processes in place to ensure quality across all areas of their work including financial systems, staff development and training and legal requirements (e.g. Health and Safety, Data Protection). There are a number of independently tested quality systems available (e.g. PQASSO): see further sources of information, advice and guidance (below). |
| Reserves | Accumulated profits held 'in reserve' against a future 'rainy day'. The minimum recommended amount is the equivalent of all the costs necessary to close the business down (costs of redundancies etc). |
| Restricted Fund | These are funds that have clear and particular purposes and cannot be used otherwise. The practical implication is that restricted funds, whatever their source, have to be ring-fenced and reported on separately. |
| Restricted Procedure | One of the procurement processes allowed under the EU Directives in which only suitable companies who meet the buyer's selection criteria are invited to tender in a two-stage procurement process. The first stage is a selection stage, often using Pre-Qualification Questionnaires (PQQs), which selects the most suitable candidates to invite to tender. At the second award stage, the Invitation to Tender (ITT), the selected candidates' tenders are each assessed against the buyer's requirements. |
| Request for Information (RFI) | A preliminary step in the procurement process, where a commissioner requests general information from suppliers about their organisation. |
| Risk Assessment, Risk Management | <ul style="list-style-type: none"> The processes of identifying and thinking through risks and measures to mitigate or minimise them. A thorough Risk Assessment of an organisation and/or service will reassure Commissioners when reading PQQs or tenders. Arguing that there are no risks is unwise. Key areas of risk are finance, performance and reputation. The downside of Risk Assessment is that by being too risk averse organisations can lose a key advantage the VCS has in the eyes of the Public Sector, of being innovative and creative. |
| Seller | See Supplier |
| Service Conduct Policies | These demonstrate that a delivery organisation supports anti-discriminatory working practices and supports the rights and responsibilities of employees, volunteers and service users. Some policies are essential and some desirable depending on the particular requirements of commissioners, the nature of the |

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| | services and the size of the delivery organisation. |
| Service Level Agreement (SLA) | Terminology originally used to describe an agreement with an in-house supplier – an organisation cannot have a legal contract with itself. Now commonly used to describe a contract in which the service and levels of service are detailed together with the consideration – the amount of funding contributed to pay for the service. Sometimes SLAs are contracts for services purchased from a supplier. Sometimes they are contracts that constitute a legal framework to determine how a grant will be paid and spent. |
| Services | Intangible products (e.g. accounting, consulting, design, IT, recruitment) |
| Service User Feedback Policy | The aim of a Service User feedback policy is to provide a consistent approach to all forms of feedback and information received from people who have a view about an organisation and/or the services it delivers. A policy should be proportionate to the size of the service and/or the organisation and should demonstrate that thought has been put into achieving the best outcomes from user-feedback. A policy and evidence of systems to implement it may be a requirement of a Pre-Qualification Questionnaire. |
| Service User Risk Policy | For commissioners it is important that organisations are alert to the possibility of harm being caused either to themselves or others by the people the organisation works with. A policy should detail the measures in place to minimise these risks and, when situations do occur, to manage them effectively. Evidence of the policy and of the systems in place to implement it may be required in a Pre-Qualification Questionnaire. |
| SLA | See “Service Level Agreement” |
| Small and Medium Sized Enterprises | Definitions of what an SME is vary across EU countries. A definition of an SME came into force in January 2005 which EU countries are encouraged to adopt. “The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euros (c. £35 million) and/or an annual balance sheet total not exceeding 43 million euros (c.£30 million) |
| “SME”s | See “Small and Medium Sized Enterprises” |
| Social Clauses | Clauses within a contract that specify benefits and outcomes that are additional to the prime purposes of the contract but which the supplier is still contracted to deliver. |
| Specification | A description of a buyer’s requirements and standards which the goods or services that are the subject of the tender must meet. Also known as “Contract Specification” or “Statement of Need”. |
| Standing Orders | The rules and procedures that guide individual public bodies in |

