Glossary

Below is a glossary of procurement terms in alphabetical order. Some of the terms will also have their own stations/further explanation contained within the Procurement Journey or in external websites: if so these terms will be “linked” in the table below.

Scroll to view

Term	Description
Award Criteria	The criteria (questions) used by the buyer to compare and score the merits of the specific bid for the contract. This must include quality and price.
Balanced Scorecard	A tool used to monitor and measure contract and supplier performance.
Call Off	Actual contracts put in place using a Framework Agreement or Dynamic Purchase System.
Case Study	A written examples of practical activities undertaken to solve a problem or improve a situation. In the Procurement Journey all case studies included are procurement related.
Category	A collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

Centre of Expertise (CoE)	Procurement organisations which promote collaboration and publish framework agreements on behalf of particular sectors i.e. Scotland Excel for local authorities (councils); Advanced Procurement for Universities and Councils (APUC) for higher and further education; NHS National Procurement (NSS) for Heath; Scottish Procurement for the Scottish Government, its agencies and non-departmental public bodies
CIPS	The Chartered Institute of Procurement and Supply (CIPS) is the leading body representing the field of purchasing and supply chain management.
Circular Economy/Solution	Where resources are kept in use for as long as possible with the maximum value extracted and products/materials are recovered and regenerated at the end of a product's viable life cycle.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit.
Commodity	A raw material or pimary product that is bought and sold e.g. copper, coffee.
Commodity Strategy	A Commodity Strategy is not a Procurement Strategy (see below). A commodity strategy is a document that a public sector buyer creates to detail and plan for a particular Procurement Exercise. This document should include: information on the team to be involved in the procurement exercise; market analysis; current contracts and spend; etc. This document will be reviewed and approved (or not) by the organisations procurement management to allow the procurement exercise to proceed to the next phase.

Community Wealth Building	A practical place based approach to economic development; taking action across 5 pillars (Inclusive ownership, Workforce, Spending, Land and property and Finance) that seeks to redirect wealth back into local economies; making the economy work better for people, places and planet.
Competitive Dialogue Procedure	A procurement procedure which can be used by public sector buyers to procure goods or services. Competitive Dialogue allows bidders to submit initial solutions after being successful at the selection stage. It allows you to negotiate proposed solutions with bidders. This may help to open up cross-border markets by encouraging bidders to discuss possible solutions.
Competitive Procedure with Negotiation	A procurement procedure which can be used by public sector buyers to procure goods or services. This procedure lets you clarify bids with bidders after their submission of fully formed initial tenders. You should use this procedure If you are unable to define how to meet your needs technically and/or you cannot specify the legal or financial requirements of your contract.
Contract	An agreement between two or more parties that is legally binding.
Contracting Authorities	A term used to describe the public sector buyer who have a procurement requirement.
Contract Award Notice	A publication which confirms the details of a contract which has been awarded to a supplier.
Contract Compliance	Items covered by a contract are procured from the contracted supplier using the contract terms.

Contract Notice	A publication which advertises a procurement requirement.
Contract Management	The purpose of Contract and Supplier Management is to work closely with suppliers and internal customers to:minimise the total cost of ownership andmaximise supply chain efficiencies throughout the life of the contract.
Contract Register	A published list of contracts put in place by a public sector organisation based in Scotland. This is a legislative requirement.
Contract Value	This is an estimate of the value of a contract over the whole period of the contract e.g. if the contract is for £50k per year for 3 years the contract value if £150k. The contract value should include any extension periods.
Corporate Social Responsibility	The idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes.
Debrief	The process where feedback is provided to unsuccessful bidder(s) on their bid.
DPA	Delegated Purchasing Authority – the authority to conduct the process leading up to, and including, the award of a contract for goods, services and works. It is not to be confused with delegated financial / budgetary authority as it is important that there is adequate separation of duties between the individual who has financial authority i.e. the budget holder and the individual with purchasing authority i.e. who places the contract.

Dynamic Purchasing System (DPS)	An electronic procurement process, similar to a framework agreement, but where the Contract Notice remains open throughout the lifetime of the DPS meaning that new suppliers can join at any time.
eAuction	A procurement process where suppliers use internet-based software to bid against each other in real time against a published specification.
Single Procurement Document (SPD)	The SPD contains questions used at the selection stage of a procurement exercise i.e. it allows buyers to ask questions to identify suitably qualified and experienced bidders for their procurement.
European Single Procurement Document (ESPD)	The ESPD contains questions used at the selection stage of a procurement exercise i.e. it allows buyers to ask questions to identify suitably qualified and experienced bidders for their procurement.
GPA Thresholds	The rules by which a public sector buyer runs their procurement exercise (including the procurement process used) is in part dictated by the thresholds that the EU update every 2 years in January.
Exclusion Criteria	Grounds when a bidder must be excluded from the procurement process i.e. Mandatory Exclusion Criteria or when the buyer can consider whether the bidder can still be included on a case by case basis i.e. a Discretionary Exclusion Criteria.
Fair Work Practices	Employment practices that support wellbeing e.g. training and development, equality of opportunity.
FAQ	Frequently asked question.

