

Glossary of Supply Chain Management Terms



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Procurement Terms	Definition	See Also	Ref Index
ABC analysis	Classification of items in an inventory according to importance defined in terms of criteria such as sales volume and purchase volume. An approach to classifying inventory or spend based on the Pareto Principle. ABC analysis is usually based on the total purchase expenditure or usage value for each item over a period of time, generally a year or information on purchase expenditure or usage value by item can usually be obtained directly from a company's records (particularly if these are computer-based).		1
Acceptable products list	List of products which conform to the applicable compendia, specifications, standards or other descriptions, and which have proven acceptance.		1
Acceptable Quality Level (AQL)	System of material inspection based on statistical probability (sampling) theory checking only a certain percentage of the lot delivered, and accepting the lot if the number of defectives in the sample is less than or equal to the acceptable number.	See also Inspection, Lot Sampling; Quality Control.	1
Acceptance	1. Approval of specified services, supplies, or construction delivered as partial or complete fulfilment of a contract. 2. The act of receiving by an authorized representative with intention of retaining. 3. The assumption of a legal obligation by a party to the terms and conditions of a contract.		1
Acceptance letter	Letter that creates an immediate binding contractual relationship between the procuring entity and the successful tenderer prior to entering into a formal contract.		

Acceptance of goods	The buyer is said to have accepted the goods, works or services supplied by the supplier when he does not reject them, in whole or part, for non-conformance to contract terms and conditions e.g. quality, delivery schedule	
Acceptance of offer	1. The agreement of the vendor to deliver the goods ordered for the quotation or proposal offered. 2. An expression of willingness to contract on certain terms, made with the intention that it shall become binding as soon as it is accepted by the person to whom it is addressed.	1
Acceptance of Order	In case the contract is not based on any specific tender/offer made by a tenderer this is the confirmation of the receipt and acceptance of the order to supply goods, works or services ordered as stipulated in the order.	1
Acceptance sampling	1. A statistical quality control technique used to evaluate the overall condition of a given lot by inspecting only a portion of the lot. 2. A sampling of a proportion of performances or deliveries in order to reach a decision about acceptance of the total.	1
Access to Government Procurement Opportunities (AGPO)	The government initiative to restrict a portion of public procurement to local manufacturers, citizen contractors and marginalized groups through preference and reservation guidelines. In Kenya the government has provided a percentage of the government contracts to be given to the enterprises owned by the youth, women and persons with disability without competition from established firms.	39
Account	1. A list or enumeration of monetary transactions between parties to a contract showing purchases, payments, and credits for goods or services. 2. To give an explanation, description or a report	1

Accountable item	Any item of equipment separately accounted for upon acquisition, removal, transfer, sale, demolition, abandonment or write-off.	
Accounting officer	1. Any person appointed by the Treasury and charged with the duty of accounting for any service in respect of which moneys have been appropriated by Parliament or any person to whom issues are made from the exchequer account. 2. This is the head of the procuring entity and in most cases is the Chief Executive officer of the procuring entity.	54, 5
Accounts payable	1. The set of liability accounts showing the amounts owed on open accounts. 2. The department responsible for ensuring that an organization pays its invoices appropriately	1
Accounts receivable	1. The set of asset accounts showing the amounts due on open customer accounts for goods or services delivered. 2. The department responsible for ensuring that sums owed by external organizations as a result of the sale of goods or services are paid according to the agreed terms and conditions.	1
Accreditation	Formal third party confirmation that Conformity Assessment Bodies (CABs) are competent to carry out specific conformity assessment activities. Conformity Assessment Bodies are those bodies that assess the compliance and or conformance of products, services and suppliers to guided specifications and requirements e.g. Testing and Calibration Laboratories, Proficiency testing Laboratories, Inspection and verification bodies, Medical Laboratories, Certification bodies etc.	51

Accredited PSM trainer	1. Institution within or outside Kenya as may be approved by KISM through certification. 2. Recognized, certified or authorized person responsible for the design and delivery of interventions focused on improving the performance of the employee in their current job role.		33
Accuracy	Trueness and precision of measurement methods and results. 2. Freedom from error (correctness), or closeness to truth or fact, resulting from exercise of painstaking care or due diligence. Accuracy depends on how the data is collected, and is usually judged by comparing several measurements from the same or different sources.		52,3
Acknowledgment	1. A form used by a vendor to advise a purchaser that an order has been received; usually implies acceptance. 2. An advice to the buyer that a purchase order had been received.	Receipt acknowledged	1
Acquisition	1. The process of obtaining supplies, services or construction through purchase, lease, or grants. The process includes the establishment of needs, description of requirements, selection of method of procurement, selection of sources, solicitation of offers, award of contract, financing, and contract administration. 2. A transactional processes associated with placing an order and arranging payment of the resulting invoice.		1
Acquisition cost	1. The sum of costs incurred to acquire goods or services, including indirect labour and overhead costs of soliciting and evaluating bids, awarding contracts, and placing orders. 2. The cost of raising a purchase order, receiving the category and the transaction costs of managing the payment process.	Carrying cost, ordering cost	1
Acquisition fee	The amount billed to cover the cost of initiating a contract.		1

Acquisition price	The amount paid to the vendor or contractor for the goods or services obtained.		1
Acquittal	The process of reconciliation of procurement card statements, including the verification of the purpose of the expenditure and the allocation of charges to the appropriate cost centre. It involves allocating the amount on a statement from the card provider to a cost centre or project code. The cost of the invoice payment process using e-commerce and a procurement card is estimated to be less than a third of the cost of the equivalent process featuring paper based purchase orders and invoices.	Procurement Card	27
Act of God	An event that was not only unforeseen but also had catastrophic consequences and, could not have been prevented.		1
Actual costs	All direct and indirect costs incurred for services, supplies, or construction, as distinguished from estimated or forecasted costs.		1
Ad valorem	The practice of applying customs duty to the value of goods rather than any other dimension.	Ad valorem duty	1
Addendum	An addition, deletion or supplement to a tender or contract document; e.g., items or information added to a procurement document.		1
Adjustment	The amount of variation permitted by an adjustment clause in the contract generally permitting a change upward or downward in the price or obligations in case certain events transpire during the execution of a contract.	Price adjustment clause	1
Administered price	A price determined by the deliberate price policy of a vendor rather than by competitive forces of the market place.	List price	1

Administrative change	A unilateral change to a contract, in writing that does not affect the substantive rights of the parties, such as changes in addresses or funding accounts.	Contract modification	1
Administrative law	Rules and regulations enacted through an act of parliament to be executed by government agency/Regulatory body. For example PPDA and PPDR.		1
Advance acquisition	1. The acquisition of items which require long lead times, or are required in extraordinary quantities, in advance of the fiscal year in which the product, service, or construction is required. 2. Forward or build up purchase.		1
Advance payments	Payments made prior to and in anticipation of receiving the contracted goods or services.	Cash in advance, partial payment, progress payment	1
Advantageous	In the procuring entity's best interest; beneficial considerations when evaluating offers.		1
Advertise	To make a public announcement of the intention to purchase goods, services or construction with the intention of increasing the response and enlarging the competition. The announcement must conform to the legal requirements imposed by established laws, rules, policies and procedures to inform the public.	Formal advertised bid	1
Advertising	The act of preparing and issuing out advertisements inviting offers to bid, purchase or sale.		1
Affidavit	A written statement of facts made under oath before a notary public or other officer authorized to administer such an oath.		1

Affiliate	1. A member of a larger organization 2. A company belonging to another or associated with others under common ownership or control.	1
Agency	Refers to legal relationship between two parties, in which one – ‘the agent’ – is authorized to undertake certain activities on behalf of the other.	Law of agency 1
Agile	A procurement and supply chain processes that are quick, flexible and well-coordinated.	27
Agility	A configuration of supply chains designed to service unpredictable demand for a wide variety of variants.	
Agreement	1. A duly executed and legally binding contract. 2. The acceptance of an offer. 3. A consensus of two or more minds in respect of anything done or to be done.	1
Air freight	1. A mode of transport by use of aircrafts. 2. The amount charged for air transportation.	1
Allocation	The practice of rationing customer orders at times of supply shortage.	
Allocation of cost	To assign or charge an item of cost to one or more cost objectives, either as a direct cost or as a share of an indirect cost pool, based on the relative benefits received or other equitable relationship.	1
Allowable cost	A cost that is reasonable, allocable to the given cost objective, in accordance with Generally Accepted Accounting Practices (GAAP), in accordance with the terms of the contract, and not prohibited by law or regulation.	1
Alternate bid	1. A substitute bid. 2. A bid submitted with an intentional substantive variation to a basic provision, specification, term, or condition of the solicitation.	1

Alternative Dispute Resolution (ADR)	A range of alternatives to litigation for resolving disputes between commercial entities in relation to procurement without the need to resort to litigation. These procedures include, but are not limited to, mediation, fact finding, and arbitration.		1
Amendment	1. A revision or change to a document; often used to correct an invitation to bid changes to an existing contract. 2. An agreed addition to, deletion from, correction or modification of a document or contract.	Modification	1
Amendment previous value	Value of the document as last amended.		1
Amendment status	Identifies the number and description of amendments issued to a bid solicitation or contract document, and gives a description of the previous wording.		1
Appeal	A process for requesting a formal review by an aggrieved party to a procurement process. Appeals can be lodged in a court, procurement board committee or Public Procurement Review Board.		
Appeal Process	This is a procedure used to resolve disputes about a solicitation or the intent to award a contract		
Appropriation	1. Sum of money from public funds set aside for a specific purpose 2. Legislative authorization to expend public funds for a specific purpose. 3. (Parliamentary) any authority of Parliament to pay money out of the Consolidated Revenue Fund.		1
Approval	Official permission, consent, sanctions. Most governance schemes involve a 'sign off' or approval stage when the contents of a prior stage are submitted for review against predetermined criteria		1

Approval authority	Commitment authority, contracting authority, payment authority, spending authority.	1
Approval date	The date on which a procurement document was approved by the appropriate authority.	1
Approved list	A list approved by the procuring entity of potential contractors, suppliers or service providers, who have met pre-set criteria. The phrase is commonly used in public sector organisations to describe a standing list of pre-qualified bidders for a particular scope of work.	Approved source list, prequalified list 1
Approved training institution	Institution within or outside Kenya as may be approved by the Kenya Institute of Supplies Management by notice.	33
Arbitration	A process by which a dispute between two contending parties (vendor and procuring entity) is presented to one or more disinterested parties (arbitrators) for a decision. It is an alternative to litigation and it involves an independent third party who forms a judgment about the issues upon which the original parties cannot agree, and makes a recommendation based on their expert opinion.	1
Architect	Qualified professional registered by AAK who designs and supervises the construction of buildings or other structures.	3
Architectural & Engineering (A&E) Services	Professional services within the scope of the practice of architecture and professional engineering, as defined by AAK, usually involving research, design, development, construction, alteration, or repair of real property. Includes land surveying services.	Professional services 1

Architectural Association of Kenya (AAK)	This is an association registered under the Societies Act and brings together professionals from the Private Sector, Public Sector and Academia. The Association also acts as a link between professionals and stakeholders in the construction industry: Including policy makers, manufacturers, real estate developers, financial institutions, and so on.	3
Architectural design	Concept that focuses on the components or elements of a structure or system and unifies them into a coherent and functional whole, according to a particular approach in achieving the objective(s) under the given constraints or limitations.	3
Architectural drawings	Rendering of an architectural design as plan and/or elevation views of a building or structure.	3
As is	Term describing goods offered without guarantee or warranty, in present condition, with all risk assumed by purchaser without recourse to the vendor.	1
Asset	An economic resource that is expected to benefit future activities	1
Assignment	Legal transfer of a claim, right, interest, or property. For example, title to goods may be transferred by assignment on a Bill of Lading by the original consignee (referred to as the assignor), to another, the assignee.	1
Assignment of payment	Payment made to other than the vendor of the goods or services, for example, payment made to a vendor's creditor.	1
Associate members	Comprising persons eligible to be registered under section 16 of SPMA but who do not meet all the requirements prescribed under of section 16 (1).	33

Attach	1. Take legal possession through a court ordered document. 2. Include (a condition) as part of an agreement.		
Auctioning	A practice that can occur during negotiations on competitive sealed proposals if the purchasing official discloses information from one offeror's proposal to second offeror and there are changes to the second offer so that it matches (or surpasses) the first offer as a result of the information revealed.		1
Audit	A methodical examination and review of records and documents, with confirmation by physical inspection or otherwise, of a situation or condition (as within a PMU office), concluding with a detailed report of findings with practical recommendations.	Procurement Audit	1
Audit trail	System or paper generated evidence showing how and by whom certain processes and functions were carried out.		
Authority	1. The right to perform certain acts or prescribe rules governing the conduct of others. 2. An individual or body with the right to perform certain acts or prescribe rules governing the conduct of others. E.g. PPOA		1
Authorization to release	Permission to release requested goods to the using agency against existing supply agreements.	Purchase order, or purchase requisition	1
Authorized deviation	Deviations specifically permitted by contracting authority.	Change order, contract modification	1
Authorized price list	A list of the prices for the products and/or services covered by the contract. Often includes essential information needed to place orders.		1
Automated Data Processing (ADP)	Input, storage, and manipulation of procurement information using computer	EDP (electronic data processing), and IT	1

	systems, and the discipline which deals with related methods and techniques.	(information technology)	
Automated Data Processing Equipment (ADPE)	All computer components, systems, and peripheral equipment used to automate the processing of procurement and supply chain data.		1
Award criteria	The purchaser awards the contract to the bidder whose bid is determined to be the lowest evaluated bid and is substantially responsive to the bidding documents, provided further that the bidder is determined to be qualified to perform the contract satisfactorily.		44
Award notification	The notification to a bidder or tenderer of acceptance of a bid or tender which brings the contract into existence	See notice of award	44
Award of contract	The presentation, after careful consideration, of a purchase agreement or contract to the selected bidder or offeror.		1
Award value	Monetary amount of contract, in specified currency, when awarded.		1
Back order	That portion of an order for merchandise not available for delivery by the vendor at the scheduled time and promised for delivery at a later date. In supply chain terms when a customer order cannot be immediately fulfilled from stock, the customer requirement may be placed on 'back order'. This implies that a replenishment order will be raised on the next tier of the supply chain and, when sufficient materials are available, the outstanding ordered amount will be forwarded to the original customer.		1
Bank acceptance	A draft or bill of exchange drawn on a bank and acknowledged as valid by that bank.	Banker's acceptance	1

Bar code	A machine readable pattern of alternating parallel bars and spaces of varying widths, representing numbers and other characters used to track inventory. Also known as a UPC (Universal Product Code) label to identify specific products		1
Bargaining	It is a particular style of negotiation in which the parties try to reach a mutually acceptable agreement. In competitive negotiation, discussion, persuasion, alteration of initial assumptions and positions, and give and take with respect to price, schedule, technical requirements, or contract terms. Some authorities equate bargaining with haggling, where the parties simply try to claim value.	Negotiation	1
Baseline	The study carried out at the beginning of a project to analyse the current situation to which future performance can be compared.		3
Basis of payment	The payment terms in a contract which specify the conditions under which payment will be made for receipt of goods or performance of services.		1
Benchmarking	The act of measuring a process, service, or product against the characteristics of the recognized leaders in procurement.		1
Benchmarking, performance	This method involves comparisons of key metrics against other entities, but typically addresses dimensions of organisational performance rather than price paid. Examples might include the cost of the procurement function as a percentage of the total spend, the cost of raising and paying a purchase order, the quality of the strategic sourcing process, the quality of staff development processes etc.		

Benchmarking, Price	This approach involves the determination of whether commercial terms currently offered or enjoyed represent value when compared with terms enjoyed by other customers for a similar category. Price benchmarking is most easily undertaken for homogenous and simple goods, but even so needs to consider other terms of the arrangement such as quantities ordered, frequency of orders, payment terms etc.		
Best and final offer (BAFO)	This refers to the most favourable terms that the supplier is willing to offer the buyer.		
Best interest of Kenya	In the absence of specific authority, law, regulation, or instruction, provides the rationale for an official to use discretion in taking the action deemed to be most advantageous to Kenya.		1
Best practice	Is associated with seeking to identify the best processes that exist, usually in other organisations, which it is hoped, if adopted, will lead to better outcomes. For example, a small organisation may not have the economies of scale to achieve the same commercial outcomes in acquiring a category as a much larger enterprise, but they may be able to emulate the processes that the larger organisation uses and, in so doing, optimise their own outcomes.		
Best value	This is a trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria. Price must be one of the evaluation criteria when acquiring goods and services. Other evaluation criteria may include, but are not limited to environmental considerations, quality, and vendor performance.	Value for money.	1

Best Value for Money (BVFM)	One of the four general principles to be given due consideration in the exercise of procurement functions. Optimization of whole –life costs and quality needed to meet the user’s requirements, while taking into consideration potential risk factors and resources available. Its goal is to achieve maximum benefit for the Organisation. Accordingly, price alone is not necessarily determinative of Best Value for Money.	4
Bid	An offer submitted by a prospective vendor/supplier in response to an Invitation for Bid (IFB) issued by a procurement entity; becomes a contract upon acceptance by the purchaser. The word ‘bid’ is used generically to describe any proposals and may be used both to describe the buyer’s issue of the ‘bid documents’ to potential bidders and, the actual submission of bids by the respondents. The term encompasses quotes, proposals, tenders and auction offers.	Proposal 1, 12
Bid analysis	Analysis of the provisions of a bid or offer, usually for the purpose of comparing the strengths and weaknesses of the bids received based on the requirements and criteria set forth in the invitation for bids (IFB).	1
Bid bond	An agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the bidder will not withdraw the bid, the bidder will furnish bonds as required, and if the contract is awarded to the bonded (insured) bidder, the bidder will accept the contract as bid, or else the surety will pay a specific amount.	Payment bond, performance bond, bid guarantee 1

Bid deposit	A specified sum of money which a tenderer is asked to deposit with the buyer as a guarantee that the tenderer will, if selected, sign the contract as per his tender/offer. A tenderer who fails to sign the contract forfeits the amount of the deposit.	1
Bid documentation	File containing all information relating to the bid, including requirements, purchase request, invitation for bid (IFB), all bids in response to the IFB, bid evaluation, and award information.	1
Bid file	A file containing individual bids from all vendors solicited by the invitation for bids.	1
Bid guarantee	Bid bond, bid deposit.	Bid bond, bid deposit 1
Bid identification number	A number assigned to a bid during tender opening for reference purposes.	1
Bid opening	The formal process in which sealed bids are opened, usually in the presence of one or more witnesses, at the time and place specified in the invitation for bids. The amount of each bid is recorded and bids are made available for public inspection.	1
Bid preferences	Procurement laws (PPDA and PPDR) mandating that bid prices for a preferred category of bidders be discounted and given special consideration when comparing their bid prices with those of other bidders not in the preferred category.	1
Bid protest	A formal complaint made against the methods employed or decisions made by a procurement authority in the process leading to the award of a contract.	Protest 1