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| | the conduct of their business. They will include rules about managing finance, employment and procurement. |
| State Aid | EU law aims to prevent member states using State Aid to distort free trade except in certain permitted circumstances. |
| Statement of Need | See "Specification" |
| Stepped Procurement | Using a different procedure for contracts depending on their value so that the formality of the requirements increases with the contract value (e.g. a quote from a single supplier for a very low value contract through to high value contracts being subject to more formal and more competitive tendering processes. |
| Story Board | A technique for outlining the contents of each section of a tender document (see also "Mind Map") |
| Structure Chart | Commissioners need to be assured that potential contractors have an organisational structure that clearly allocates responsibility and identifies who reports to whom. For small organisations, individual career biographies may be sufficient. For larger organisations a structure chart that shows areas of responsibility and lines of reporting is more appropriate. This may be required by a Pre-Qualification Questionnaire. |
| Sub-Contract | The process by which a main or prime contractor agrees for another organisation to deliver specific activities that are part of the main contract. |
| Supplier | The organisation that supplies goods or services to a Buyer. Also variously known as Seller, Contractor or Provider. |
| Supply Chain | The sequence of companies who contribute to producing and delivering goods or services. |
| Support and Supervision Policy | A support and supervision policy aims to ensure employees and volunteers are clear about roles and responsibilities, are motivated to provide quality services and are supported in those efforts by the organisation. The policy and evidence of systems in place to implement it may be required in a Pre-Qualification Questionnaire. |
| Sustainable Procurement | Suppliers will increasingly be required to demonstrate not only that their own organisation is delivering a satisfactory Environmental Strategy but that it is part of a sustainable supply chain where the whole life of goods or services, from the identification of the need through use or implementation to exit or disposal, is analysed for social, economic and environmental impact. Evidence of the systems in place to achieve this may be required by a Pre-Qualification Questionnaire. Organisations should be very clear about what issues they are trying to address and why. |
| Sustainable Development | Meeting the needs of the current generation without compromising the quality of life of later generations. |
| "TED" | See "Tenders Electronic Daily" |

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| Tender | A written response to an Invitation to Tender (ITT) that contains a proposal (with costs and timescales) to supply the required goods or services. The tender response is normally submitted securely online or in a sealed envelope showing no identifying marks, by a specified time and date. |
| Tenders Electronic Daily | The online version of the Supplement to the OJEU where EU procurement rules require member states to publish all tenders above the EU threshold. TED is available in the 23 official languages of the enlarged European Union. |
| Third Sector | The term used by the Labour Government to describe organisations outside the Private and Public Sectors. Their emphasis was on building the capacity of the Sector to deliver both support services (“infrastructure”) and frontline services. Now (2010) seemingly succeeded by “Civil Society”. |
| Tier 1 Supplier | See “Prime Contractor” |
| Training and Development Policy | This is about building individuals’ knowledge, skills, abilities, competencies and understanding in support of the organisation’s mission. It can embrace opportunities within and outside the workplace. Having a policy in place demonstrates commitment to developing the potential of an organisation’s workforce and, by extension, to delivering high quality services. The policy and evidence of the systems in place to implement it may be required by a Pre-Qualification Questionnaire. |
| T.U.P.E. | The Transfer of Undertakings (Protection of Employment) regulations 1981. The purpose of these regulations is to preserve continuity of employment and to safeguard the employment rights of employees whose employment transfers to a new employer as a result of takeover or contract transfer. |
| Unique Selling Point (USP) | The aspect of a tender proposal that distinguishes it from other tender proposals. ‘Unique Selling Point’ implies that it is this aspect of the proposal that should cause it to be successful. |
| Value for Money (VFM) | The best combination of whole life costs and quality, including fitness for purpose, offered by a product or service in meeting public sector agencies’ needs. The government definition of Value for Money is “the optimum combination of whole life costs and quality to meet the user requirements”. See also “Best Value”. |
| Variable Cost | Costs that can fluctuate with sales and volumes (e.g. fuel, materials and other resources). |
| VCS | See “Voluntary and Community Sector” |
| Viability | Facts and figures relating to whether it is worthwhile to do something. ‘Should we do it?’ See also Feasibility. |
| Voluntary and Community Sector | Term traditionally used to include everything from the small community group to the large multi-national charity. Despite its |

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| | generality it persists in popular usage, perhaps because of its inclusivity. |
| Whole Life Costs | The full cost of a contract over the full term of the contract. This includes initial purchase price, running costs, maintenance costs, staff training costs and any disposal costs. |
| Working Capital | Current assets less current liabilities which constitutes the money available to finance stock, debtors and work in progress. |
| Works | Usually relates to construction contracts |
| World Trade Organisation | The international organisation that establishes rules for international trade through negotiation and agreement amongst its 150 member states |

Further sources of information, advice and guidance:

www.acevo.org.uk/commissioning

www.bassac.org.uk

www.ncvo-vol.org.uk

www.navca.org.uk

www.fullcostrecovery.org.uk

www.sd-commission.org.uk

www.thecompact.org.uk

Quality Schemes

PQASSO – (Practical Quality Assurance System for Small Organisations):

www.cas-vol.org.uk

The Big Picture:

www.thebigpic.org.uk

Social Firms Performance Dashboard -

<http://socialfirmsuk.co.uk/resources/library/third-sector-performance-dashboard>

Investors in People:

www.investorsinpeople.co.uk

Development Trusts Association Healthcheck for Community Enterprise -
<http://www.dta.org.uk/Resources/Development%20Trust%20Association/Documents/Healthcheck%20FINAL.pdf>

Investing in Volunteers:
<http://iiv.investinginvolunteers.org.uk/>

Customer First
www.customerfirst.org/