



Common Procurement Terms

Key Roles

- ❖ **Requester** - The person on campus who identifies a need for a product or service and submits the initial request (requisition) to start the buying process.
- ❖ **Budget Manager** - The authorized campus administrator who reviews and approves the financial expenditure, ensuring funds are available and appropriate.
- ❖ **Buyer** - The procurement professional responsible for reviewing requests, sourcing suppliers, negotiating prices, and officially placing the order.
- ❖ **Vendor / Supplier** - The outside company, contractor, or merchant providing the goods or services to the campus.

The Paper Trail

- ❖ **Requisition** - An internal request submitted by a department to get approval and funding before a purchase is made.
- ❖ **Quote or Contract** - The preliminary price estimate provided by a vendor (**Quote**), which may become a legally binding agreement (**Contract**) detailing terms, conditions, and service levels before work begins.
- ❖ **Encumbrance** - A hold placed on department funds. It acts as a financial placeholder, setting money aside so it cannot be spent elsewhere while a purchase is being finalized.
- ❖ **Purchase Order (PO)** - The official, legally binding contract sent from the campus to a vendor that specifies exactly what is being bought, the price, and delivery terms. This is what authorizes and places the order.
- ❖ **Invoice** - The official bill sent by the vendor to the campus requesting payment for the delivered goods or completed services.

Sourcing

- ❖ **Solicitation** - The overall process of inviting external vendors to bid or submit proposals for campus business, usually for orders exceeding \$25,000.
- ❖ **Request for Quote (RFQ)**: A simple solicitation used when the campus knows exactly what product or standard service it needs and is strictly looking for the best price.
- ❖ **Request for Proposal (RFP)**: A complex solicitation used when a project is complicated. Vendors submit comprehensive plans detailing *how* they will solve the problem, alongside their pricing.