Bid rigging	Occurs when suppliers coordinate their bids to fix a price for procurement. The two most common forms of bid rigging are where suppliers agree to submit: (a) bids at the same price to eliminate price competition. (b) The lowest bid on a rotational basis until each supplier wins an agreed number of contracts.	Also known as collusive tendering.	
Bid rotation	A form of collusion in which a relatively stable set of bidders for contracts which are routinely awarded to the lowest bidder collude between themselves as to which of the bidders should win which contract		
Bid sample	A sample offered by a bidder when required in an invitation for bid (IFB). The samples are considered a required part of the bid and are examined and tested for conformance with the requirements of the IFB.		1
Bid Security	A bond or deposit which guarantees that the bidder/offer or, if awarded the contract, will accept the contract as bid.	Bid bond, bid deposit.	27
Bid suppression	A form of collusion in which a relatively stable set of bidders for contracts which are routinely tendered agree between themselves which contracts each participant will bid for and, more importantly, which contracts they will decline to bid for		
Bid surety	Bid bond, bid deposit.		1
Bid tabulation	A public document listing all vendors who received a copy of the invitation for bid (IFB), with a list of all items in the IFB, and showing unit prices and extended prices for each item for each bidder. May also include total prices, delivery terms and conditions, whether each bidder has met the requirements for licenses, bonds, evidence of insurance, or other information deemed appropriate by the bid opening officer.		1

	Solicited vendors not responding to the IFB are shown as “no bid.”		
Bid validity	Period for which an agreement, bid or offer, claim, document, etc., remains in force		43
Bidder	One who submits a response to an invitation for bid (IFB).	Offeror	1
Bidder information form	Instructions to bidders on how to complete the information required by the purchaser.		44
Bidders conference	A meeting of prospective bidders, arranged by a purchaser, to help potential bidders understand or clarify tender or procurement requirements.	Pre-bid conference	1
Bidders list	A list of names and addresses of vendors from whom bids; proposals or quotations can be solicited.	Pre-qualification of bidders, qualified bidder	1
Bidders mailing list application	A form completed by a vendor providing basic information about the potential bidder and used to develop bidders list.		1
Bidding cost	Normally, the bidder bears all costs associated with the preparation and submission of its bid, and purchaser is not responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.		43
Bidding documents	Bidding documents contain bidding procedures, the supply requirements and the contract.		42
Bill of entry	A written account of goods entered at customs, whether they are to be imported or are intended for export.		1
Bill of exchange	An unconditional written order requiring the person to whom it is addressed to pay on demand a certain sum of money to a specified person; valid only after acceptance by the payee.	Trade acceptance	1

Bill of lading(B/L)	A written receipt or contract, given by a carrier, showing a list of goods delivered to it for transportation. The straight bill of lading is a contract which provides for direct shipment to a consignee. The order bill of lading is negotiable; it enables a shipper to collect for a shipment before it reaches its destination (this is done by sending the original bill of lading with a draft drawn on the consignee through a bank). When the consignee receives the lading indicating that payment has been made, the lading will be surrendered to the carrier's agent, and the carrier will then ship the goods to the consignee, and the bill of lading will be surrendered to the carrier. Note: Shippers frequently consign shipments to themselves on order bills of lading so that delivery is made only upon the shipper's order; the person or firm to be notified upon arrival of the shipment at destination must be designated.	Clean bill of lading, export bill of lading, foul bill of lading, government bill of lading, ocean bill of lading, order bill of lading, straight bill of lading. Cargo manifest, manifest	1
Bill of Materials (BOM)	A description and a quantitative estimate of all materials and/or other supplies which will be required for a proposed construction project or production of equipment (usually custom designed). Contracts are sometimes concluded on the basis of actual costs and an agreed margin, when the buyer may seek a bill of quantity to estimate the likely cost before concluding the contract and later to make final payments when the project is completed and quantities may be measured exactly or counted when taking over works or goods.		1
Bill of sale	A written statement transferring ownership of something from vendor to purchaser.		1
Bills of quantity (BOQ)	Lists of quantities, provided by clients, against which tenderers insert their rates. The lump sum for each contract is then calculated by multiplying the quantities by the rates.		3

Bin tag	A tag attached to a storage bin on which a perpetual inventory is recorded.	1
Blanket release	A blanket release is a specific order raised against an overarching blanket order. It is usually for a specified quantity or schedule of quantities.	
Blanket agreement	An agreement to purchase a given quantity of specific goods over a specified period of time, usually one year. The contract generally establishes prices, terms, conditions, and the period covered, although no quantities are specified; shipments are to be made when and as required by the purchaser which in certain cases may be the end user	1
Blanket LPO/Payment	A simplified procurement method of filling the anticipated repetitive needs for supplies or services through the award of competitive line item contracts or discounts off of a supplier's catalogue usually through competition. Used to reduce administrative expense resulting from small, repetitive requirements.	27
Blanket order	Sometimes referred to as a master contract for reducing the need to enter into fresh contracts for a number of orders. It provides for the buyer to make supplies over a certain period of time and at predetermined prices on the basis of a formula for revising prices.	1
	See also Rate Contract, Indefinite Quantity Buying, Frame Contract, Basic Agreement, Blanket agreement, blanket purchase, standing offer, scheduled contract, requirements contract,	

Bona fide	In or with good faith; honestly, openly, and sincerely; without deceit or fraud. Truly; actually; without simulation or presence		
Bond	1. A form of financial protection against damages. 2. A binding agreement executed by a bidder or vendor and another party (the surety), to guarantee the performance of certain obligations or duties to the purchaser.	Bid bond, payment bond, performance bond	1
Bonded carrier	A business transporting goods and operating under a bond to guarantee performance.		1
Bonus clauses	This is an entry in a contract stipulating a pay-out in terms of a bonus offered for completing a project without cost overruns		
Brand	1. Name or type of product in the market. 2. Unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies competitors		3
Brand name	A trade name or trademark which identifies a product or service.		1
Brand name or equal specification	A specification using one or more manufacturers' brand names, with identifying model numbers, to describe the standards of quality, performance, and other characteristics needed to meet the requirements of a solicitation, and which invites bids for equivalent products from any manufacturer.		1
Brand name specification	A specification using one or more manufacturers' brand names, with identifying model numbers, to describe the acceptable items; all other items will be excluded.		1
Breach of contract	Failure to fulfil a contract, wholly or in part, without legal excuse.		1

Breach of the agreement	When parties have entered into a legally binding agreement and one party fails to fulfil their obligations under the terms of that agreement,		
Breach of warranty	The failure to meet an express or implied agreement as to the title, quality, content, or condition of something sold. An assurance given by one party that specific promise will be honoured – may give the right to damages, but will not normally give the right to termination. Breach of a condition will give the other party the right to terminate the agreement	express warranty, full warranty, implied warranty, limited warranty	1
Bribe	A gift given in advance of a transaction or service for the purpose of improperly influencing the behaviour of the other party.		1
Broker	A broker is an intermediary in a transaction between buyer and seller. A person or agent acting as an independent manufacturer's or distributor's representative who, for a fee or commission, negotiates contracts of purchase and sale without personally taking title to or possession of the goods being sold.	Commission merchant	1
Budget	A forecast of planned receipts and allocation of expenses for a specific period of time. A budget represents an organization's plan expressed in monetary terms, usually addressing the allocation of resources such as people, assets and expenses. It is often used as a measure of organisational performance control in order to help ensure that the organisation realizes its financial goals.		1

Buffer stock	Buffer stock represents a contingency against variation in demand and/or supply. As an example, if a buyer is importing spare parts from overseas and the lead time varies between four and eight weeks, it would not be prudent to set stock levels based on holding a maximum of six weeks stock (being the average lead time).	Safety stock.	1
Bulk purchasing	The purchasing strategy of aggregating requirements with a view of buying in large quantities to get better terms in form of prices, delivery and quality.		1
Business	Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.		1
Business affirmative action	A process of taking special or unusual steps to assure that businesses owned by specified minorities and/or women will have equal access to the purchasing process and will obtain an appropriate share of awards.	Affirmative action	1
Business logistics	Coordination of projected requirement, procurement, physical movement, and storage of components, parts, raw materials, and semi-finished and finished goods, to achieve optimum demand-service level at minimal cost. It includes both inbound and outbound movements, and is a larger concept than distribution management which does not include activities such as forecasting and procurement		3
Business Continuity Plan	Set of documents, instructions and procedures which enable a business to respond to accidents, disasters, emergencies, and/or threats without any stoppage or hindrance in its key operations. Also called business resumption plan, disaster recovery plan, or recovery plan		3

Business plan	Set of documents prepared by a firm’s management to summarize its operational and financial objectives for the near future (usually one to three years) and to show how they will be achieved. It serves as a blueprint to guide the firm’s policies and strategies and is continually modified as conditions change and new opportunities and/or threats emerge. When prepared for external audience (lenders, prospective investors) it details the past, present, and forecasted performance of the firm. And usually also contains pro-forma balance sheet, income statement, and cash flow statement, to illustrate how the financing being sought will affect the firm’s financial position		3
Business Process Re-engineering(PBR)	Thorough rethinking of all business processes, job definitions, management systems, organizational structure, work flow, and underlying assumptions and beliefs. BPR’s main objective is to break away from old ways of working, and effect radical (not incremental) redesign of processes to achieve dramatic improvements in critical procurement areas (such as cost, quality, service, and response time) through the in-depth use of information technology.	Business process redesign	3
Buy local	Bid preference which may be given to vendors doing business in Kenya.	In-state preference, local preference	1

Buyback	A counter-trade arrangement whereby a supplier of plant, equipment and/or technology agrees to accept part or full payment for supplies, in terms of the goods to be produced with the help of these facilities. Is also is referred to as compensation trade. An example might be a jeans company that buys and supplies knitting equipment to a supplier at no charge. The supplier uses the equipment to manufacture jeans that are then supplied back to the jeans company that on-sells the jeans. The jeans company may buy the jeans at a lower cost than if the supplier had bought the equipment themselves. This involves both barter and technology transfer.		
Buyer	1. A purchaser; can refer to the buying agency or government. 2. A staffing an organizational role, whose job involves acquiring goods and/or services on behalf of others.		1
Buyer complaint form/Register	A form completed by the user/Buyer or procuring entity to document unacceptable vendor performance.	Complaint register	1
Buyer's right of routing	The right of the buyer to select the carrier to be used for shipment of goods when buyer pays freight charges; buyer's right to name the carrier must be made part of the sales contract before shipment of goods if vendor prepays freight.		1
Buyer's market	An economic condition within a competitive marketplace that occurs when the supply of aca product or service exceeds the demand. Generally, results in lower prices more favourable to the buyer. (Harney, 1992)		1

Buyer's option	The right of a buyer to modify within a specified period of time any one or more of the terms of contract as agreed in advance (e.g. to increase or decrease the quantity indicated in a purchase contract by a specified percentage). Buyer's option may be open on other terms and conditions in the contract, if so provided (e.g. port of discharge, delivery lot, size or time, etc.	1
Buying (seasonal) calendar	A buying plan which is designed to take advantage of (lower) seasonal prices, such as road ice chemicals in summer.	1
Buying in	Knowingly submitting an offer or bid below the vendor's anticipated cost with the expectation of increasing the contract amount after award through unnecessary or over-priced change orders, or by receiving follow on contracts at artificially high prices to recover losses incurred initially.	1
Call-up	A request for delivery which is forwarded directly to a supplier to obtain delivery of material in accordance with the terms of a standing offer or a previously negotiated contract.	1
Call-up number	The unique number of a requisition	1
Cancellation request	A request, by either party to a purchase agreement, to cancel the contract, often at no cost.	1
Candidate	A person or business entity who has submitted a tender to a procuring entity	6
Cannibalize	To strip or dismantle equipment for parts to be used for the repair or assembly of other equipment.	1

Capability	An individual's or organisation's ability to perform tasks or activities effectively. The term 'capability' is increasingly used to describe the combination of an organisation's expertise and its capacity to execute specific strategies.	Competence, capacity	1
Capital asset	An asset with a life of more than one year, either tangible or intangible, with a value above a certain minimum amount set by the body.		1
Capital expenditure CAPEX	Equipment used by an organisation in the production of goods and services. It is relatively long-lived equipment, machinery or plant that requires significant initial investment and is carried on the organisation's balance sheet at its installed cost less depreciation.		
Capital lease	A lease that transfers substantially all the benefits and risks incident to ownership of the property to the lessee.	Operating lease	1
Cargo	The freight transported in a vehicle.		1
Carload	1. The minimum weight, as defined by law, of a shipment entitled to a reduced freight rate. 2. The shipment amount that fills a car, especially a freight car.		1

Carriage and Insurance Paid To (CIP)	Incoterm “Carriage and Insurance Paid to” means that the supplier has the same obligations as under CPT but with the addition that the supplier has to procure cargo insurance against the buyer’s risk of loss of or damage to the goods during the carriage. The supplier contracts for insurance and pays the insurance premium. The buyer should note that under the CIP term the supplier is only required to obtain insurance on minimum terms. The CIP term requires the supplier to clear the goods for export. This term can only be used for sea and inland waterway transport. When the ship’s rail serves no practical purposes such as in the case of roll-on/roll-off or container traffic, the CIP term is more appropriate to use.		
Carriage Paid To (CPT)	Incoterm “Carriage paid to” means that the supplier pays the freight for the carriage of the goods to the named destination. The risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time the goods have been delivered to the carrier, is transferred from the supplier to the buyer when the goods have been delivered into the custody of the carrier. The CPT term requires the supplier to clear the goods for export. This term may be used for any mode of transport including multimodal transport.		
Carrier	A person or a firm who contracts to carry goods by any method of transport.		1
Carrier’s lien	A carrier’s claim on goods pending collection of freight cost or other charges.		1
Carrying cost	Cost of keeping inventory on hand including lost opportunity cost, storage cost, handling cost, insurance cost, shrinkage, and obsolescence cost.	Acquisition cost	1
Cartage	1. The act of carting or transporting generally used to identify local delivery of		1

goods received from a carrier. 2. The cost of such transportation.

Cartel	An organisation or group of organisations which colludes to determine the quantities and/or prices of goods or services to be provided by each of its members.		
Cash discount	Reduction, usually expressed as a percentage of the price of a product or of the amount of a bill, if payment is made in cash or promptly or within a specified period of time.	Prompt payment discount	1
Cash in advance	Payment made to a contractor prior to initiating the performance of the contract.	Advance payment	1
Cash on delivery (COD)	The expression stipulates that payment is to be made upon delivery of goods. In other words the carrier will not release goods unless there is evidence that payment has been effected or else the payment is made to the carrier at the time of delivery (e.g. to the post office when collecting the consignment).		1
Catalogue	1. A list of items arranged systematically, usually including brief descriptions by a supplier, manufacturer or service provider. 2. To make a catalogue.		1
Cataloguing	The whole range of work which has to be performed in identifying, classifying, describing and stock numbering an item of supply. Cataloguing may or may not include the actual compilation and publishing of printed manuals, catalogues or handbooks.		1

Category Management	This is a procurement sourcing strategy which groups' products and services together based on the ability of the market to supply rather than the basis of organisational boundaries. It involves not only a more comprehensive internal customer and supplier management approach, but a broader, more facilitative way of developing procurement strategies that support both category and business objectives. It allows for buyers/procurement officer's to handle procurement requirements of specific categories.	42
Caveat emptor	Latin maxim for "let the buyer beware." A common warning indicating responsibility for defects or deficiencies in goods or services lies with the purchaser.	1
Caveat emptor	Latin maxim for " <i>let the seller beware.</i> " A common warning indicating the responsibility for defects or deficiencies in goods or services sold lies with the vendor.	1
Centralization	Is the process by which the activities of a business or organization, especially planning and decision-making, are concentrated within a particular location and/or group, generally the head office.	27
Centralized purchasing	A system of purchasing in which a separate individual or department within an organization has the authority to make some or all of the purchases for that organization	1
Certificate of compliance	A document with vendors' or manufacturers' written assurance that the goods or services delivered fulfil contractual requirements.	1

Certificate of damage	A document, issued by the receiving office, establishing merchandise received was damaged; includes a precise description of the damage and the number of damaged items.	Foul bill of lading	1
Certificate of non-collusion	A document signed by a bidder affirming that the bid is made freely, without collusion or consultation with another vendor.		1
Certificate of origin	It is a document certifying the place of growth and production or manufacture of goods. The Certificate of Origin identifies goods and includes certification by a government authority, or other empowered body, that the goods in question originate in a specific country. The certificate often includes the exporters and importer's details, the method of transport, port of origin and destination and a description of the goods with the country of origin listed. Customs authorities and bankers use the content of the document as part of international trade.		1
Certification of cost and pricing data	Contractor certification that to the best of its knowledge and belief, the cost or pricing data submitted was accurate, complete, and current as of a mutually determined date prior to the date of the pricing of any contract, change order or modification.		1
Change order	Is the formal document through which a change is made to a contract, for example the scope of work or the completion date or the price of the work changes in a construction contract. Both parties agree to the change and the implications in terms of mutual rights and obligations.	Modification	1
Charge-back	The process of charging the using agency for materials drawn from central stocking locations, or for the proportionate costs of goods or services provided.		1

Chattel	1. A tangible item of property that is not real property. 2. A movable possession or article of personal property.	Goods	1
Cheque	A written order drawn on a deposit of funds in a bank, directing the bank to pay money from the account on which the check is drawn to the person, business, or agency named on the check.	Draft	1
Citizen contractor	A local person or an incorporated company wholly owned and controlled by persons who are citizens of Kenya;		1
Claim	A written assertion or demand, by one of the parties to a contract, which seeks, as a contractual right, payment of money		1
Clarification	A written communication from the potential bidders/suppliers to the procuring entity, seeking further information concerning the procurement/tender.		1
Class code number	The number that identifies a property class which covers a relatively homogeneous grouping of commodities, grouped together with respect to their similarity of physical or performance characteristics, or grouped together since they are usually requisitioned, stored, and issued together.		1
Classification	1. For freight, a publication containing a list of items and the classes to which they are assigned for the purpose of applying class rates, along with governing rules and regulations. 2. Group, sub-group and level of the individual whose services are called-up.		1
Classification of defects	The process of arranging defects in classes or groups in accordance with some system, for example, by severity of defect such as major, critical or minor.		1