FOISA	Freedom of Information (Scotland) Act. This legislation gives individuals access to information held by public authorities.
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
GDPR	General Data Protection Regulation legislates how personal data is handled and stored.
GPA or Government Procurement Agreement	A World Trade Organisation (WTO) agreement which aims to mutually recognise open government procurement amongst its members.
Hub	An online system that public sector buyers can access to analyse historical spend.
Innovation	The implementation of a new or significantly improved product, service or process with the purpose of helping to solve societal challenges or to support smart, sustainable and inclusive economic growth.
Innovation Life Cycle	Describes the stages of the innovation process from idea, to implementation of a product or service, until its end of life.

Innovation Partnership Procedure	A procurement procedure which can be used by public sector buyers to procure goods or services. An Innovation Partnership must only be used where there is a need for the development of an innovative product or service and to ensure that the subsequent purchase of products or services resulting from this partnership correspond to the performance levels and maximum costs agreed between the public body and the partners.
ITT	Invitation to Tender
Just Transition	A fairer, greener future for all – and the process that must be undertaken in partnership with those impacted by the transition to net zero. It supports a net zero and climate resilient economy in a way that delivers fairness and tackles inequality and injustice.
Key Suppliers	Those suppliers identified as business critical in terms of risk/value and business continuity.
KPIs	Key Performance Indicators. Measures put in place as part of the contract to evaluate how effective the contract is.
Real Living Wage	This is a voluntary rate calculated annually, according to the cost of living and based on a basket of household goods and services.
Life Cycle Costing	How much money will be spent on an asset over the duration of its life.
Local Authorities	A term used for councils in Scotland.
Lots	Grouping similar requirements within a procurement e.g. by geographical location.

MEAT	The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
Management Information (MI)	Data or statistics used to inform your contract/supplier decisions.
Net Zero	Achieving a balance between the carbon emitted into the atmosphere and the carbon removed from it.
NCA	Non competitive action. Procurement used in very exceptional circumstances when normal procurement rules cannot be followed.
Negotiated Procedure without Prior Publication	A procurement procedure which can be used by public sector buyers to procure goods or services. A Negotiated Procedure without Prior Publication (NPwPP) should only be used in very exceptional circumstances. Please click the hyperlink for further guidance on this procedure.
Non Regulated Procurement	A procurement whose value is less than £50,000 excluding VAT for goods and/or services for the full life of the contract.
Open Procedure	A one-stage procedure whereby all suppliers are invited to tender for the contract or framework agreement. The organisation cannot limit the number of bids it receives.
Options Appraisal	Evaluating the choices available to make fully informed decisions.

Output Specification	The specification requirements set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.
Outsource	Obtain (goods or a service) by contracting from an outside supplier.
PCIP	Procurement Capability Improvement Programme drives procurement performance by assessing public sector organisations and identifying areas for continuous improvement. PCIP is not an audit.
PCS-Tender	An online e-sourcing tool used by some public sector organisati exercises i.e. to publish their tender documents and for bidders
PCM	Pecos Catalogue Management. Electronic catalogues that can be used for your commodity/service.
PESTLEE Analysis	A framework that assesses the external environment which may have an impact on your requirement.
Pre-Commercial Procurement	Public sector procurement of research and development services where the buyer may share the benefits of the contract with the providers or other bodies.
Preliminary Market Consultation (PMC) Notice	An open call to the market for an innovative solution. The buyer can ask organisations what the market could deliver and what work/effort may be required.

Principles of Procurement	Included within The Public Contracts (Scotland) Regulations 2015 for those undertaking a procurement to " treat economic operators equally and without discrimination and act in a transparent and proportionate manner". As a minimum the underlying processes must: • be relevant and proportionate to the contract; • treat bidders equally and without discrimination; this means treating bidders who are in the same situation in the same way, and bidders who are in different situations, differently; and • be carried out in a transparent manner.
Prior Information Notice (PIN)	A method of giving advanced notice of future planned procurement exercises.
Post Tender Negotation (PTN)	Can be used in an open or resticted procedure to refine preferred bid(s). Competition cannot be distorted.
Procurement Exercise	Full end to end procurement exercise from strategy development to contract & supplier management.
Procurement Function	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
Buyer	Normally the name given to the role/person who is a buyer in a public sector organisation. They are an individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods and services.

