

Department of Veterans Affairs - Office of Procurement and Contracts

Glossary Term	Definition
Advance payment	Any payment made to a contractor before work has been performed or goods have been delivered. Advance payments are permitted only if authorized by statute. (For example, interagency agreements may provide for advance payments under (GC § 11257.)
Agreement	A contract.
Amendment	A formal modification or change of a material term, such as the term, cost, or scope of work, in one or more provisions of an existing contract.
Assignment	Transfer of contractual rights from one person to another.
Authorized service representative	A term used in relation to those persons who may perform repair and maintenance of equipment and are so designated by the equipment manufacturer.
Awarding agency	The contracting State agency, the agency soliciting the contract and making the contract award.
Awarding of contract	Informing the vendor they are receiving a contract
Bid	A potential contractor's reply to a solicitation for purchase of goods or services, which represents what the contractor would charge to provide those goods or services.
Bid Rate Sheet	The rate sheet the bidder submits during Invitation for Bid or Request to Proposal
Bidder	An individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to an Invitation for Bid or Request for Proposal by submitting a bid to the contracting agency. A potential contractor.
Bidder's conference	A meeting with potential bidders before the bid submission date.
Bidder's security	A bond or undertaking required for public works projects (SCM 1, chapter 10).
Board resolution	A formal decision by the governing body of a public agency often required to authorize the purchase of goods or services.
Breach of contract	Failure, without legal reason, to comply with the terms of the contract.
California State Contracts Register	The State publication (now electronic) containing advertisements for contract solicitations and a list of contracts for which exemptions from bidding have been approved.
Catalog or Market Pricing	The price offered is supported by an established and verifiable catalog or market pricing media issued by a responsible contractor. In addition, the pricing structure provided is one that the program would accept as a reasonable representation of existing market value
Certified small or microbusiness	A business that has been certified by the Office of Small Business and DVBE Certification, Department of General Services, as a small or microbusiness as defined in GC § 14837 and 2 CCR § 1896. DGS/OSDS issues the business a letter of certification that allows the business to claim the small business preference when submitting bids and to obtain statutory penalties for late payments on contracts (SCM 1, chapter 8).
Circumvention	The act of avoiding the effect or intent, going around, defeating by ingenuity or strategy, or nullifying the purpose.
Commercially useful function	Person or entity doing all of the following: the execution of a distinct element of the work of the contract; carrying out obligation by actually performing, managing or supervising work involved; performs work normal for its business services and functions; is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing if applicable, and making payment; and is not further subcontracting a portion of work greater than expected to be subcontracted by normal industry practices. (California Military and Veterans Code § 999(b)(5)(B).)
Commodities	Goods, including such tangible items as movable or personal property, as opposed to services.

Department of Veterans Affairs - Office of Procurement and Contracts

Glossary Term	Definition
Competitive bidding	An acquisition process in which the opportunity to make offers to supply goods or services is not limited to any one bidder. All bidders are evaluated on the same fixed criteria.
Consideration	Something of value that induces a person to enter into a contract. The consideration may include some right, interest, profit, or benefit obtained by one party, or some forbearance, detriment, loss, or responsibility assumed by the other party.
Consulting services contract	A contract for services of an advisory nature, which provides a recommended course of action or personal expertise. The definition does not include A&E contracts (PCC § 10335.5).
Contract	A contract is an agreement to do or not to do a certain thing. (CCP § 1549)
Contract manager	A person designated by the responsible State agency or department to manage performance under a contract.
Contractor	A party contracting with the awarding agency. Vendor is often used synonymously, with contractor .
Contractor identification number	The number assigned to the contractor for tax purposes. This may be the social security number or the Federal identification number.
Controlled Pricing	The price offered is set by law or regulation; competitively bid master or statewide contracts, etc.
Cooperative agreements	A special agreement with the Federal government in which there is a general public benefit, as opposed to a specific benefit accruing only to the contracting Federal agency.
Corporation	A fictional entity, created by or under the authority of the laws of a State, which has the legal authority to engage in certain activities.
Cost/Benefit Analysis	A contractor can demonstrate that their level of experience in the field of service provides a sufficient knowledge base to support a low cost. The cost to the state to search the marketplace for lower price comparable contracts to verify the pricing fairness would most likely be more than any potential benefit that could be reasonably gained
Debarment	Under Federal contracting law, a process in which a contractor is precluded from bidding on or entering into contracts with the Federal government. Federal rules also prohibit Federal contractors from contracting with debarred businesses.
Default	Failure to perform an obligation in a contract.
Disabled Veteran Business Enterprise (DVBE)	A business that meets all of the following criteria: (1) at least 51% of the business is owned by one or more disabled veterans or, in a business whose stock is publicly held, at least 51% or more of the stockholders are disabled veterans; (2) the management and control of the business are exercised by one or more disabled veterans; (3) the business is domestically owned and its home office is in the United States; and (4) the business has been certified as a DVBE by Department of General Services (DGS)/ Office of Small Business and DVBE Office (OSDS) (Military and Veterans Code § 999(g)).
Emergency	An emergency as defined by Public Contract Code (PCC) § 1102 is: "A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services
Encumbrance	A commitment of funds guaranteeing a source of payment for a specific transaction.
Evaluation committee	A committee or panel that convenes to evaluate the qualifications of bidders who respond to a Request for Proposals.
Execution of a contract	The act of signing a contract, which provides a legal basis for required performance by parties to the contract, if a contract is with CalVet's delegated authority. If its not within the delegated authority, it is not executed until DGS/ Office of Legal Services (OLS) stamps it.
Executive order	A directive issued by the Governor that establishes binding policy for government agencies covered therein.
Exemption	A formal waiver by DGS, of DGS responsibilities required by statute, regulation, or policy, or a delegation of such responsibilities by DGS to a State agency. Some common exemptions awarded by DGS involve contract approval, advertising, and competitive bidding requirements.

Department of Veterans Affairs - Office of Procurement and Contracts

Glossary Term	Definition
Exemption letter	The letter of authorization establishing an exemption issued by DGS.
Exhibit B-1	The rate sheet included in the contract documents.
General provisions	Terms and conditions that apply to all contracts for services and are included in any final document.
Goods	Commodities (tangible items, such as movable or personal property), as opposed to services