Clean bill of lading	A bill of lading that does not carry any remarks to indicate that goods received were not in apparent good order and condition. If the goods or packages are damaged or defective the master of the ship will put an endorsement to this effect on the bill of lading.	1
Close of business (C.O.B.)	Refers to the end of the business day; sometimes used to specify time for an event to occur.	1
Code of conduct	An ethical framework that includes the principles of integrity, respect and accountability and applies to all employees in an organization, industry. In relation to procurement and supply chain, there are explicit rules about accepting gifts and hospitality, to promote confidence in the objectivity and transparency of the procurement process.	27
Coding System	System used in procurement to identify stock items, categories and suppliers.	1
Collateral	Security or other property pledged in addition to the personal obligation of the borrower, to insure performance of an obligation or repayment of a loan.	1
Collusion	Secret agreement between two or more individuals or organizations to limit competition by the use of such methods as deception, misleading behaviour or fraudulent activity, where the objective is to obtain an unfair advantage. Collusion may take the form of a market sharing agreement, price fixing or bid rigging. Legally, all acts affected by collusion are considered to be void.	1
Collusive bidding	Tenders/offers by two or more tenderers who have joined together to circumvent the intention of the buyer to secure competitiveness by submitting tenders/offers, the terms and conditions of	1

which are decided jointly (and are therefore known to each) even when these are submitted separately

Combination specification	Incorporates both design specifications and performance specifications.		1
Commercial law	Principles and rules by which rights and obligations in commercial transactions are determined, found in the uniform Commercial.	Business law	1
Commercial product	An item, material, component, or system sold to the general public in the course of normal business at prices based on established catalogue or market prices.	Off-the-shelf item	1
Commercial Purchasing	The acquisition of goods and services for business purposes excluding employment of employees.		1
Commission	The compensation of an agent or broker when calculated as a percentage of the amount of the transaction or the profit to the principal.		1
Commission merchant	An agent or broker who buys or sells goods for others, in return for a commission.		1
Commitment authority	The authority delegated by one who has authority to delegate to appropriate officers to confirm before a commitment is entered into, as required under financial authority, that there is a sufficient unencumbered balance available out of the relevant appropriation or item included in the estimates to discharge such commitment.		1

Commodity	A good that is supplied by many different producers and is considered to be equivalent by the market. One of the characteristics of a commodity is that its price is determined as a result of being actively traded by its market. Soft commodities are goods that are grown, for example coffee beans, wheat and sugar. Hard commodities are the goods that are extracted through processes such as mining, for example gold and crude oil.		1
Commodity class	A property class containing relatively homogeneous commodities; items related because of their physical or performance characteristics, or general type items normally stored and issued together.	Class code number	1
Commodity classification	The procedure which identifies commodities according to type, class, size, composition, or manufacture.		1
Commodity code	A system of words and numbers designed to identify and list commodities or services by classes and sub-classes.		1
Commodity group	A grouping of related items, which can be further or more specifically defined and the items placed into commodity classes within the commodity group.		1
Commodity rate	A published tariff applicable to the shipment of a specific commodity in large quantities between selected geographical points.	Class rate	1
Common carrier	A person or company in the business of transporting goods or persons for the general public for a fee.	Contract carrier	1
Common law	Law based on custom and usage, or confirmed by court decisions, rather than law created by the enactment of legislative bodies.		1

Competency	A combination of skills, attributes and behaviours that are directly related to successful performance on the job.	3
Competition	The effort of two or more vendors to secure the business of a purchaser by the offer of the most favourable terms as to price, quality, promptness of delivery, and/or service.	1
Competition code	A code describing whether or not the award process was competitive.	1
Competitive bid solicitation	Solicitation of two or more qualified sources by invitation or public notice for the same requirement.	1
Competitive bidding	A common procurement practice designed to secure value for money by inviting a number of suppliers to submit offers. If responsive tenders were received by the buyer in response to an invitation to tender where the tender is global (open to everyone) or is restricted (open to a selected number of tenderers) and where there is no evidence that the tenderers have had a secret understanding.	
Competitive contract	A contract where the process used for the solicitation of bids assures that a reasonable and representative number of suppliers are given an opportunity to bid.	1
Competitive negotiation	A method for acquiring goods, services, and construction for public use in which discussions or negotiations may be conducted with responsible offeror who submit proposals in the competitive range.	1
	Competitive sealed bidding, request for proposal, proposal, best and final offers, award. Competitive sealed proposal	

Competitive range	That group of proposals, as determined during the evaluation process for competitive negotiation, which includes only those offeror considered to have a reasonable chance of being selected for award and who are therefore chosen for additional discussions and negotiations. Proposals not in the competitive range are given no further consideration.		1
Competitive sealed bidding	Preferred method for acquiring goods, services, and construction for public use in which award is made to the lowest responsive and responsible bidder, based solely on the response to the criteria set forth in the IFB; does not include discussions or negotiations with bidders.	Competitive negotiation. Formal bid, formal advertised bid	1
Competitive sealed proposal	Competitive negotiation.	Competitive sealed bidding	1
Compliance audit	An audit conducted to determine the degree of compliance with established policies and procedures relative to business management and financial transactions.		1
Composite sample	A sample obtained by mixing together equal portions (samples) from several parts of the lot.	Sample, acceptance sampling, double sampling, multiple sampling plan, random sampling, sequential sampling plan, single sampling	1
Concealed damage	Damage which is not apparent at the time of delivery and which may be discovered only after a package has been opened and the contents examined	latent defect	1
Concealed loss	Loss from a package that is not apparent; the package appears to be unopened.		1

Concession	1. Commerce: Grant of exclusive privileges (such as to be the only seller of a good or service) by a government authority or by the owner of a singular property (such as an airport, amusement park, hotel) to a grantee. Also called a concessionaire, the grantee carries out a commercial undertaking (such as a restaurant), and pays a rent or a certain percentage of the sales or earnings to the grantor. 2. Negotiations: Yielding of a position, privilege, or right, by a party to induce another party to respond similarly by yielding an equivalent position, right, or privilege.	27
Conditional sale	A sale made with the understanding that title will not pass from the vendor to the purchaser until some prerequisite condition has been met, although possession is surrendered to the buyer.	1
Conditions of contract	The terms set in the bid document which must be followed by a prospective bidder.	42
Conditions of purchase	Terms or provisions of a purchase order.	1
Confidential information	Information, such as trade secrets or test data, which is made known to a purchasing employee, or others with a need to know, only because of his or her status as an employee or need to know, and is not a matter of public knowledge.	1
Confidentiality	A classification that identifies sensitive information that, if disclosed, could damage the person or organisation it relates to.	42
Confirming purchase order	A purchase order issued after the fact restating the same terms originally placed orally, or by some other informal means.	1

Conflict of interest	A clash between the public interest and the private pecuniary interest of the individual concerned. The term identifies those situations where contractors or public officials may obtain a benefit from a public contract. Conflicts of Interest may result in a breach of ethics or an ethical code. Actual or Perceived Conflict of Interest: Any action, decision or recommendation by an agent or public official acting in an official capacity, the effect of which could be to the private pecuniary benefit or detriment of the person or person’s relative.	Black’s Law Dictionary , 299, 1990
Consideration	Something of value which is exchanged by vendor/supplier and procuring entity and serves to form or bind a contract.	1
Consignee	A person or a firm to whom the goods are shipped by the supplier. The consignee may be the buyer of the goods, an agent of the supplier (if the goods are intended to be stocked for eventual sale). Etc. The consignee referred to in a bill of lading is, therefore, entitled to take delivery of goods on arrival	1
Consignment	Goods shipped to a consignee in terms of a sales contract or for future sale or other purpose (in the latter cases the title usually remains with the shipper/consignor).	1
Consignor	A person or company that ships goods to another.	1
Consolidated purchasing	This is a strategy of aggregating procurement requirements to achieve economies of scale	1
Consolidation	As applied to freight shipments, the combining of small shipments into a carload.	1

Consortium buying	Short-term arrangement in which several bidders (from the same or different industry sectors or countries) pool their resources to undertake a large procurement project that benefits all members of the group.	3
Construction	The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvement of any kind to any public real property; does not include routine repair, operation, or maintenance of existing real property.	1
Construction managers	The construction managers may act as the agents for the government in assisting in the award of contracts for elements of the project	42
Consul	An official appointed by Kenyan government to look after its business in a foreign city.	1
Consular invoice	An invoice (or a prescribed form) made out by the shipper in the presence of a consular representative of the importer's country and/or to be attested by him giving information as to consignor, consignee value, description, etc., of a shipment being imported. The object is to ensure that goods are not banned and facilitate imposition of import duties.	1
Consultants Qualification Selection (CQS)	This is a method based on the quality of the proposals and the cost of the services offered in selecting consultants.	43
Consulting services	Services of an advisory nature to support policy development, decision-making, administration, or management of the government; normally provided by persons and/or organizations considered to have prerequisite knowledge or special abilities not generally available in a given body or government.	1

Consumable item	Material that is expended or consumed in use and for which no records are maintained after issue.	Expendable item or supplies	1
Consumables	This should include goods that are used by a procuring entity in a daily basis and which have a significance cost to pricing of a commodity, e.g. sleeves used in packaging flowers in the flower farms		27
Consumer product	Item distributed for personal use or consumption by individuals, rather than for resale.		1
Consumption rate	The pace at which items are used or expended during a given time interval.		1
Containerization	This is a system of intermodal freight transport using intermodal containers (also called shipping containers and ISO containers) made of weathering steel. The containers have standardized dimensions. They can be loaded and unloaded, stacked, transported efficiently over long distances, and transferred from one mode of transport to another—container ships, rail transport flatcars, and semi-trailer trucks—without being opened. The handling system is completely mechanized so that all handling is done with cranes and special forklift trucks. All containers are numbered and tracked using computerized systems.		1
Contingency	A possible future event or condition, which cannot be determined with certainty that may necessitate special measures.		1
Contingent fee	A commission, percentage, or other fee that is conditional upon the success a person or concern has in securing a procurement contract.		1
Continuous improvement	A never ending effort to expose and eliminate root cause of problems, small step improvement as opposed to big step improvement		3

Contract	An agreement, enforceable by law, between two or more competent parties (legal entities) to perform or not to perform a specific act or acts for a consideration. A contract may be verbal or written. An offer released by a party becomes a contract when accepted by the other party. Acceptance may be either in writing or by performance, unless the purchase order requires acceptance thereof to be in writing, in which case it must be thus accepted. Contracts financed with public funds are generally made up in writing	agreement, cost-reimbursement contract, fixed-price contract, , incentive contract, labor-hour contract, letter contract, task order contract, time-and-materials contract	1
Contract adjusted amount	The value for a contract reflecting adjustments made for changes such as foreign currency or inflation.	Price adjustment clause	1
Contract administration	The management of all actions that must be taken to assure compliance with the terms of the contract after the award of the contract.		1
Contract amendment	An agreed addition to, deletion from, correction or modification of a contract.	Contract modification	1
Contract amount/value	Total Kenya shilling amount negotiated between buyer and seller and identified in the contract for purchase or services.		1
Contract audit	Evaluation and verification of the accuracy and propriety of the contractor's (or the subcontractor's) controls, policies, and systems through the inspection of account books, transaction records, and operations logs.		3
Contract award	A final agreement on the terms and conditions of a contract between a buyer and seller.		1
Contract carrier	A person or company that is under contract to transport people or goods for individual contract customers only.	Common carrier	1

Contract ceiling	Maximum amount available for payment of cost and fee, which the contractor cannot exceed without approval of the purchasing authority.		1
Contract completion date	The date that the contract was closed in the financial accounts.		1
Contract date	The date on which a contract is accepted by all parties thereto; the date of award.		1
Contract file	Contract record.		1
Contract management	The overarching process that a governmental agency will use to ensure that the contractor has performed in accordance with the performance standards contained within the statement of work (SOW) or the Performance Work Statement (PWS). A quality assurance plan contained within the contract. May include: 100% Inspection, Random Sampling, Periodic Inspection, Customer Input, as well as other methodologies. May also be referred to as Surveillance.	Also see Contract Administration and Surveillance.	
Contract modification	Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provision of the contract, accomplished by mutual action of the parties to the contract.	Change order.	1
Contract number	An alpha-numeric code which uniquely identifies a contract.		1
Contract original amount	The original award value for a contract.		1
Contract publication	Publishing a contract award in a newspaper to inform all who participated in the tendering process that the contract has been awarded to the contractor specified in the publication.		1
Contract record	A report providing particulars regarding the orders or releases placed for delivery of	Order record, contract file	1

	goods against a contract so the volume of contract purchases can be determined.		
Contract record	A report providing detailed information regarding the orders or releases placed for delivery of goods against a contract so the volume of contract purchases can be determined.		CIPS
Contract status code	A code assigned to each milestone in the procurement process.	Milestone code	1
Contract variation	Process of changing terms either price, quality, quantity or time previously agreed on.		27
Contract, amended amount	Total cost in specified currency of the contract reflecting the cumulative impact of the original amount and all contract amendments.		1
Contract, cost-plus-a-fixed fee	A contract which provides for reimbursement of cost of materials used in fabrication of equipment and/or construction of plant and/or specific costs of services (for example travel costs) on an actual basis plus a fixed (amount) fee for the supplier, the fee bearing no relationship to the cost of materials or services.		
Contract, cost-plus-a-percentage-of-cost	A contract in which a fee is set at a specified percentage of the supplier's actual cost of accomplishing the work.		
Contract, cost-plus-incentive-fee	A cost reimbursement type of contract for construction of a turnkey project where the supplier's fee is linked to the actual costs in relation to the estimated or the target cost so that there is an incentive for the supplier to achieve cost reduction		
Contracted delivery date	The date agreed to under the terms and conditions of a contract.		1

Contracting authority	The authority delegated to persons for entering into and approving contracts and arrangements expected to result in charges to an appropriation.	1
Contracting officer	A person with the authority to enter into, administer, and/or terminate contracts, and make related determinations and findings.	1
Contracting out	The process of having services performed by employees of outside vendors, rather than by employees of the procuring entity.	Outsourcing 1
Contractor	A phrase often used for a company carrying out construction works. Sometimes used in a more general way for all types of suppliers of goods, works or services.	6
Contractual arrangement	An agreement between a contracting authority and entity of the state of Kenya (e.g. Corporations, county governments or municipalities) to provide a good, perform a service, construct a work or to lease real property, for appropriate consideration. These types of agreements are not contracts in the true sense but are still subject to certain limits or constraints.	1
Contractual capacity	Ability to contract	
Controlled items	Items of supply both accountable items and non-accountable items, which for administrative purposes require special controls beyond those normally employed.	1
Conveyance	1. A formal written instrument, usually called a deed, by which the title or other interest in real property is transferred from one person to another. 3. A means of transporting goods or people; a carrier such as a railroad, car, truck, vessel, barge, or airplane.	1

Corporation	An artificial legal entity treated as an individual, having rights and liabilities distinct from those of the persons of its members, and vested with the capacity to transact business, within the limits of the powers granted by Companies Act of Kenya.	Partnership	1
Corruption	Has the meaning assigned to it in the Anti-Corruption and Economic Crimes, Act 2003 and includes the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement or disposal process or in contract execution		6
Cost	1. Actual expenses incurred in delivering a product, service, or construction; includes both direct and indirect costs, but does not include fee or profit for the vendor 2. The amount, measured in money, of the expenditure to obtain goods and services.		1
Cost analysis	The review and evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred. A cost analysis should be employed when price analysis is impractical or does not allow a purchaser to reach the conclusion that a price is fair and reasonable. Cost analysis is most useful when purchasing nonstandard items and services. (Burt, Dabblers, Starling, 2003).	Also see Cost Breakdown.	1
Cost and Freight (CFR)	A quoted price that includes both the cost of an item and transportation charges to the destination; commonly used when shipping via ocean freight.		
Cost breakdown	The detailed analysis of the vendor's quoted price.		1
Cost contract	A cost-reimbursement contract in which the contractor receives no fee.		1

Cost data	Factual information about the actual or estimated costs of labor, material, overhead, and other cost elements which are expected to be incurred by the contractor in performing the contract.		1
Cost element	A direct or indirect cost that is part of the total cost of providing a good, service, or construction, such as labor, materials, fringe benefits, or travel.		1
Cost estimate	A cost estimate prepared by the buyer for goods, works or services which provides a benchmark or a basis for evaluation and/or negotiation when tenders/offers are received from tenderers. It also serves as an instrument of project planning and budgeting.		1
Cost estimate budget	A forecast amount as distinguished from an actual outlay, based upon related cost information available at the time and anticipated future conditions. The process of calculating the probable cost of a job.		42
Cost estimating	The process of calculating the probable cost of a job or activity.	Engineering estimate	1
Cost evaluation	The actual expenses incurred in delivering a product, service, or construction; includes both direct and indirect costs, but does not include fee or profit for the vendor.		42
Cost labour	Expenditure for manual labour measured by the amount paid.		1
Cost objective	A function, organizational unit, or contract for which costs are to be determined and cost data accumulated.	Final cost objective	1
Cost of bidding	The costs incurred in the preparation and issuing bid documents including the costs involved in the evaluation and award of a contract.		43

Cost of ordering	In calculating economic order quantities, the costs which increase with the number of orders placed; includes costs related to the clerical work of preparing, issuing, following and receiving orders, physical handling of goods, inspections, and machine set-up costs if the order is being manufactured.	1
Cost or pricing data	All facts which prudent purchasers and vendors would reasonably expect to affect price negotiations significantly.	1
Cost original	The original shilling cost for which a good or service was acquired; for equipment includes shipping, installation and other associated costs.	1
Cost plus	The method of payment for contracts for which tenderers quote a lump sum or % addition to their costs (which would be reimbursed).	Cost-reimbursement contract. 1
Cost principles	The regulatory principles used to determine the allowability of incurred costs for the purposes of reimbursement under the provisions of the contract.	1
Cost realism	A factor considered during cost analysis of a proposal to determine if the costs proposed are realistic in light of historical experience, costs on similar projects, or other factors.	1
Cost replacement	The cost at current prices which is expected to be incurred to replace an item.	1
Cost sharing	An explicit arrangement under which the contractor bears some of the burden of cost.	Cost-sharing contract 1
Cost variance (CV)	Any difference between the estimated cost of an activity and the actual cost of an activity.	38

Cost, adjusted	The monetary value of materiel items adjusted for upgrades, deterioration in condition, or other changes.	1
Cost, Insurance, Freight (C.I.F.)	A quoted price that includes marine insurance in addition to the cost of the item and transportation charges to destination; commonly used when shipping via ocean freight.	1
Cost/benefit analysis	Evaluation of the trade-off between the cost of a good or service and the value or benefit to be obtained in order to choose among alternatives.	1
Cost-plus-award-fee contract (CPAF)	A cost-reimbursement contract that provides for a base fee amount (which may be zero) fixed at inception of a contract, and an additional fee to be determined at time of fee award that is based on a judgmental evaluation by the purchaser as to the quality of the contract performance, and the evaluator’s assessment as to the fee amount necessary to motivate the contractor toward excellence.	1
Cost-plus-fixed-fee contract (CPFF)	A cost-reimbursement contract that provides for payment of a negotiated fee that is fixed at the inception of the contract and does not vary with the actual cost of performing the work, although the fee may be adjusted when there are changes in work to be performed.	1
Cost-plus-incentive-fee contract (CPIF)	A cost-reimbursement contract that provides an incentive to reduce costs by allowing for an initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs.	1