Procurement Procedure	For above threshold contracts, buyers must choose to tender using six main procurement procedures. Some buyers may choose to follow one of these procedures for below threshold contracts.
Procurement Strategy	A Procurement Strategy is not a Commodity Strategy (see above). It is mandatory for a public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
Prompt Payment	Prime contractors (as well as sub-contractors and sub-sub contractors) in the supply chain for public sector contracts must be paid promptly i.e. within a maximum of 30 days from the date of receipt of a valid invoice.
Public Sector Buyer	A buyer who procures on behalf of an organisation which is subject to public procurement laws. This may be a government, council, university, college, the NHS or registered social landlords.
Public Contracts Scotland (PCS)	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
Public Procurement Rules	The summary term used to refer to all procurement legislation public sector buyers must adhere to in Scotland.
Quotation/Quick Quote	A process used by public sector buyers in Public Contracts Scotland to advertise procurement requirements which are both high risk and low risk (normally under £50k in value).
R&D	Research and Development

Regulated Procurement	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract.
Research, Pilot and Innovation Register	A register (located in Public Contracts Scotland) of innovation activities.
Reserved Contract	A contract which can only be supplied by: a supported business or businesses, or a qualifying organisation for certain health and social care services.
Restricted Procedure	A two-stage procedure whereby suppliers are required to complete an ESPD and must satisfy certain selection criteria(the first stage). This process enables the organisation to limit the number of suppliers which are invited to tender (the second stage).
Risk Management	Activities undertaken to identify, analyse and accept or mitigate risk.
Scotland Innovates	National online portal that allows businesses and members of the public to submit innovative solutions to the public sector
Selection Criteria	Selection Criteria are used to confirm if a potential bidder is capable and suitable to perform the contract if it were to be awarded to them. Selection Criteria focus on the bidder and asks for past or existing bidder information.
Single Point of Enquiry (SPoE)	An impartial point of contact where suppliers can seek advice or raise concerns if they are dissatisfied with specific public procurement practices.
Small Medium Enterprise (SME)	Small and medium-sized enterprises (SMEs) are businesses which employ fewer than 250 persons.

Specification	How a buyer details what is required for the procurement of the goods or services being purchased.
Spend Analysis	Evaluating spend to identify areas for contract changeimprovement e.g. high cost areas, trends, categorisation.
Stakeholder	Any person or group who has a vested interest in a procuremen
Standstill	A short (at least 10 calendar day) pause between the point when the contract award decision is notified to bidders, and the final contract conclusion for above threshold procurement exercises.
Statutory Guidance	Published document which supports the application of procurement legislation in Scotland.
Supplier Collaboration Tool	A means (in Public Contracts Scotland) by which suppliers can seek collaborative partners to pursue innovative solutions.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Sub-Central Organisation	A public sector organisation which does not belong to Central Government or National Health Service.
Supply Chain Management	The coordinated set of techniques to plan and execute all steps used to acquire raw materials from suppliers, transform them into finished goods, and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.

Supported Business	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
SWOT Analysis	Examines environmental factors internal to the organisation (usually classed as strengths or weaknesses) and those external to the organisation (classifed as opportunities or threats).
TCO	Total Cost of Ownership. The purchase price and operating costs of an asset.
Tender	The term used to describe the procurement process of advertising, requesting and awarding a contract.
Tender Clarification	When a public sector buyer asks a bidder a question on a part of their bid which may be e.g. unclear or inconsistent.
Threshold	Values set by GPA that apply to public procurement exercises as set out in Public Contracts Scotland Regulations (2015).
TUPE	Transfer of Undertakings (Protection of Employment) Regulation business moves or merges with another business.
UIG	User Intelligence Group. Group of stakeholders who are responsible for developing the specification and providing feedback throughout the procurement process.
Value for Money (VFM)	An economic assessment as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
VEAT Notice	Voluntary Ex-ante Transparency

Whole Life Costing	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.
Open Book Costing	Open Book Costing in procurement refers to the practice of sharing detailed cost breakdowns and financial records with suppliers to ensure transparency and collaboration. This approach is particularly beneficial in service areas where cost-saving and efficiency are key. It allows both parties to understand the underlying components of pricing, negotiate effectively, and work together to achieve cost-efficiency goals. Open Book Costing is often used in sectors where transparency is essential, such as service procurement, to foster trust and long-term partnerships.