Cost-reimbursement contract	A contract which reimburses the contractor for all incurred costs which are allowable and allocable under the terms of the contract and applicable laws and regulations; may include profit or fee.	Cost contract, cost-plus-award-fee contract, cost-plus- cost plus, fixed-fee contract, cost-plus incentive-fee contract, cost-sharing contract	1
Cost-sharing contract	A cost-reimbursement contract in which the contractor receives no fee and is reimbursed only for an agreed upon portion of its reasonable, allowable and allocable costs.		1
Council	An advisory, deliberative, or legislative body of people or professionals formally constituted to provide advice or guidance on something e.g. Kenya Institute of Suppliers Management governing council established under Section 4 of SPMA.		33
Counteroffer	A return offer made in response to another offer, by one who has rejected the initial offer.		1
Country of origin	Country in which a product is wholly obtained or produced or the country where an item is substantially transformed into another product		1
County assembly or Government in Kenya	This refers to a Law making body or organ for County Government. It comprises of members elected by voters of the wards; each ward being a single member of a constituency.		5
County executive committee	Committee with executive authority in the county government who are mandated to oversee the performance of county. E.g. to implement county and national legislation, manage and coordinate functions of the county administration and its departments and approve budgets used in procurement.		5

Covenant	An agreement or promise of two or more parties, stipulating that something is done, or shall be done, or as to the truth of certain facts.	1
Covering letter	A letter sent with a package or another letter as an explanation or introduction.	1
Credit Note	A method of correcting an overcharge, paying a trade rebate, or crediting the value of goods returned.	
Criteria	A rule or principle for evaluating or testing something. When evaluating offers, weighted factor analysis can be used to assess competing offers against a variety of criteria. A number of criteria are proposed, usually including cost, quality, time, service and other relevant factors, and each criterion is weighted with a relative weighting to value its importance in the decision-making process. Offers are then scored against the weighted criteria to identify the best value outcome overall.	
Critical path	Is the sequence of activities in a project plan which must be completed on time for the project to complete on due date.	1
Critical path method (CPM)	This is a step-by-step technique for process planning that defines critical and non-critical tasks with the goal of preventing time-frame problems and process bottlenecks. This enables managers to allocate resources to events on this path to reduce the total time required to complete the project; often used in the construction industry.	1
Cross Docking	A logistics procedure where products from a supplier or manufacturing plant are distributed directly to a customer or retail chain with marginal to no handling or storage time.	
Cross functional purchasing	The procedure of involving functions in arriving at a procurement decision.	42

Cross functional team	A group of people with different functional expertise working toward a common goal.	42
Cross liabilities	Liability incurred by one insured as the result of his or her damaging another insured when both insured are covered under the same liability insurance policy.	43
Currency	A generally accepted form of money, including coins and paper notes, which is issued by a government and circulated within an economy.	42
Currency conversion	The rate at which the currency unit of one country may be exchanged for that of another.	42
Currency of bid	Is the price at which the market would buy the currency pair (before any commissions or fees),	42
Currency of payment	Refers either a multiple currency bank account, or a foreign currency denominated bank account defined for someone intended payment currency	42
Current funding	The current sum of money assigned to the contract.	1
Current stock level	The quantity currently on hand in the warehouse or storage depot.	1
Custodian	The authorized institution or an officer who is accountable for the use, condition of a material item and can exercise legal authority over the material item of another individual or company.	1
Customer Relationship Management (CRM)	This is a system for managing a company's interactions with current and future customers. It involves using technology to organize, automate and synchronize sales, marketing, customer service, and technical support.	42

Customer value	This is the difference between what a customer gets from a product, and what he or she has to give in order to get it. It focuses on how people choose among competing suppliers, customer attraction and retention and marketing share gains.	27
Customer/ order fulfilment process	Sequence of steps involved in processing an order to the satisfaction of the customer and making the necessary changes in the inventory records.	27
Customs	1. Taxes, tolls, or duties levied upon goods which pass a frontier; generally, an import duty. 2. The official department that administers and collects the duties levied by a government on imported goods.	1
Customs duties	A tax levied on imports (and, sometimes, on exports) by the customs authorities of a country to raise state revenue, and/or to protect domestic industries from more efficient or predatory competitors from abroad	1
Customs duties	<i>See customs.</i>	1
Customs tariff	A list or system of duties imposed by a government on imported or exported goods.	1
Cycle Inventory	This is the amount of inventory needed to satisfy demand for the product in the period between initiating the purchases to final delivery of the product.	
Cyclical inventory control system	A method of keeping track of inventory by performing inventory counts constantly, or on a frequent and regular basis, instead of once per year or once per quarter.	1
Damages	A monetary settlement awarded to a party that is injured through a breach of contract. Compensation, usually monetary, for injury to goods, persons or property. (Harney, 1992)	Also see Liquidated Damages and Penalty Charge.

Dangerous goods	Articles or substances which are capable of posing a significant risk to health, safety or property, and which when transported, are subject to special regulations.		
Dangerous material	Is any item or agent (biological, chemical, physical) which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors.	Dangerous goods, hazardous material.	1
Debarment	Is the state of being excluded from enjoying certain possessions, rights, privileges, or practices and the act of prevention by legal means. For example, the exclusion of a person or company from participating in a procurement advert or solicitation for an extended period of time, as specified by PPDA, because of previous illegal or irresponsible action.		1
Decentralized purchasing	An arrangement in which certain purchasing authority or functions are delegated to smaller units of management by a central authority which retains policy direction and responsibility.		1
Declared value	<ol style="list-style-type: none"> 1. The monetary value placed on a shipment of goods by the shipper when delivered to a carrier. Also, the value placed upon imported goods by the importer for clearance through customs. 2. Is the total cost to rebuild the property (including all fixtures and fittings, car parks, pavements and similar property for which you are responsible) at the inception or renewal date of your policy. 		1
Default	<ol style="list-style-type: none"> 1. Failure to fulfil an obligation, especially to repay a loan or appear in a court of law. 2. Failure by a party to a contract to comply with contractual requirements. 		1
Defect	Any failure of product to conform to the specified requirements.		1

Delegation of authority	The conferring of authority, by someone who has it, to another person, in order to accomplish a task.		1
Delivered at Place (DAP)	An indefinite delivery/indefinite quantity contract for supplies or services that provides for the issuance of orders for services or supplies during the contract period. May also be referred to as a task order contract		
Delivery	The physical transfer of possession from one person to another, as from a carrier, vendor, or contractor to the purchaser.		1
Delivery date	The date as stipulated in the contract for the delivery of goods, rendering of services or completion of projects		1
Delivery Duty Paid (DDP)	This is a type of INCOTERM where the Seller delivers the goods –cleared for import – to the Buyer at destination. The Seller bears all costs and risks of moving the goods to destination, including the payment of Customs duties and taxes.		
Delivery order (DO)	An order for supplies or services placed against an established contract.	Task order	1
Delivery order contract	An indefinite delivery/indefinite quantity contract for supplies or services that provides for the issuance of orders for services or supplies during the contract period.	Task order contract	1
Delivery required by	The requested date by which all goods have to be delivered.		1
Delivery schedule	A delivery plan indicating the time of beginning and completion of each delivery.		1
Delivery terms	Conditions in a contract regarding freight charges, place and time of delivery, or method of transportation.		1
Demand level	The amount of inventory required for a given item.		1

Demurrage	1. The detention of a ship, railroad car or truck beyond the time specified for loading, shipping or unloading. 2. The delay in claiming goods shipped 3.The storage charge or payment made for the delay or detention.	1
Depreciation	1. A decrease in value because of use, time, deterioration, inadequacy or obsolescence. 2. An accounting recognition of loss of value of a fixed asset.	1
Descriptive literature	Information, such as charts, illustrations, brochures and technical data, furnished by a bidder on request as part of a bid, to describe the items offered; shows the characteristics or construction of a product, or explains its operation to enable the purchaser to determine the acceptability of the item.	Sample 1
Design deficiency	A condition which prevents a product from being useful, correction of which would require a design change.	1
Design specification	A specification establishing the characteristics an item must possess, including sufficient detail to show how it is to be manufactured.	1
Designation of special purpose	Identifies items created by modification of standard commercial products to meet special needs, such as equipment modified to meet the needs of the handicapped.	1
Designee	A duly authorized representative.	1
Destination	The place to which a shipment is consigned.	1
Determination and findings	A legal document prepared by a procurement agent justifying the decision to take a certain action; includes conclusion, or determination, and the reason, or findings of fact.	1

Devolution	System of governance where resources and power are cascaded down and shared between the national government and the county government in Kenya.		5
Devolved government	County government at the county level consisting of a county assembly and county executive.		5
Direct Contracting	Is a procurement method that allows the awarding of a contract without competition	<i>see direct procurement</i>	42
Direct cost	The cost of materials or services identified with only a single cost objective.	Indirect cost	1
Direct delivery	The shipment of goods directly from the source to a user; frequently used where a third party acts as purchasing agent for the user.		1
Direct labor hours	The time spent working solely to satisfy the immediate requirements of the contract statement of work.		1
Direct or indirect participation	With respect to a purchasing matter includes involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering advice, investigation, auditing, or participation in any other advisory capacity.		1

Direct Procurement	A procurement method where one provider is identified to provide goods, works or services as long as the purpose is not to avoid competition. This method is used in the following circumstances (a) when there is only one person who can supply the goods, works or services being procured; (b) when there is no reasonable alternative or substitute for the goods, works or services. (c) When there is an urgent need; (d) because of the urgency and other available methods of are impractical; and I the circumstances that gave rise to the urgency were not foreseeable and were not the result of dilatory conduct on the part of the procuring entity.	Direct Contracting, Single Sourcing	10
Directive	A statement indicating the mandatory features of a policy. In those cases, where treasury board is prepared to permit deviations, departments must obtain prior approval by means of submissions. Directives are characterized by the use of the verbs shall, must and will, and appear in bold italics.		1
Disadvantaged groups	Individuals or business enterprises owned by; youth, women or persons living with disability who qualify to participate in the 30% public procurement opportunities.		29
Disaster management	Planned steps taken to minimize the effects of a disaster and to be able to proceed to business continuity stage.	business continuity plan	3
Disciplinary Committee	A committee established under the SPMA to receive and investigate complaints against supplies practitioners. If found guilty the committee may order the removal from the register, suspension of registration or revocation of the practicing license of a supplies practitioner or the imposition of fines.		33

Discount	An allowance or deduction, by a vendor or contractor, of a specified sum or percentage from the selling price of an item.	cash discount, discount schedule, prompt payment discount, quantity discount, trade discount	1
Discount schedule	The list of discounts applying to varying quantities of goods or applicable to differing classifications of purchasers.		1
Discrepancy	A difference in identification, condition, or quantity between the supplies or services and the associated records.		1
Discussions	An oral or written exchange of information, other than simple clarifications, for the purpose of obtaining information essential for determining the acceptability of a proposal, or to provide the offeror an opportunity to revise its proposal. May be used in competitive negotiation, emergency, and sole source procurement; not permitted when using competitive sealed bidding.	bargaining, negotiation	1
Dispatcher	One who sends off, or tells the driver of a vehicle when to leave.		1
Disposal	The act of getting rid of something unwanted by sale, trade-in, donation, transfer or destruction.	salvage, waste disposal	1
Disposal value	The proceeds obtained from a disposal.		1
Disposition	Transferring, trading-in, selling or destroying goods that are excess property, surplus property, or scrap.		1
Dispute	Disagreement between parties to a contract over performance or other contract term requiring administrative action to resolve.	protest, alternative dispute resolution	1
Distribution	The movement of goods from manufacturer to user.		1

Distribution Channel	The path through which goods and services travel from vendor to customer		27
Distributor	A person or business that does not manufacture its own products but buys and sells goods from a manufacturer, usually maintaining an inventory.		1
Diversion	The act of changing the route or destination of goods in transit from the original destination to a new destination.	Re-consignment	1
Dockage	A charge for the use of a dock.		1
Document identifier	Unique code showing requisition status.		1
Document review	A formalized technique of data collection involving the examination of existing records or documents.		2
Donor	One who gives a gift or transfers title to an asset without receiving any consideration in exchange.		3
Double sampling	The inspection of a second sample when the first sample does not lead to a decision to accept or reject.		1
Draft	A written order drawn by a creditor directing a debtor to pay a sum of money to a third party or to the bearer.	bill of exchange	1
Draw off order	The amount to be delivered by the contractor to the users under a blanket order as authorized or arranged for by the purchasing office.	sub-order release	1
Drawback	A refund of money paid, for example, a refund of customs duties paid on imported material if the material is later exported.		1
Draw-down	Call-up.	Call-up	1

Drayage	Charge for transporting goods for short distances, such as within a commercial area or town.		3
Drop shipment	Merchandise that is shipped directly by a manufacturer to a purchaser or user, in response to a request by the vendor who collects orders but does not maintain an inventory.	direct shipment	1
Due Diligence	A business and legal term which refers to research and inquiry made prior to committing to a purchase or making a major business decision. A thorough investigation into the performance and background of a business entity prior to making a decision to purchase.		27
Dues in	The recorded quantity of an item to be received from all outstanding procurement documents, and all materiel expected to be returned.		1
Dues out	The recorded quantity of an item to be issued on receipt of issuable material.		1
Dutiable goods	Imported or exported goods upon which duties are to be imposed.		1
Duty	Customs charges imposed on taking articles out of, or into Kenya.		1
Earnest money	Money paid as a pledge to bind an agreement or contract.		1
Easement	A right held by a person to some limited and specified use of land held by another person.		1
Economic object	Code which classifies expenditures according to type of goods and services acquired or transfer payments made to measure the impact of government transactions on the economy.	financial coding	1

Economic order quantity (EOQ)	1. A quantity providing the lowest acquisition, inventory costs at a minimum cost per unit. 2. The optimal amount of stock to order when inventory is reduced to a level called the reorder point.	reorder quantity	cycle	1
Economies	The theories, principles and models that deal with how the market process works. Explanation on how wealth is created and distributed in communities, how people allocate resources that are scarce and have many alternative uses and other such matters that arise in dealing with human wants and their satisfaction.			27
Effectiveness	The degree to which objectives are achieved and the extent to which targeted problems are solved			27
Efficiency	Accomplishment of or ability to accomplish a procurement activity with a minimum expenditure of time and effort.			27
Electronic Auctions (E-Auctions)	This is an e-Sourcing tool that is used to negotiate prices and complete the buying cycle using online platform. Suppliers log on to a website and place bids throughout the duration of the event. The identities of bidders are concealed; however everyone has full visibility of competitors' prices and their ranking.			46
Electronic Business (e-business)	Is the application of information and communication technologies (ICT) in support of all the activities of business.			42
Electronic Catalogues (e-catalogues)	Are information about products and services in the electronic commerce environment, and require diverse and flexible schemas.			42

Electronic Commerce (e-commerce)	The integration of electronic data interchange, electronic funds transfer, and similar techniques into a comprehensive electronic-based system of procurement functions; could include the posting of IFBs and RFPs on electronic bulletin boards, the receipt of bids via electronic data interchange, notification of award by email, and payment via electronic funds transfer for example.	1
Electronic data interchange (EDI)	The electronic transfer and exchange of business documents, such as bid requests, quotations, purchase orders, invoices and payments, from one computer directly to another computer, using established technical standards.	1
Electronic Point of Sales (EPOS)	An electronic method of retail checkout. Usually self-contained. The system involved is typically capable of all tasks of a store checkout counter: payments by bank or credit cards, transactions verification, sales reporting, inventory data updates.	42
Electronic Procurement (e-procurement)	The ability to buy and sell on the internet.	3
Electronic Sourcing (e-sourcing)	A form of outsourcing where the purchase of goods and services are coursed through the Internet.	42
Eligibility	The quality or state of being eligible; "eligibility of a candidate for office; "eligibility for a loan"	42
Eligible bidders	Potential bidder who meets the minimum standards of experience, financial ability, managerial ability, reputation, and work history for a specified class of goods, services, or projects.	43
Eligible consultants	Qualified or entitled to be chosen: eligible to run for office; eligible for retirement.	42

Embargo	1. A prohibition on exports or imports by law or regulation. A prohibition on May create supply shortages of certain commodities that are available from global sources.2. In marine usage, a detention of vessels in a port.	1
Emergency purchase	A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow time for normal, competitive purchasing procedures.	1
Employee	1. An individual drawing a salary from the governmental body, whether elected or not, or any non-compensated individual performing personal services for the body. 2. A worker who is subject to the will and control of the employer, not only as to what shall be done but also as to how it shall be done.	1
En route	On the way; in transit.	1
End product	A manufactured product that can be sold, distributed, or used without any additional work being done on it.	1
End term evaluation	An external evaluation performed after the end of the period of implementation of the project, whose principal goal is to find out the project outcome and impact to the beneficiaries and stakeholders.	3
Energy efficiency standard	A performance standard for products that consume energy prescribing a minimum level of energy efficiency, or low rate of energy consumption for a given output.	1
Engineer	A person registered under the Engineers Act 2011 as a professional engineer or consulting engineer and who holds a valid licence.	17

Engineering estimate	A cost estimate prepared by the engineering department to enable the purchasing agent to determine a potential purchase price.	1
Engineers Board of Kenya (EBK)	A statutory body established under Section 3(1) of the Engineers Act 2011 with the overall mandate of developing and regulating engineering practice in Kenya.	17
Enterprise resource planning (ERP)	A business management software—usually a suite of integrated applications that a company can use to store and manage data from every stage of business, including: product planning, cost and development, manufacturing, marketing and sales, inventory management, shipping and payment, ERP provides an integrated real-time view of core business processes, using common databases maintained by a database management system. ERP systems track business resources—cash, raw materials, production capacity—and the status of business commitments: orders, purchase orders, and payroll. The applications that make up the system share data across the various departments (manufacturing, purchasing, sales, accounting, etc.) that entered the data. ERP facilitates information flow between all business functions, and manages connections to outside stakeholder	3
Equal opportunity	Policies and procedures of Kenya government to ensure non-discrimination and equal opportunity to all employees, especially women, minorities, and persons with disabilities. Specific contract provisions may require non-discrimination in employment by contractors and subcontractors.	1

Equipment	Major items that are not expendable except through depreciation or wear and tear and which, although they may be fixed or positioned in prescribed places, do not lose their identity or become integral parts of other items or installations.	1
Equipment condition codes	1. Specific categories or grades assigned to material based upon its further usefulness, as to whether it is serviceable, repairable, or condemned, for example. 2. A grade or category indicating the condition of an item for the purpose of determining future supply action.	1
Equivalent items	Items that without actually being identical have sufficient in common to be capable of being used for the same purpose.	1
Escalation clause	A contract provision which permits the adjustment of contract prices by a given amount or percentage if certain specified contingencies occur, such as changes in the contractor's raw material or labor costs.	1
Escrow	A sum of money, bond, piece of property, or deed delivered into the keeping of a third party by one party to a contract, to be returned only when an obligation is fulfilled, or conditions of a contract are met. In practice a neutral third-party holds an asset, document or money until agreed conditions are met by another party to an agreement.	1
Established catalog price	Price included in a catalog, printed price list, schedule, or other form which is regularly maintained by a manufacturer or contractor, either published or otherwise available for inspection by all customers, which states prices currently in effect for the general buying public for the given supplies or services.	1
Established due date	The date and time specified in IFB and RFP for submission of initial bids or proposals.	1

Estimated contract date	The estimated date of the acknowledgement of the offer.	1
Estimated costs	<i>See Cost estimate.</i>	1
Estimated value	Estimated cost for goods or services.	1
Estoppel	A legal doctrine that may be used in some situations to prevent a company from relying on certain rights or facts that are different from an earlier set of facts. For example, a buyer indicates verbally to a supplier that a tender from the supplier was likely to be approved by managers in the buyer's organisation, and that a contract would soon be provided. On that basis, being aware that there was a need to supply the works by a specific date, the supplier commences work in advance of receiving a Letter of Intent or any other formal contractual notification. The buyer's organisation subsequently decides not to enter into a contract with the supplier, but fails to advise them of this decision. The buyer would be 'estopped' from declining to pay for the work already completed on the grounds that no contract has ever been agreed by the two parties. The buyer's organisation had an obligation to let the supplier know that a contract would not be forthcoming as soon as it was aware that one was not likely to be signed. Knowingly allowing another party to act to their detriment based on assumptions that the buyer knows are not valid can cause the buyer's organisation to be estopped from renegeing on the implicit promise made to enter into a contract.	27
Ethics	1. The study of right and wrong. 2. A set of moral principles or values governing the behaviour of a profession or a professional.	1
	purchasing ethics	1

Evaluation	1. Evaluation is the systematic consideration of the value, quality, importance or worth of something or someone. 2. Process of determining whether the bid or proposal from a supplier, service provider, contractor, or consultant meets the specifications required and set out in the bidding document	27
Evaluation criteria	This are measures, guidelines or procedures to be used or considered to determine the most responsive bid.	1
Evaluation of bids	The examination of bids after opening to determine the bidders' responsiveness to requirements, and other aspects of the bid to determine the successful bidder.	8
Evaluation of quality	Is a systematic determination of a subject's merit, worth and significance, using criteria governed by a set of standards.	42
Evaluation team	A team established to conduct interviews, examination of tender documents presented to them during proposal evaluation for a specific product or service. Teams typically represent the functional areas to be addressed in the assessment of bids.	evaluation panel 1
Ex dock	Vendor bears cost and responsibility for placing goods on the dock at port of destination; all costs from that point on are the purchaser's.	ex pier. 1
Ex point of origin	In foreign trade, a quotation or bid that does not include costs of exportation, such as transportation costs, export permit fees, or export duties.	1
Ex warehouse	Vendor makes delivery at port of origin, and all risks and costs from that point on are the purchaser's.	1

Examination	Non-destructive inspection, investigation or testing of materials, products or services to determine their conformation to specifications or requirements usually without special laboratory equipment or procedures. It may include sensual investigation (auditory, visual, tactual, olfactory, gustatory) simple manipulation or measurement	Inspection	3
Examination Committee	The board established by Kenya Institute of Supplies Management under section 12 of SPMA to oversee the examination of PSM professionals for certification.		33
Examination of bids	Stage in a bidding process where the received bid-envelopes are opened and examined by the advertiser (called buyer, client, customer, or owner) of an invitation-to-bid (ITB).		42
Excess property	Any supplies, other than expendable supplies having a remaining useful life, which are no longer required by the agency in possession of the supplies.	salvage	1
Excise tax	An internal tax or fee imposed on the manufacture, sale or consumption of a given product within a country.		1
Exhaustion of administrative remedies	A legal doctrine which requires a complaining party to seek administrative remedy from designated administrative bodies before looking to the courts for relief.		1
Exigency	An exceptional, compelling, emergent need or situation of force majeure not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons, if not addressed immediately.		27

Exigency purchase	A purchase made without following purchasing procedures due to a sudden and unexpected happening or unforeseen occurrence/condition, which requires immediate action.	Emergency purchase.	1
Exit survey	The study carried out at the end of a project analyse the impacts and outcome of interventions on the strategies implemented after the recommendations proposed on the previous study.		3
Expedite	To facilitate or rush a procurement process for delivery of goods or services.	follow-up	1
Expendable items or supplies	Denotes supplies or equipment that is normally consumed during use.	consumable item, nonexpendable supplies	1
Expert	A person who has a comprehensive and authoritative knowledge of or skill in a particular area.	Consultant.	1
Export bill of lading	A bill of lading issued by a carrier covering the transportation of goods from a domestic point of origin to a foreign destination.		1
Export license	Export permit.		1
Export permit	A document issued by the government of the exporting country granting an exporter permission to export the merchandise described in the document.		1
Express authority	That authority that is explicitly given in direct language, rather than inferred from conduct	implied authority	1

Express warranty	An explicit guarantee as to certain facts given by a vendor in direct and appropriate language, rather than left to inference or implication.	breach of warranty, full warranty, implied warranty, limited warranty	1
Expressions of interests	It is an informal offer made by a strategic or financial buyer for the purchase of a business.		42
Extended price	The price for the total number of items ordered, calculated by multiplying the quantity ordered by the unit price		1
Ex-Works (EXW)	This is a type of INCOTERM where the Seller's only responsibility is to make the goods available at the Seller's premises. The Buyer bears full costs and risks of moving the goods from there to destination.		
Facilities	Plant, integral land, equipment and any tangible capital asset, wherever located, whether owned or leased.		1
Fair and reasonable	A subjective evaluation of what each party sees as equitable consideration in such areas as terms and conditions, cost or price, assured quality, timeliness, and any other area subject to negotiation.		1
Fair and reasonable price block	Certification as to the method of solicitation and price(s) acceptability.		1
Fair market value	The price for an item upon which purchaser and vendor agree in an open market when both are fully acquainted with market conditions.	market value	1
Fair trade statute	A law, in some states, which allows a manufacturer to set a minimum retail price on his products. Such a law is a violation of		1

federal anti-trust law if it affects interstate commerce.

Fee	1. A sum of money paid for some service. 2.A charge, or payment, usually for professional or technical service 3. In cost-reimbursement contracting arrangements, the amount to be paid over and above the initial estimate of costs.	profit	1
Fidelity bond	Insurance against losses due to the dishonesty of an employee.		1
Final cost objective	Cost objectives whose costs are not assigned to any other cost objective, and is therefore one of the final points for accumulating costs in the accounting system.		1
Final inspection	Examination or inspection of an item to ensure it conforms to all applicable specifications and requirements before making final payment; usually used in construction, customized heavy equipment, and complex systems and services contracts.	in-process inspection, receiving inspection	1
Final payment	Payment made for completed services after all offsets are calculated and claims are completed.		1
Financial audit	An audit conducted to determine whether all financial transactions are recorded and shown accurately in accounts to verify the existence of recorded assets and inclusiveness of recorded liabilities and to verify the accuracy of financial statements and the fairness of the facts they represent.		1
Financial coding	Coding which identifies a financial account and is used as part of a system of accounts.		1

Financial interest	1. Ownership of any interest in or involvement in any relationship which, or as a result of which, a person has recently received, or will receive, a sum of money (or something of value). 2. Holding any position in a business or any position of management.	1
Financial lease	A lease that is fully amortized so that the lessor receives rental payments equal to the full price of the leased equipment; is usually not cancellable and does not include service or maintenance.	operating lease 1
Financial proposal	Document that lists and defines the cost of a contract or projects. Provides details of remuneration cost, reimbursable cost, miscellaneous expenses associated with the project and terms of payments. The document is accompanied by Technical Proposal and is opened after the Technical proposal is evaluated.	3
Finished goods	Inventory that is in a saleable or shippable form based upon its location within the supply chain. An item considered a finished good in a supplying plant might be considered a component or raw material in a receiving plant.	35
Firm	A partnership or business unit of two or more persons not recognized as a corporation.	1
Firm bid	A bid that binds a bidder until a specified time of expiration.	1
Firm-fixed-price contract (FFP)	A fixed-price contract with a price that is not subject to any adjustment on the basis of the contractor's cost experience or other circumstances arising during the performance of the contract.	1

First article	Pre-production model, initial production sample, test sample, first lot, or pilot sample submitted for testing and evaluation for conformance with specified contract requirements before or in the initial stages of production.	1
First-in, first-out (FIFO)	An inventory term which describes a method of accounting for the costs of supplies in inventory; the stock which is acquired earliest is assumed to be the first used, and the stock acquired latest is assumed to be still on hand.	1
Fiscal year	The twelve month period established by each company between one annual settlement of financial accounts and the next; used for budgeting, financial reporting and planning.	1
Fixed (firm) price	A calculation of the price in which the total is a fixed lump sum or an amount made up of fixed unit prices.	1
Fixed assets	Physical assets such as property, plant and equipment.	1
Fixed Budget Selection (FBS)	This is a bid selection method with a definite budget and is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed	42
Fixed unit price	A method of pricing in which the total payable is calculated by multiplying the number of identical units of work or items delivered by a fixed price per unit or item.	1

Fixed-price contract	A contract providing for a firm price or a price that may be adjusted only in accordance with contract clauses providing for revision of the contract price under stated circumstances.	firm-fixed-price contract, fixed-price level-of effort contract, fixed-price with economic price adjustment contract, fixed-price incentive contract, fixed-price contract with price redetermination	1
Fixed-price contract with price redetermination	A fixed-price contract that provides a firm fixed price for an initial period of performance, after which the price may be recalculated for subsequent periods of performance based on experience during the initial period.		1
Fixed-price incentive contract	A fixed-price contract that provides an incentive to reduce costs by allowing for the adjustment of profit and establishing the final contract price by a formula based on the relationship of final negotiated cost to total target cost.		1
Fixed-price level-of-effort contract	A fixed-price contract that requires the contractor to provide a specified level of effort for a specified period of time for work which can only be described in general terms.		1
Fixed-price with economic price adjustment contract	A fixed-price contract that provides for upward or downward revisions of the price upon the occurrence of certain contingencies specified in the contract, such as the actual costs of labor or materials, changes in the cost indexes for labor or materials, or changes in established or catalog prices.		1
Floater	An insurance policy that covers a changing, dynamic liability, such as the inventory of a store or warehouse, moveable property or goods in transit.		1

Follow-up	To review the status of a transaction; in connection with procurement transactions, often synonymous with expedite.	1
Force account	Refers to the payment method used for extra work if the contractor and the owner cannot agree on a unit price or lump sum amount, or if those methods are impracticable.	42
Force majeure	Acts beyond the control of the party in question; acts of God or disruptive conditions for which a vendor or carrier cannot be held responsible.	1
Forecasting	Estimate future trends by examining and analysing available information.	42
Foreign end product	An end item of other than domestic manufacture, as defined by Kenya government.	1
Foreign-trade zone	A policed area adjacent to a port of entry where foreign goods may be unloaded for immediate transshipment or stored, repackaged, sorted or otherwise handled without being subject to import duties.	free port, free-trade zone 1
Forfeiture of deposit or bond	A loss of bid bond, bid deposit, or performance bond resulting from non-performance of the obligation the bond was to insure by one's own act, negligence, or fault.	1
Formal advertised bid	Competitive sealed bidding.	1
Formal bid	A bid which must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified time.	competitive sealed bidding 1

Forward purchasing	Procurement of quantities exceeding the immediate needs, often in anticipation of a price increase, strike threat, or future shortage.		1
Forward supply contract	A contract for future supply of definite quantities of supplies or services.	blanket order, draw off order	1
Foul bill of lading	A bill of lading that indicates a shipment is damaged or that a shortage exists.	certificate of damage	1
Framework	Broad overview, outline, or skeleton of interlinked items which support a particular approach to a specific objective and serves as a guide that can be modified as required by adding or deleting items.		3
Framework Agreement	This is 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.		46
Framework Contract	It is not usually a contract, but an ‘in-principle’ agreement. Parties only contract once a specific deliverable is determined. Parties then enter into a separate contract that refers to the terms and conditions set out in the framework agreement.		46
Fraudulent practice	This includes misrepresentation of fact in order to influence a procurement or disposal process or exercise of a contract to the detriment of the procuring entity and includes collusive practices amongst bidders prior to or after bid submission designed to establish bid prices at artificial non-competitive levels and to deprive the procuring entity of the benefits of free and open competition.		6

Free alongside ship (F.A.S.)	Means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment. The buyer has to bear all costs and risks of loss of or damage to the goods from that moment.	1
Free astray	A shipment misrouted or unloaded at a wrong destination that is forwarded to the correct destination free of extra charges.	1
Free Carrier (FCA)	This is a type of INCOTERM where the Seller delivers the goods to the named place of delivery, cleared for export, to the carrier selected by the Buyer. The Seller loads the goods if the carrier pickup is at the Seller's premises from that point; the Buyer bears the costs and risks of moving the goods to final destination.	
Free on board	Without charge for delivery to and placing on board a carrier at a specified point; determines the point at which title for the shipment passes from vendor to purchaser	1
Free on board destination	Title changes hands from vendor to purchaser at the destination of the shipment; vendor owns goods in transit and files any claims. Payment of freight charges is determined by contract terms.	1
Free on board origin	Title changes hands from vendor to purchaser at the origin of the shipment; purchaser owns goods in transit and files any claims. Payment of freight charges is determined by contract terms.	1
Free on board vessel	Title changes hands from vendor to purchaser after the vendor has it loaded, stowed, and trimmed on board an ocean vessel at a specified port. Purchaser owns goods in transit from that point on and files any claims. Payment of freight charges is determined by contract terms.	1

Free port	A port or an area of a port in which imported goods can be held or processed free of customs duties before re-export.	Foreign-trade zone.	1
Freight	1. Supplies, goods, and transportable property being moved between locations. 2. Compensation paid for the transportation of goods or for the use of a carrier.		1
Freight at destination firm	1. A business or individual that ships goods for a fee, a forwarding agent. 2. An agent who consolidates small shipments into larger lots to secure the rate advantages inherent in carload, truckload, or planeload lots, and then arranges transportation.		1
Freight classification	A list of articles, their assigned classification, the applicable freight rate and freight rules and regulations.		1
Freight costs	The cost incurred in moving goods.		42
Freight forwarder	A party responsible for arranging cargo movement to international destinations		1
Freight in excess of quantity billed	Amount allowed over quantity ordered.		1
Full warranty	A warranty as to full performance covering both labor and material; the warrantor must remedy the product within a reasonable time and without charge after notice of a defect or malfunction.	breach of warranty, express warranty, implied warranty, limited warranty	1
Functional specification	A specification setting forth the results required from the supply or service.	performance specifications, design specifications	1
Funds	All the financial resources of a firm or government, such as cash in hand, bank balance, accounts receivable.		3

Futures	Contracts for immediate purchase or sale of something to be delivered at a definite time in the future at a specified price.		1
Gantt chart	A graphic scheduling device that displays the tasks to be performed on the vertical axis and the time required for each task on the horizontal axis. Gantt charts are the simplest of the various charting techniques for planning and controlling major projects and the materials deliveries that flow from them.		1
Gazette Notice	Any official communication published in the Kenya Gazette	Legal Notice	27
General and administrative expense (G&A)	An indirect cost including any management, financial or other expense which is for the management and administration of the business unit as a whole and which cannot be identified with a smaller business unit.		1
General procurement notice	Tender notice informing prospective bidders of the requirements being tendered.		
General provisions	The portion of a contract that incorporates the standard clauses and requirements common to all contracts.	boiler plate, terms and conditions	1
Generic Technical Specifications	Specifications that are performance oriented and do not specify brand names, the products of one company, or features which are unique to the products of a particular company.		27
Geographical Positioning System (GPS)	The device for navigation and for capturing of the geo-reference information in terms of longitudes, latitudes and altitude and velocity. It may be fixed to a boat, car, ship, airplane or mobile phone.		3
GIS mapping	Analysis and visual display of data (showing activities or physical features) via color-coded geographical map		3

Goals	The Results or achievement toward which effort is directed, aim, end. An observable and measurable end result having one or more objectives to be achieved within a more or less fixed timeframe	3
Good Received Note (GRN)	Record of goods received at the point of receipt. This record is used to confirm all goods have been received and often compared to a purchase order before payment is issued.	3
Goods	1. Supplies or anything purchased or available for purchase other than real property or services. 2. Any item of merchandise, raw materials, things in liquid or gas form, electricity and services that are incidental to the supply of the goods.	6
Goods and incidental services	Material items and the services needed to acquire, operate and maintain them; represent the end products of material expenditures.	1
Governing Law	The body of law of a particular jurisdiction which governs the rights and responsibilities of parties in a given situation	44
Government property	All property owned by or leased to Kenya government entity or acquired by the government under the terms of a contract, including property made available for the use of the contractor during the term of the contract.	1
Governmental body	Any public or state department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation or other establishment or official of the executive, legislative or judicial branch.	1

Government-wide information	Information to be provided by all departments and agencies to meet either the statutory requirements of Parliament or the corporate information requirements of central agencies.	1
Grant	1. Transfer of Kenyan government funds to state or local governments to support or stimulate programs authorized by government or state laws, to accomplish specific objectives. 2 The furnishing of assistance by a body whether financial or otherwise, to any person to support a program authorized by law; does not include an award whose primary purpose is to procure supplies, services or construction.	1
Gratuity	A payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received in return.	1
Green Procurement	Is defined as an environmental purchasing consisting of involvement in activities that include the reduction, reuse and recycling of materials in the process of purchasing. Besides green procurement is a solution for environmentally concerned and economically conservative business, and a concept of acquiring a selection of products and services that minimizes environmental impact	45
Green Supply Chain Management	This is refers to a management approach that eliminates or minimize waste (energy, emissions, and chemical/hazardous, solid wastes) along the entire supply chain	
Gross negligence	1. Negligence resulting from total or near total disregard for the rights of others and total indifference to the consequences of an act. 2. Flagrant failure to act prudently or to take reasonable precaution.	1

Gross weight	Weight of an item including the container and the packing material.		1
Group purchasing	Buying common items for a group or for several individual units not as part of a centralized purchasing authority, but anticipating large enough aggregate requirements to earn possible price discounts for quantity purchasing.	cooperative purchasing	1
Guarantee	1. An expressed or implied assurance of the quality of goods offered for sale, or of how long the goods can be expected to give satisfactory use. 2. A warranty under contract by a seller to a buyer to answer for the qualities and performance claimed by the seller for the goods which are the subject of that contract.	warranty	1
Guarantor	Person or firm that endorses a three party agreement to guarantee that promises made by the first party (the principal) to the second party (client or lender) will be fulfilled, and assumes liability if the principal fails honour them (defaults). In case of a default, the guarantor must compensate the lender or client, and usually acquires an immediate right of action against the principal for payments made under the guarantee.		3
Hazardous material	Any material that, under the conditions of transportation or storage, is capable of posing an unreasonable risk to health, safety, or property. Includes material classified as explosive, flammable, corrosive, combustible, oxidative, poisonous, toxic, unduly magnetic, biological, or radiological, and compressed gases.	dangerous material, hazmat	1
Hazmat	Abbreviation or label identifying hazardous material.		1

Hedging	A risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities. In effect, hedging is a transfer of risk without buying insurance policies. It employs various techniques but, basically, involves taking equal and opposite positions in two different markets (such as cash and futures markets). It is used also in protecting one's capital against effects of inflation through investing in high-yield financial instruments (bonds, notes and shares), real estate, or precious metals.	3
Honorary fellows	A person not being a member of the KISM invited by the Council for honour having rendered exceptional services to the Institute or the procurement and supplies management profession.	33
Hourly rate	1. The amount charged for an hour of labor; includes wages, all indirect costs and profit. 2. The hourly rate of pay for the classification as established in the standing offer.	1
Identical bid	A bid that agrees in all respects with another bid.	1
Idle capacity	Ratio of a rated capacity to its actual utilization, expressed as a percentage.	3
Immediate family	For considerations of ethics in procurement contracting, defined as spouse, children, parents, brothers, and sisters, and others as specified by procurement law.	1
Implied authority	Authority that is not defined expressly, but is only determined by inferences and reasonable deductions arising out of the conduct of the principal toward the agent and the agent's actions.	1

Implied warranty	A warranty or promise arising by operation of law that something which is sold shall be merchantable and fit for the purpose for which the seller has reason to know it is required. A contract to do certain work, such as a building contract, contains within itself an implied warranty that the work shall be done in a professional manner.	breach of warranty, express warranty, full warranty, limited warranty	1
Import	To bring into one country from another country for sale or use as case of international procurement.		1
Imprest funds	A cash fund kept at a fixed amount for disbursement as needed to pay for relatively small purchases.	petty cash	1
Improper influence	Any attempt to induce a purchasing employee or officer to act on any contractual basis other than the merits of the matter under consideration.		1
In bond	The state of goods that are manufactured, stored, or transported under the care of a bonded agency until duties or taxes are paid on the goods.	Bond, bonded carrier, bonded warehouse	1
Inbound Logistics	All activities linked to receiving, handling and storing inputs into the production system, including warehousing, transport, stock control and disseminating incoming goods or material for use.		3
Incentive contract	A fixed-price or cost-reimbursement contract with special provision for adjustment of the fixed price or fee after completion of the contract. Adjustment is based on the contractor's actual costs, plus a sliding scale for profit or fee, which varies inversely with the cost, but is within the maximum price or fee stated in the contract.	Fixed-price incentive contract, cost-plus-incentive-fee contract, value incentive contract	1

Incompatible items	Certain material or substances which cannot be stored or shipped together or in close proximity to one another because they are likely to react with each other owing to their chemical composition, for example, acids, explosives, gases, fluorides, oxidizing agents and flammable material.	1
Incorporated firms	Legally registered company by the Registrar of Companies under the Company Registration Act cap 408 of Kenya Laws.	
Incremental award	Progressive award.	1
Incurred cost	Actual costs rather than estimated costs.	1
Indefinite delivery/indefinite quantity contract (ID/IQ)	A contract type used when exact delivery times and/or quantities of goods or services required under the contract are not known when contract is awarded, but a recurring need is anticipated; usually specifies minimum and maximum amounts that can be ordered within a stated time period.	1
Indefinite quantity buying	An arrangement which establishes a price agreement with a contractor who will accept orders for the requirements of the procuring entity as they occur, for example, an indefinite delivery/indefinite quantity contract.	1
Indemnify	1. To protect against hurt or loss; to exempt from incurred penalties or liabilities. 2. To compensate or pay for damage.	1
Independent contractor	A worker hired by a business or body to accomplish a given result who has the right to control or direct his or her own work as to the details and means by which the desired results are achieved.	1

Indirect cost	An incurred cost that is identified with more than one final cost objective and not specifically associated with any single cost objective.	direct cost	1
Individual consultant	Is a professional who provides professional or expert advice in a particular area such as security (electronic or physical), Supply Chain Management, accountancy, law, human resources, marketing (and public relations), finance, engineering, or any of many other specialized fields.		42
Ineligible bidder or vendor	A bidder or vendor who is not qualified for placement on a bidders list or for award of a contract, because of financial instability, violation of law or regulation, history of unacceptable performance or other deficiency.	non-responsible bidder	1
Inflation index	A statistical table which reflects trends of inflation or deflation for classes of material items; can be used to forecast replacement costs.		1
Informal bid	A competitive bid or price quotation for supplies or services that is conveyed by letter, telephone, or other means and does not require a sealed bid, public opening, or public reading of bids.	request for quotation	1
Informality	A minor or immaterial defect in a bid that is a matter of form rather than of substance; a variation of a bid or proposal from the exact requirements of the IFB or RFP, which can be corrected or waived without being prejudicial to other bidders, and has no material effect on the price, quality, quantity or delivery schedule for the goods, services or construction being procured.	waiver of mistake or informality	1

Information Communication technology (ICT)	Computers, software, firmware and support services used for e-procurement including automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of data or information.	automated data processing	1
In-process inspection	Inspection performed at the vendor’s site during the manufacturing or repair process to ensure work to date complies with specifications and contractual agreements; has potential to identify defects which could not be seen during final inspection.	final inspection, in-process inspection, receiving inspection	1
Inquiry	Request for quotation.		1
Insolvency Event	Means; in relation to a person, that such person: (a) becomes unable to pay its debts generally as they become due; or (b) makes any arrangement or composition with its creditors; or (c) has a receiver, administrator, trustee or liquidator appointed over all or any part of its property or assets; or (d) becomes subject to an administration order or goes into bankruptcy, liquidation or receivership; l(e) takes, suffers or is the subject of (or proposes to take or is threatened with) any similar or analogous action, event or proceedings in any jurisdiction in consequence of debt; or (f) ceases, or threatens to cease, to carry on business.		
Inspection	The examination and testing of goods, supplies, or services to determine conformance to contract requirements, specifications, quality, and quantity.	in-process inspection, receiving inspection	1
Inspection and Acceptance	Process of determining goods, service or works delivered, conform to contractual specifications.		27
Inspection level	The quantity level at which samples are to be inspected, as well as the size of the sample.		1

Inspection services	The act of inspecting or viewing, especially carefully or critically.	42
Instructions to consultants (ITC)	These are guidelines given to potential bidders to complete the bid documents.	42
Insurance	A contract in which one party, for a fee, undertakes to protect another party against loss, damage or liability arising from an unknown or contingent event.	1
Integrated Finance Management Information Systems (IFMIS)	A fully integrated Public Financial Management System which integrates procurement, accounting, payment and reporting all financial transactions.	1
Integrity	Consistency of actions, values, methods, measures, principles, expectations, and outcomes. E.g. Strict adherence to code of conduct of conduct as per SPMA or general adherence to Chapter 6 of the Constitutions of Kenya.	5
Intellectual Property Right (IPR)	This is the right to own a copyright, patents, design rights or trademarks. means patents, inventions, trademarks, service marks, logos, design rights, applications for any of the foregoing, copyright, database rights, domain names, trade or business names, moral rights and other similar rights or obligations whether registered or not in any country and the right to sue for passing off.	
International Competitive bidding (ICB)	A procurement method whereby willing and able vendors across the globe are encouraged to complete for the supply.	14
Inventory	Everything from raw material, work in progress and finished goods that are held by the manufacturers, distributors, and retailers in a supply chain.	1

Inventory control	1. This is the management of inventory levels and the determination of estimated amounts needed; production, procurement, distribution, maintenance, and disposal of materials. 2. The control of material by means of established material accounting and management methods and procedures.	stock control, periodic inventory control system, perpetual inventory control system, optional replenishment inventory control system, two-bin system	1
Inventory cost	Expense related to the risk of keeping inventories.		1
Inventory count	The process of physically counting material items owned or otherwise controlled by an organization.		1
Inventory management	Control of inventory in a manner that best achieves the business objectives of the procuring entity. It not only involves the physical management of inventory, but also the management of the data used to describe the inventory and the systems used to process the data.		35
Inventory reconciling	Comparing the physical inventory figures with the perpetual inventory record and making any necessary corrections.		1
Inventory shrinkage	Losses to inventory resulting from scrap, deterioration or pilferage.		1
Inventory turnover	The ratio of the cost of goods sold or used to the average inventory value to determine the number of times in a year that an entire inventory is issued and replaced.		1
Inventory valuation	The determination of the acquisition cost, or market value portion of this cost or market value assignable to on-hand raw materials, goods in process, finished stock, and merchandise held for resale and supplies.		1

Invitation for bid (IFB)	A formal request to prospective vendors soliciting price quotations or bids; incorporates by reference, the specifications or scope of work and all contractual terms and conditions. It is often used for services and consultancy.	1
Invitation to tender (ITT)	A formal invitation to prospective vendors or suppliers to make a detailed proposal for completing a particular piece of work within the terms and conditions specified in tender documents.	1
Invoice	A list of goods or services, showing prices, terms, quantities, shipping charges, and other particulars sent to a purchaser in request for payment.	1
Issue	The action of supplying or distributing an item for use, sale, or official purposes.	1
Issue date	The date that the purchase order is forwarded to the supplier.	1
Item	1. A product, material or service. 2. A unit of equipment or furniture or consumable stock that is completely specified as to function, style, size and color.	1
Item description	A unit of information in a document, record, or statement necessary to establish the identity of an item of supply for material management purposes.	1
Job Lot Storage	A collection of goods that are being sold as a group. This approach involves arranging products into related groups, that is, all the different products related to the needs of a certain type of customer or related to the needs of a particular job are stored together to allow for efficient product picking and packing prior to distribution.	

Joint purchasing	A method of purchase whereby purchases of a particular commodity for two or more departments are made by an activity established, staffed, and financed by them jointly for that purpose.	Joint Administrative Purchasing, Joint bid method.	1
Joint purchasing office	A shared administrative agency created to perform the purchasing function for two or more governmental units in a joint administrative purchasing arrangement.		1
Joint venture	A contractual agreement joining together two or more parties for the purpose of executing a particular business undertaking. All parties agree to share in the profits and losses of the enterprise.		1
Just-in-time procurement	An inventory strategy companies employ to increase efficiency and decrease waste by receiving goods only as they are needed in the production process, thereby reducing inventory costs.		1
Kaizen	An approach to total quality management (TQM) originating in Japan. Kaizen is a Japanese word for “improvement”. It can be described as continuously improving by making small improvements, mainly in process type improvements. This philosophy sees improvement in productivity as a gradual and methodical process. If effectively practiced, it eliminates waste and generates dramatic improvement and cost savings. During the TQM revolution, many organizations practiced Kaizen in their manufacturing operations		42

Kanban	Replenishment system where replenishment is triggered by emptying a container and a physical notification such as a card or the empty container is sent up the line to the previous operation or supplier to be refilled. It originated from Japan. It is a production management technique that uses cards attached to components to monitor and control workflow in a factory. It was first developed by the car manufacturer Toyota. Its theory became part of the total quality management movement	35
Keiretsu	A Japanese term referring to loose conglomerate company that promotes interdependencies between firms with interlocking interests in each other and is characterized by close internal control, policy coordination and cohesiveness. Keiretsu business groups are alliances between firms that share close buyer-supplier relationships.	
Kenya Association of Manufacturers (KAM)	An association of the representative organization for manufacturing value-add industries in Kenya. Established in 1959 as a private sector body, it has evolved into a dynamic, vibrant, credible and respected business association that unites industrialists and offers a common voice for businesses. KAM provides an essential link for co-operation, dialogue and understanding with the Government by representing the views and concerns of its members to the relevant authorities.	15
Kenya Institute of Supplies Examinations Board (KISEB)	The supply chain management professional examination board established by Section 12 subsection 1 of SPMA 2007 to examine and certify professions in PSM.	22

Kenya Institute of Supplies Management (KISM)	The national body or an institute for PSCM professionals; An institute established under Supplies Practitioners Management Act 2007 mandated to develop and promote the PSM profession in Kenya and in accordance to section 5 of the SPMA.	30
Kenya National Bureau of Statistics	The corporate body established under the Statistics Act (2006). It is the principal Government agency responsible for the collection, compilation, analysis, publication and dissemination of official statistics used for decision making.	21
Key expert	Refers to a Professional who has acquired knowledge and skills through study and practice over the years, in a particular field or subject, to the extent that his or her opinion may be helpful in fact finding, problem solving, or understanding of a situation.	42
Key qualification	A circumstance or condition required by law or custom for getting, having, or exercising a right, holding an office, assignment or a bid or the like. It summarizes the relevant academic achievement, professional qualifications and experience that are important for the success of the proposed bid.	19
Kickback	A payment, gratuity, or offer of employment made to an officer who has facilitated a transaction or appointment as an inducement for the award of a contract or order.	1
Labour Based contract	An agreement which provides for buying services on the basis rates charged on fixed hourly or daily rates; is generally used when it is not possible to estimate the extent or duration of required work. The purchasing organization provided the materials to be used in executing the contract	1

Last in, first out (LIFO)	An inventory management term describing a method of stock where; the stock which is acquired latest is assumed to be the first used, and the stock acquired earliest is assumed to be still on hand.	1
Late bid or proposal	A bid, proposal, withdrawal, or modification received, at the designated place for receipt, after the scheduled due date and time.	1
Latent defect	An unknown deficiency or imperfection that impairs worth or utility that cannot be readily detected from initial or visual examination of a product, such as the use of materials in manufacturing that do not meet specifications or missing internal parts, or a bug found in software after acceptance.	1
Law of agency	Agency law is concerned with a "principal"- "agent" relationship where one person has legal authority to act for another. In an agency it's essential for the relationship to be consensual or mutual; fiduciary relation, an agent agrees to act for and on behalf of the principal. He is in no sense a proprietor entitled to the gains of enterprise nor is he expected to carry the risks	1
Lead time	The time between the start and end of a process. In supply change management, it's the time from when a customer places an order, any manufacturing takes place, and the goods or services are delivered.	1
Lean Supply Chain	This is a supply chain paradigm or system which focuses on developing a value stream that eliminates waste, including time, and ensures a level schedule. It includes; upstream supplier Integration, downstream Integration with customers, High emphasis on efficiency and aims for minimum stock holding	42

Learning curve	1. An improvement or growth curve used to project resource requirements for labor or material during successive periods of operation. 2. The reduction in time required or materials used after repeated production runs resulting from increased skill or knowledge.	1
Lease	Written or implied contract by which an owner (the lessor) of a specific asset (such as a parcel of land, building, equipment, or machinery) grants a second party (the lessee) the right to its exclusive possession and use for a specific period and under specified conditions, in return for specified periodic rental or lease payments.	1
Lease to own/purchase	The conveyance, by a lessor to a lessee, of the right to use a tangible asset usually for a specified period of time in return for rent. At a specified period of time the lessee may purchase the equipment outright by paying an additional specified sum.	1
Lease-or-buy decision	A decision based on the results of a cost/benefit analysis of specific procurement requirements to determine whether the goods and services will be outsourced/hired or bought	1
Lease-purchase agreement	A lease contract where both parties agree to lease an equipment or building and the lessee is given right of first refusal to buy upon expiry of the lease period/contract.	1

Least-Cost Selection (LCS)	This is a bid selection criterion where the minimum qualifying mark for “quality” is established and proposals, are submitted in two envelopes (technical and financial) Technical proposals are opened first and evaluated. Bidders that score less than the minimum qualifying mark are rejected and their financial bids returned unopened. The financial proposals of bidders that scored above the pass mark are opened and the firm with the lowest price shall then be selected for award.	12
Legal notice	A public notice required by PPDA. For example, the legal notice required to announce intent to purchase can be posted in a public place, sent to potential bidders, and/or placed as a formal advertisement in a newspaper or newspapers, depending on the specific legal requirements.	1
Lessee	The party to whom a lease is granted.	1
Lessor	The party who owns the property in question and grants the lease.	1
Less-than-carload (LTC)	A quantity of freight less than the amount necessary to constitute a carload.	1
Less-than-truckload (LTL)	A quantity of freight less than the amount necessary to constitute a truckload.	1
Letter of bid	This is a document from a bidder showing the intention to participate in tender or bid invitation. The bid letter includes the company name, the amount of the bid, and what goods and services the firm will be offering.	44
Letter of contract	A written, preliminary, contractual instrument that authorizes a contractor to begin the immediate performance of services, or manufacture of supplies; usually followed by a definitive contract document.	1

Letter of credit	1. A document issued by a bank authorizing the bearer to draw a specified amount from that bank or its agents. 2. A letter or similar statement extending credit up to a given amount at certain affiliated banks for a person who has paid or guaranteed that amount to the issuing bank; may be considered in lieu of a performance bond.		1
Letter of intent	A letter issued in advance of a contract in which the signer declares his intention to buy, manufacture, or deliver a product or service.	Letter of contract	1
Letter of invitation to Bid	This is a letter that invites prospective bidders/ suppliers to participate in a bidding/tendering process; it includes all bidding requirements that are variable/constant. The following details are included in the letter: the bid opening/closing time and date, and name and telephone no. of contact for inquiries, location of bid opening, bid security if required or not, pre-bid meeting if required or not, a brief description of the requirement and development partners where necessary in case of donor funded procurements.		42
Level of contractor	An optional character which identifies a contractor as prime, sub or other with respect to a customer organization.		1
Level of effort (LOE)	The amount of effort taken to carry out procurement process activities, measured in staff hours or equivalent number of full-time staff, expended over a given period of time.		1
Lien	A claim on the property of a person for payment of a debt or satisfaction of an obligation.	mechanic's lien, seller's lien	1
Life cycle cost	The total cost of ownership; the total cost of acquiring, operating, maintaining, supporting, and (if applicable) disposing of an item.	ultimate cost	1

Life cycle management	Includes the four phases of procurement and associated costs of owning assets, namely the acquisition planning phase, the acquisition (procurement) phase, the in-life-use phase and the disposal phase of the asset.	1
Life expectancy	The number of years during which the equipment asset is expected to remain in active use.	1
Limitation of cost	A provision that limits the total costs for which a contractor can be reimbursed under the terms of a cost-reimbursement contract.	1
Limited International Bidding (LIB)	Essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where (a) the contract values are small (b) there is only a limited number of suppliers (c) other exceptional reasons may justify departure from full ICB procedures.	14
Limited warranty	A written warranty which fails to meet one or more of the minimum standards for a full warranty.	1
	breach of warranty, express warranty, implied warranty	
Line item	An item of supply or service, specified in an invitation for bid or request for proposal, for which the bidder must bid a separate price.	1
Line object	A departmental classification of expenditure at the source. It is either coincident with the economic object or represents a subdivision of it.	1
Liquidated damages	A specific sum or percentage stated in the contract to be paid by the party who is in default, or who breaches the contract, to the other party in settlement for damages.	1

List price	The price of an article published in a catalogue, advertisement, or printed list, for which the vendor offers the item for sale, but subject to quantity or other discounts.	1
Loan	The authorized issue of materiel on condition it is returned, normally after a specified period of time and subject to agreed conditions.	1
Local contractor	A firm or citizen who is registered in Kenya under the Companies Act (Cap. 486) and whose operation is based in Kenya. 2. Any firm registered by National Construction Authority.	
Local preference	bidding /tendering procedure provides allows for local contractors or citizens to be favoured against foreign firms in the purchase of goods and services	1
Logistics management	Logistics management is that part of supply chain management that plans, implements, and controls the efficient, effective forward and reverses flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirements. Logistics management activities typically include inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfilment, logistics network design, inventory management, supply/demand planning, and management of third party logistics services providers.	1
Long term contract	This is a type of agreement which remain s valid for more than one year.	1
Lot tolerance percent defective (LTPD)	The minimum per cent of defective items that a customer is willing to accept.	1

Lowest responsive bidder	The bidder that submitted a compliant bid at the lowest price of all the responsive bids submitted, and whose technical and financial compliance are deemed acceptable	responsive bidder	1
Lump sum	The total price of a group of items which is priced as a whole.		1
Lump sum contract	This is an agreement under which the purchaser agrees to pay a contractor a specified amount for completing work without requiring a cost breakdown		42
Maintenance	All actions to retain material in a serviceable condition or to restore it to serviceability; includes inspection, testing, servicing, classification as to serviceability, repairs, rebuilding and reclamation.		1
Maintenance, Repair, Operating (MRO)	A supply management term that refers to various commodities that are generally of low value, purchased frequently and available from multiple sources. These items are often assigned to a buying team who specializes in these commodity areas. Typical examples include oil, rags, grease, tools, and hardware fasteners.		
Make-or-buy decision	The decision resulting from a cost/benefit or trade-off analysis of the relative costs and merits of producing an item in-house or purchasing it from an outside source.		1
Management audit	A systematic assessment of processes, methods and policies of an organization to ascertain compliance to agreed standards The objectives of a management audit are to (a) establish the current level of effectiveness (b) suggest improvements (c) lay down standards for future performance. Management auditors (employees of the company or independent consultants) do not appraise individual performance, but may critically evaluate the senior executives as a management team.	Performance audit	3

Mandatory	Obligatory, required by order, a provision that may not be waived.		1
Manifest	The itemized listing of cargo; a bill of lading.		1
Manufacturer	A person or company that is responsible for making goods and services. Manufacturing is using tools, machines, technology and labour to make things for use or sale		1
Manufacturer code	A numeric code assigned by respective government agencies to organizations which are sources of supply for items produced. The code numbers are also assigned to government manufacturing equipment or to certain special non-manufacturing organizations.		1
Market	The aggregate forces that determine the availability, price, quality, and quantity sold of a specific service or commodity. 2. To perform all activities associated with selling a product or service, such as advertising, packaging, determining need, and identifying and contacting potential purchasers.		1
Market value	The price which a product, service or property might be expected to bring if offered for sale in a fair market	Fair market value	1
Material	1. Property that is incorporated into or attached to an end item, or consumed in performing a contract. 2. What a thing/good is made from, the substance of anything manufactured or built 3. Goods used in the manufacturing process, either directly, such as raw materials or indirectly, such as factory supplies.	material	1
Material credit	A credit issued by the warehouse upon the return of requisitioned supplies found to be in excess of requirements.		1

Material forecasting	Estimating future needs to avoid stock outs or oversupply based on past trends and future projections.	1
Material life cycle	The phases through which material assets pass including assessing and planning material requirements; acquisition; operation, use and maintenance; disposal.	1
Material life cycle management	Management of the process phases that materiel moves through. It includes a number of related functions, such as determining requirements, cataloguing, acquisition, distribution, storage, maintenance, and disposal of materiel, and the acquisition of related services, with the purpose of achieving the greatest possible efficiency and the least cost.	1
Material management	this are the functions related to the control and coordination of the storage, movement of goods, maintenance, repair and operating items both within and out of a firm it includes; purchasing, storage, disposal, material forecasting, inventory control, preparing requisitions, developing specifications, receiving, quality control and inspection.	1
Maverick Purchasing	Involves the acquisition of categories from suppliers other than the contracted supplier, or using standards other than the agreed specification, or using processes other than the agreed process. Any of these situations cause spend 'leakage', or reduction in the value of spend secured by the contracted suppliers.	27
Maximum stock level	The amount of inventory which should not be exceeded.	1
Maximum stock level	The level which represents the optimum amount of stock to be held at any given time.	1
May	Denotes the permissive in a contract clause shall or specification.	1

Mechanic's lien	A legal claim lien in favour of an individual or firms who have performed work or furnished materials for the construction of a building; is attached to the land as well as to the building in order to secure payment.	Seller's lien	1
Medium Term Plan (MTP)	This is a plan which provides for a shared vision of a longer period of time. It provides for a shared, agreed pathway through a 5-year period. In Kenya, the first MTP was from 2008-2012 while the second MTP is from 2013-2017. The Second Medium Term Plan 2013 – 2017 (MTP) identifies key policy actions, reforms, programme and projects that the Government will implement in line with its priorities as captured in the Vision 2030.		7
Merchantable	Something of commercially acceptable quality; the quality and condition of the item to be sold fulfil the requirements of the purchaser.		1
Methods of payment	These are the means of payment; for example, payment through cash, batter trade to cheques		42
Metric system	A decimal system of weights and measures, based on the meter as the unit of length, the gram as the unit of mass or weight, and the litre as unit of volume.		1
Micro Enterprise	A firm, trade, service, industry or a business activity as defined in the Small and Micro Enterprise Act 2012, whose: annual turnover does not exceed five hundred thousand shillings; which employs less than ten people and whose investment: in the manufacturing sector, where the investment in plant and machinery or the registered capital of the enterprise does not exceed ten million shillings; the service sector and farming enterprises where the investment in equipment or registered capital of the enterprise does not exceed five million shillings.		40

Mid-term evaluation	An assessment performed towards the middle of the project implementation period, whose principal goal is to draw conclusions for reorienting the project strategy.	3
Milestone	A significant event in the project, usually completion of a major deliverable	38
Milestone code	A generic code which indicates where the goods and/or services are in the material life cycle process.	contract status code 1
Milestone status	Purchase requisition status.	1
Minimum order quantity	Minimum quantity that may be ordered on any one purchase order/contract.	1
Minimum stock level	The planned lowest level of stock, below which stock is normally flagged for management attention and orders expedited.	1
Minority-owned business	Business which is owned or controlled by a member of a recognized minority group, as defined by PPDA.	1
Misprocurement	Failure of a donor to finance expenditures for goods, services and works that have not been procured in accordance with the agreed provisions in the Loan/grant Agreement and as approved in the procurement plan.	42
Misrepresentation	A false statement of fact made with the intent to deceive or mislead; the failure to present something correctly or adequately.	1
Mistake in bid	An error in the preparation of a bid which results in an incorrect price or other condition and which might affect the eligibility for the award of a contract.	1

Model number	An identification number assigned to describe a style or class of item, such as a particular design, composition, or function, by the manufacturer or distributor of that item.		1
Modification	Any written alteration to a provision of any contract accomplished by mutual agreement of the parties to the contract.	supplemental agreement, amendment, change order	1
Monitoring and Evaluation (M&E)	Monitoring is the systematic and routine collection of information from projects and programmes to learn from experiences to improve practices and activities in the future; have internal and external accountability of the resources used and the results obtained and take informed decisions on the future of the initiative; evaluation is assessing, as systematically and objectively as possible, a completed project or programme. Evaluations appraise data and information that inform strategic decisions, thus improving the project or programme in the future.		3
Monopoly	1. A market structure where there is one seller and many buyers of a product that has no close substitute and where the seller has considerable control over price because of the lack of competition. 2. The exclusive right to carry on a particular activity.		1
Mortgage	A formal transfer of property pledged as security for the repayment of a loan.		1
Multi-bin system	A simplistic replenishment system that uses two or more physical bins (or other type of container) for each item. When one bin is emptied, it is sent somewhere to be refilled.	Kanban	35

Multiple award	The award of a contract to two or more vendors or contractors to furnish the same or similar supplies or services, where more than one vendor is needed to meet the contract requirements for quantity, delivery, or service.	progressive award	1
Multiple sampling plan	An inspection procedure which provides for acceptance or rejection of a lot after inspecting one or more samples, as designated.	random sampling, sequential sampling plan, single sampling	1
Multi-step bidding	A bid selection method involving at least two competitive steps, combining the elements of both competitive sealed bids and competitive sealed proposals. The first step requires the submission of (unpriced) technical proposals. In the second step, bidders with acceptable technical proposals are asked to submit sealed bid prices.		1
Multi-year contracts	Procurement contracts extending more than one year.		1
Mutual assent	In contracts, the agreement of each party to all the terms and conditions in the same sense and with the same meaning.		1
National Competitive bidding (NCB)	A procurement method where all local bidders who are willing and able are invited to bid without foreign competition. NCB may be the preferred method of procurement where foreign bidders are not expected to be interested because (a) the contract values are small, (b) works are scattered geographically or spread over time, (c) Works are labor intensive. (d) Goods or works are available locally at prices below the international market. NCB procedures may also be used where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.		14

National Construction Authority (NCA)	A government body founded following the enactment of the National Construction Authority Act No. 41 of 2011. Its mandate is to assess and give certificates to contractors	2
Negotiate	The act of bargaining between two parties with a view of achieving a common agreement.	1
Negotiated award	Contract awarded on the basis of a direct agreement with a supplier, contractor or consultant without going through the competitive bidding process. Also called negotiated agreement	1
Negotiated fee	The monetary fee negotiated by parties to a negotiation.	1
Negotiation	1. A bargaining process between two or more parties, each with its own view points and objectives, seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern. 2. Contracting through the use of proposals and discussions, or any contract awarded without the use of sealed bidding.	1
Negotiation team	A group of persons to negotiate on behalf of the purchaser	1
Net cash	Payment for goods sold, to be made within a rather short period with no deduction allowed from the invoice price.	1
Net price	Price after all discounts, rebates, and other adjustments have been allowed.	1
Net proceeds	Amount received for the disposal of a materiel asset after subtracting the costs associated with completing the disposal action.	1
Net stock position	The current on-hand balance of inventory.	1

Net weight	The actual weight of the contents of a container or the cargo of a vehicle; gross weight less the tare.	1
No bid	A response to an invitation for bid stating that respondent does not wish to submit an offer; functions to prevent suspension from the bidders list for failure to show active interest or submit bids.	1
No Objection	The process of reviewing the recommendations for contract award of a procuring entity by a donor with a view of accepting or rejecting the recommendations	42
Non-competitive negotiations	The process of arriving at an agreement through discussion and compromise when only one source is available to meet the requirement.	1
Non-conformance	The failure of material or services to meet specified requirements for any characteristic or quality.	1
Non-expendable items or supplies	Supplies that are not consumed during use or that do not lose their identity during Use.	expendable items or supplies 1
Non-responsible bid	A bid from a vendor who does not have the capability to perform fully the contract requirements, or who does not have the integrity and reliability to assure performance.	1
Non-stocked item	An item which is not held in stock and is only issued to customers on order or need by need basis.	1
Normal inspection	Type of examination used when there is no statistically significant evidence that the quality of the product being submitted is better or poorer than the specified quality level.	1

Notary public	A public officer authorized to attest and certify, by signature and official seal, certain types of documents, to give them credit and authenticity so they may be used as evidence and qualified for recording, and to take affidavits and depositions.	1
Notice of award	A written communication to the successful bidder usually within a period of 14 days to allow for any appeal.	8
Notice of shipment	Advice of shipment status or intention to ship.	1
Novation agreement	A legal document executed by the original parties to a contract and a successor to who interest in the contract has been transferred by one of the parties, which transfers all obligations and rights under the contract to the successor.	1
Object classification	Financial classification used on expenditure, revenue and other transactions which indicate the type of goods and services acquired (for expenditures), transfer payments (for expenditures), source of receipts (for revenues), or the method of acquiring/disposing of a financial claim or obligation.	1
Obligation	1. A legal requirement for the disbursement of funds as a result of orders placed, contracts awarded, supplies, services, or construction received, or other contractual activity. 2. A legally enforceable duty to do or not do something.	1
Obsolescent	Significant decline in the competitiveness, usefulness, or value of an article or property.	
Obsolete supplies	Refers to supplies/inventories that are expired, no longer in use or unusable.	1

Occupational Safety and Health Act (OSHA)	This is an act of parliament that was enacted in 2007 and revised 2010 that provides for the safety, health and welfare of workers and all persons lawfully present at workplaces in Kenya.	32
Ocean bill of lading	B/L for only the ocean leg of a journey in which several modes of transportation (air, land, or sea) are used. Also called marine bill of lading.	1
Offer	An expression of willingness to enter into a legally binding contract on a specific set of terms, made by an individual or firm with the intention that, if the offer is unconditionally accepted both parties will be bound by a contract. In a procurement process, an offer will be associated with a proposal or quotation received from a supplier or contractor.	1
Offeror	The person (bidder, vendor) with the intention of willingness to enter into a legally binding contract.	1
Offeree	The person to whom an offer is made.	1
Official responsibility	Direct administrative or operating authority, whether intermediate or final, either exercised alone or with others, either personally or through subordinates, to approve, disapprove, or otherwise direct governmental action.	1
Off-the-shelf item	An item produced and stocked in inventory awaiting the receipt of orders or contracts for sale; a commercial product.	1
Oligopoly	A market structure in which a few companies control or dominate the market for a product or service.	1
On order	The quantity of stock represented by the total of all outstanding replenishment orders that have been requested but not yet delivered or received.	1

One hundred percent inspection	Inspection of every unit of product, each of which is accepted or rejected individually for the characteristic(s) inspected.		1
Online Reverse Auction	This takes place in real time. It gives suppliers the opportunity to bid against each other to improve their offers.		
Open account purchase	A purchase by a buyer who has established credit with the vendor, payment for which is to be made at some future date, in accordance with terms agreed to when account was established.		1
Open end pricing	Procurement where amount paid will be based on price in effect at time of delivery.		1
Open ended contract	A contract which sets forth the general provision of supplies and services that may be delivered or performed within a given period of time, but in which quantity and/or duration is not specified. The quantity and delivery are specified with the placement of orders.	blanket order	1
Open insurance policy	A form of insurance covering shipments for a specified time, or a stated value, and not limited to a single shipment; the premium is determined based on values reported.		1
Open market purchase	A purchase, usually of a limited monetary amount, from any available source.		1
Open order	Goods not delivered or not accepted by the procuring entity.		1
Opening of proposals	The process of opening bids or quotations received from an invitation to bid; it may be done in public or not		42
Operating lease	A service lease, usually short-term, including both financing and servicing of the item leased; payments made under the lease are not sufficient to recover the full cost of the equipment.	financial lease	1

Operation	In manufacturing, an operation is a step in the manufacturing process (a step in the routing). In more general terms, an operation is the combination of a physical facility and the processes that occur within that facility.		35
Option	1Contract to keep an offer open for a fixed period during which the offeror cannot withdraw the offer. G		3
Option to extend	An option in a contract that allows a continuance of the contract for an additional period of time, in accordance with contract terms.	option to renew	1
Option to renew	An option in a contract that allows a party to reinstate the contract for an additional term, beyond that stated in original contract, in accordance with contract terms.	option to extend	1
Optional replenishment inventory control system	An inventory control system in which, as stock levels are reduced, the need for additional stock is determined before placing an order for more stock.	stock control, periodic inventory control system, perpetual inventory control system, two-bin system	1
Order	1. An instruction issued to a vendor for goods to be delivered to a given place at a given price. 2. A written requirement, direction or prescription made or issued to obtain a good or service.		1
Order bill of lading	A negotiable bill of lading between carrier and consignor by which legal possession of the shipment may be ordered by endorsement from person to person. Enables a shipper to collect for a shipment before it reaches its destination. Often used by shippers to consign shipments to		1

themselves so that delivery is made only upon the shipper's order.

Order level	The level of stock of any item at which an order is initiated for more supplies of that item.	re-order point, re-order level	1
Order point	That point in time or level of the net stock at which an order is placed.	re-order level	1
Order quantity	The predetermined standard order size that will be placed with the vendor to replenish inventory.		1
Order record	A central record of orders issued.	contract record, contract file	1
Ordering costs	The cost of placing an order.	acquisition cost	1
Ordering office	A client or customer location from which goods or services are ordered.		1
Original equipment manufacturer (OEM)	1. Refers to the company that originally manufactured the product. That is, a company that supplies equipment to other companies to resell or incorporate into another product using the reseller's brand name 2. It also refers to manufacturers who resell another company's product under their own name and branding. It refers specifically to the act of a company rebranding a product to its own name and offering its own warranty, support and licensing of the product.	A supply management term for the purchase of parts and material directly from the manufacturer of the equipment or from an authorized reseller.(CIPS)	4
Originator	Person who initiates a procurement, issue or disposal transaction.		1

Out bound logistics	Activities involved in moving the output from operations to the end user, including finished goods warehousing, order processing, order picking and packing, shipping, transport, maintenance of a dealer or distribution network.		27
Outsourcing	Make-or-buy strategy where an organization decides to contract out supply of specific goods and services that were previously provided by in-house resources.	contracting out, privatization	1
Overhead	Indirect cost.		1
Overrun	1. To make or manufacture more than the desired or specified quantity of product. 2. Under a cost-reimbursement type contract, costs in excess of the estimated cost.		1
Packaging	The use of wrappings, cushioning materials, containers, markings, and related techniques to protect items from deterioration, prevent loss or damage, facilitate handling, and identify the item packaged.		1
Packing list	A document that itemizes in detail the contents of a particular package or shipment.	packing slip	1
Packing slip	A statement prepared by the shipper, not required by carrier, to show merchandise packed. A copy is usually sent to the consignee to assist in checking the shipment when received.	packing list	1
Pallet	A portable platform upon which goods are placed in unit loads to facilitate stacking and handling by mechanical equipment such as forklift trucks.	skid, electronic commerce	1
Paperless purchasing	This is an electronic procurement process where the use of papers is reduced or eliminated.	e-procurement	3

Pareto chart	One of the tools of quality control. It is a bar graph that displays variances by the number of their occurrences. Variances are shown in their descending order to identify the largest opportunities for improvement, and to separate 'critical few' from the 'trivial many.'	Also called Pareto diagram.	3
Parole evidence rule	Verbal commitments which cannot be used to modify or contradict a written contract, although it may be used to clarify an issue.		1
Part category	Pieces of equipment which are attached to a host piece of equipment.		1
Part number	An identification number assigned to an individual part by the manufacturer or distributor of that part; usually includes a combination of alpha and/or numeric characters.		1
Partial payment	The payment authorized in a contract upon delivery of one or more obligations called for under the contract, or upon completion of one or more distinct items of service called for thereunder.	advance payment, progress payment	1
Partnering	The establishment of a mutually beneficial relationship with a vendor or contractor for the specific performance of work where the relationship is trusting and supportive rather than adversarial.	supplier development sole source procurement	1
Partnership	An agreement under which two or more persons agree to carry on a business, sharing in the profit or losses, but each liable for losses to the extent of his or her personal assets.	corporation	1
Patent	A governmental grant of exclusive rights to the inventor to produce and sell the patented article for a given term.		1

Patent indemnity	This is a contractual guarantee or a default provision that in the event a third party makes an infringement claim against a patent rights purchaser (or licensee) the seller (or licensor) will pay some specified amount of the potential damages and/or costs. ⁴ Patent indemnity issues can arise in a variety of transactions including mergers and acquisitions asset purchases, business formation, joint ventures, technology sharing or consultation, and patent licensing or cross licensing	44
Patent rights	This is an exclusive right given by law to inventors to make use of, and exploit, their inventions for a limited period of time.	43
Payback period	The time required to recover an investment through net cash flow.	1
Paying office code if different from consignee code	The accounting office code for the organization responsible for paying for the services and to whom any invoices arising out of the transactions will be directed.	1
Payment authority	The authority granted to an individual to requisition payments and authorize the charge to appropriations, after reviewing the legality of payments and the exercise of all appropriate financial controls.	1
Payment bond	A bond which assures payments, as required by law, to all persons supplying labor or material for the completion of work under the contract.	1
Payment method	An identifier of the means of payment whether it be advanced, normal or progress payments to vendors as applicable to the contract.	1
Payment provisions	This refers to the terms and conditions that has to be fulfilled before processing payments to a contractor	42

Payment terms	The terms applicable to the payment including any discount.		1
Payment voucher	Voucher.		1
Penalty charge	A clause in a contract specifying the sum of money to be paid if the contractor defaults on the terms of the contract, particularly with respect to Time.	liquidated damages	1
Per diem	Paid by the day; based on use or service by the day		1
Percentage contract	This is an agreement which is percentage based rather than lump sum or unit rates; in this agreement the supplier or contract is paid based an agreed percentage of the work done.		42
Percentage preference	A policy of adding a fixed percentage to the bid price of a non-preferred business unit.		1
Performance	The technical, operational, and quality characteristics of the end item.		1
Performance audit	Performance appraisal of' firm's internal controls, and the efficiency and effectiveness of its procedures and processes. It is not an evaluation of the firm's financial performance.	management audit	
Performance bond	A bond, executed subsequent to award by a successful bidder, to protect the buyer from loss due to the bidder's inability to complete the contract as agreed; secures the fulfilment of all contract requirements.	forfeiture of deposit or bond, bid bond, payment bond	1
Performance rating	The process of assessing the actions of a supplier resulting in a rating.		1
Performance record	Documentation of a 'vendor's past ability to keep delivery promises and reliability, together with consistency of quality of the products.		1
Performance requirement	Requirements that define what the product or service is to offer.	specification	1

Performance securities	A written surety, bond or guaranty from a successful supplier or contractor issued by a bank an insurance company submitted to the purchaser after contract award. A performance bond ensures payment of a stated sum or percentage of money in case the contractor or supplier fails in the full performance of the contract.	Performance Bond	42
Performance specification	A specification setting forth the capabilities and performance characteristics the article must satisfy.	design specifications, functional specifications, restrictive specifications	1
Performance standards	These are specific performance expectations for a vendor or purchaser as agreed by both parties. They are the quantifiable and observable behaviours, deliverables, results, outcomes or actions which explain the responsibility of each party to a contract. The purpose of performance standards is to communicate expectations.		42
Period of assignment	The starting and finishing dates for the services being called-up.		1
Periodic inventory control system	A time-based inventory control system involving scheduled, periodic reviews of the stock level of each inventory item; when the stock level of an item is insufficient to sustain operations until the next scheduled review, an order is placed to replenish the supply.	Cyclical inventory control system stock control. optional replenishment inventory control system, perpetual inventory control system, two-bin system	1
Periodic ordering	Orders placed at intervals for quantities needed to bring stocks up to the desired levels.		1

Perishable goods	Material subject to spoilage or deterioration within a relatively short time if proper conditions, such as temperature, are not maintained.		1
Permit (customs)	Written authority to remove dutiable goods from a bonded warehouse or from a bonded carrier's possession.		1
Perpetual inventory control system	An inventory control system utilizing an on-going record of all stock items, showing stock levels, withdrawals, and replenishment, placement of purchase orders, receipts, issues, balances in stores, quantity available and stock adjustments.	stock control, periodic inventory control system, optional replenishment inventory control system, two-bin system	1
Person	Any business, individual, union, committee, club, other organization, or group of individuals, other than a governmental unit.		1
Personal Identity Number (PIN)	1. Code provided by Kenya Revenue Authority to identify individual and business entity for taxation purposes. 2. Secret code consisting of letters and/or numbers that is used to verify the identity of the individual trying to access a computer system, network, credit card account, ATM, etc.		1
Personal property	1. Tangible or intangible property, other than real property. 2. Movable property subject to ownership, with exchangeable value.	chattel, goods	1
Persons with disability	A person with a physical, sensory, mental or other impairment, including any visual, hearing, learning or physical incapability, which impacts adversely on social, economic or environmental participation;		5
Pert	Program Evaluation and Review Technique.		1
Petty cash	Imprest funds.		1

Physical distribution management	A material management function that involves the handling, movement, traffic, transportation, and service provided by the organization.	1
Physical inventory	Inventory.	1
Planning	Analysis and evaluation of the ways in which material requirements can be met using a life cycle management approach (for example, include modification, conversions, repairs, replacements and transfers as opportunities). Material needs are assessed in terms of expected contribution to program administration, operational requirements, and service delivery.	1
Point of origin	Shipping point.	1
Policy	1. A governing principle or plan which establishes the general parameters for the organization to follow in carrying out its responsibilities. 2. An agreed upon course of action adopted for the sake of expediency, meeting legal requirements, or achieving goals and objectives; a course of action pursued by a government, ruler or political party, such as Kenya's Fiscal Policy; an approved document specifying a policy objective, a policy statement, the domains of application, policy requirements, specific things that must be done, responsibilities, monitoring, references, enquiries, such as Treasury Board's policy for managing information holdings.	1
Policy of insurance	The formal document delivered by the insurance company to the insured which evidences the rights and duties between the parties.	1

Post Qualification of bidders	This is a formal procedure applied after tenders have been evaluated prior to recommendations of award of contract, to determine whether or not the lowest evaluated tenderer or bidder has the requisite experience, capability and resources to carry out the contract effectively		42
Practicable	Possible; a situation where it is determined that a given factual result can occur.		1
Pre-award contract review	An audit or survey performed before a contract is awarded to determine the vendor's or contractor's technical, managerial and financial ability to perform under the proposed contract, as well as the establishment of and compliance with appropriate procurement system procedures.		1
Pre-bid conference	Meeting held with prospective bidders prior to solicitation of bids, to clarify any ambiguities, answer bidder questions and ensure all bidders have a common basis of understanding regarding the supplies or services required.	bidders conference, pre-proposal conference	1
Preference	An advantage in consideration for award granted to a bidder by reason of the 'bidder's residence, business location, or business classification, such as a minority or small business preference.	buy local	1
Preliminary examination	This is the initial evaluation process which considers the minimum requirement for bidders to pass to the full evaluation stage. It may consider the form in which tender documents were returned in relation to instructions issued.		
Prepaid	A term denoting that transportation charges have been or are to be paid at the point of shipment.		1
Pre-proposal conference	Same as pre-bid conference, but for competitive proposals.		1

Prequalification of bidders	The screening of potential vendors in which such factors as financial capability, reputation, management, etc. are considered in order to develop a list of qualified vendors.	bidders list, qualified bidder	1
Prequalification of bidders	This is a process of pre-selecting potential contractors, suppliers, consultants or vendors on the basis of factors such as experience, financial ability, managerial ability, reputation, work history, etc. to develop a list of qualified bidders over a specified time period who will receive the invitation-to-bid or tender documents.		42
Present value	The amount that would need to be invested now at a given interest rate to accumulate over time so that it is equivalent to the stated amount that is to be received or paid at the stated future date.		1
Pre-solicitation conference	An informal meeting inviting comments and suggestions from a selected group of vendors on the draft of a proposed solicitation; usually solicitations involving high technology or complex services.	pre-bid conference	1
Preventive maintenance	Planned maintenance activities undertaken to retain equipment or materiel in a serviceable condition; includes scheduled inspection, testing, servicing, and classification as to serviceability, repairs, rebuilding and reclamation.		1
Previous contract number and date	The number and date of the last contract for the same material.		1
Previous quantity and unit price	The last quantity and unit price for which the materiel was contracted.		1

Price	The total amount, in money or other consideration, to be paid or charged for a commodity or service; normally includes all costs (direct labor, overhead, materials) and profit or fee.		1
Price adjustment	This is a variation of an initial bid or contract price	Price variation	42
Price adjustment clause	1. A clause in a contract allowing for adjustment in price in accordance with circumstances arising during the term of the contract. 2. A provision that must be included in contracts requiring contractor certification of cost and pricing data stating that price, including profit or fee, shall be adjusted to exclude any significant sums by which the jurisdiction finds the price was increased because the contractor-furnished cost or pricing data was inaccurate, incomplete, or not current.	fixed-price with economic price adjustment contract	1
Price agreement	A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirements at a predetermined price.	blanket order, open end contract, requirements contract, and term contracting	1
Price analysis	The process of examining and evaluating price data without evaluating the separate cost elements or proposed profit (as is done in cost analysis) to assist in arriving at prices to be paid and costs to be reimbursed.		1
Price at time of delivery	A term used in sales contracts when market prices are so volatile that a vendor will not give a firm price or use an escalator clause, but will only agree to charge the same price to all customers for similar purchases on the day of shipment or delivery of goods.	price prevailing at the date of shipment	1
Price competition	Selection of a contractor, from two or more vendors, based either solely on prices submitted, or on the final prices resulting		1

from a negotiation with all contractors within a competitive range.

Price control	The fixing or restricting of prices, especially by a government agency.		1
Price fixing	Agreements among competitors to sell at the same price.		1
Price Index	A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care over a period of time. This is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance.	Consumer Price Index	42
Price percentage preference	Percentage preference.		1
Price prevailing at the date of shipment	Sales agreement that the selling price may be modified by the vendor between the order and the shipment dates.	price at time of delivery	1
Price protection	Sales agreement granting purchaser any reduction in price the vendor may establish prior to shipment of the goods. Sometimes extended for a period beyond the date of shipment.		1
Price rebate	A reduction in price, usually given after the completion of the contract and based on the quantity or value of goods purchased.	rebate	1
Price variation	These are changes to an initially awarded contract price; they may represent a price decrease or increase and have to be accompanied by justifiable reasons.		42
Pricing	The process of establishing a reasonable amount to be paid for supplies or services.		1

Pricing data	Factual information about prices for goods and services substantially similar to those being procured; can include offered or proposed selling prices, historical selling prices and current sales prices. Applies to data from both the prime contractor and any subcontractors.	1
Pricing method	The method by which the contract price is determined, such as fixed, lot, cost plus, or target.	1
Prime contract	A contract entered into by the jurisdiction with a business entity for the purpose of obtaining supplies, services or construction items of any Kind.	1
Prime contractor	The business entity that has entered into a contract with the procuring entity.	1
Principal	1. One who employs an agent. 2. A person who has authorized another to act for them.	1
Prior review	This is the process forwarding procurement document and processes to a specific donor for analysis and approval before commencing a procurement process. The procuring entity usually forwards the draft bidding documents, including the invitation to bid; instructions to bidders, including the basis of bid evaluation and contract award; and the conditions of contract and specifications for good, services and works together with a description of the advertising procedures to be followed for the bidding and shall be required to make necessary amendments as may be advised by the donor before commencing the procurement process.	42
Priority	The degree of precedence given to a particular item or task over other items or tasks.	1
Private carrier	A transportation line not engaged in business with the general public.	1

Privatization	The divestiture of both management and assets of a public function to the private sector in order to change the status of a function formerly performed by the Kenyan government to one that is privately controlled and owned, including the transfer of real and personal property.	outsourcing	1
Privity of contract	The direct contractual relationship existing between parties that allow either party to enforce contractual rights against the other and seek remedy directly from the other party with whom the relationship exists.		1
Pro forma invoice	This 'is a 'draft' invoice created to show a buyer what the details of the actual invoice will look like. You can think of it as a draft invoice. Pro forma invoices are commonly used with international procurement to provide the buyer with the information they will need to pay for the goods (prepayment is common with international transactions) and arrange for import.		34
Probity	Probity is demonstration that the procurement process is conducted ethically and fairly, with all participants provided an equal opportunity.		27
PROC	A technique used to identify all costs associated with a requirement over its useful life, to determine the best value. The acronym stands for four types of costs, Product, Resource, Operating and Contingent.		1
Procedure	The detailed series of related procurement activities that must be completed, and the order in which they must be done, to accomplish a given task.		1

Procurement	Procurement is 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.		1
Procurement audit	This is a systematic and independent analysis to determine whether the procurement processes and sourcing activities correspond to the set regulations, policy and procurement plans or whether the processes are effective and suitable to achieve the set objectives.		42
Procurement audit	This is a systematic and independent analysis to determine whether the procurement processes and sourcing activities correspond to the set regulations, policy and procurement plans or whether the processes are effective and suitable to achieve the set objectives.		
Procurement agent	An individual or firm that appointed by an organization to carry out specific or all procurement processes on its behalf	Purchasing agent	42
Procurement Audit	This is a systematic and independent analysis to determine whether the procurement processes and sourcing activities correspond to the set regulations, policy and procurement plans or whether the processes are effective and suitable to achieve the set objectives.		42
Procurement Auditor	A PSM professional, duly registered with KISM who professionally reviews procurement and supply structures, systems, processes, outputs, and outcomes using methodical examination of records and documents, with confirmation by physical inspection or otherwise, of a situation or condition concluding with a detailed report of findings on aspects of PSM.		1

Procurement consultant	An individual or firm who has extensive experience in procurement or purchasing who advises procuring entities on development and design of procurement processes, planning and policy, business process review, strategic procurement advice, and offers procurement training.	42
Procurement cycle	The cycle that starts with the definition of requirements, initiation of the process of an individual procurement requirement specifications till when goods, works, services have been delivered or completed and accepted to the satisfaction of end users.	3
Procurement Director	A PSM professional, who is the takes ultimate procurement responsibility at departmental level. He is answerable to the accounting officer/CEO/MD, duly registered with KISM and professionally manages and leads the procurement function in an organization.	1
Procurement file	Procurement records.	1
Procurement laws	These are laws and regulations put in place by Kenya government and the procurement entity in order to guide the procurement process. They include Public Procurement and Disposal Act 2005, Public Procurement and Disposal Regulations 2006 and any other amendment and government circulars published in Kenya gazette.	6
Procurement lead time	The total lead time required to obtain a purchased item. Included are purchasing lead time, vendor lead time, transportation time, receiving, inspection and put-away Time.	1
Procurement Management Unit(PMU)	Any department in charge of supply chain management process at central government, county, municipality or any other procuring entities in private sector.	1

Procurement method	Method by which goods, services, or material may be acquired, such as ICB, LCB. etc.	1
Procurement of commodities	This refers to the sourcing of goods and services	42
Procurement officer	Any person duly authorized to enter into and administer a contract and make written determinations and findings thereto. Also includes an authorized representative from PMU acting within the limits of his or her authority.	1
Procurement plan	A tool comprising all requirements of an entity in a given financial period, how the requirements will be sourced, the method of sourcing, when to source and intended completion dates. It is used in implementation of procurement in procuring entity.	42
Procurement post reviews	This is the assessment and evaluation of procurement documentation after contract award to determine compliance to set procedures and policies	42
Procurement records	Those records maintained by PMU sufficient to detail the significant history of a procurement, including, but not limited to, information pertinent to the rationales for the method of procurement, selection of contract type, contractor selection or rejection, and basis for cost or price to facilitate procurement audit.	1 procurement file, contract record, determination and finding
Procure-to-order	An inventory strategy where you do not procure your product until after you receive actual orders from your customer.	35
Procuring entity	The organization implementing the procurement plan.	8
Production	Refers to the ability of a supply chain to transform inputs into outputs	

Production order	The document used to process a production run of an item. Also known as a job, work order, or manufacturing order, a production order is usually made up of a production order header, a parts list, and a routing.	35
Production plan	A very high-level long-term plan of what will be produced. It is generally stated in terms of families of products rather than specific products, and in large time periods such as months, quarters, or years.	35
Professional	A person who has attained formal academic and professional qualifications in PSCM. The person is licensed to practice, belongs to a professional body and continuously enhances his/her skills.	32
Professional body	This is a group of people in a learned occupation who are entrusted with maintaining control and oversight of the legitimate practice of occupation.	KISM 32
Professional ethics	An acceptable norm, value, codes of conduct and principles established by professional organizations that guides professionals in execution of their duties.	42
Professional liability	1. These are Legal obligations arising out of a professional’s errors, negligent acts, or omissions during the course of practice or execution of their official duties. 2. The obligation that a procurement professional has to act with care and diligence to provide service that meets the standard of practice for profession–i.e., responsibility; when a professional fails to provide the standard of practice, liability refers to the obligation to pay for damages incurred by negligent acts	42
Professional services	Services rendered by members of PSM profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training, or direct assistance.	Procurement services 1

Profit	The difference between the costs incurred by the contractor to provide the supplies, services, or construction and the amount received from the purchaser in payment.	fee	1
Program Evaluation and Review Technique (PERT)	A network scheduling technique used to determine the critical path; enables managers to allocate resources to events on this path to reduce the total time required to complete the project; often used in the defence industries.	critical path method	1
Program identification code	A two-digit code identifying the program to which a contract may apply, such as Capital Loan Votes, Defence Revolving Fund etc.		1
Program/activity	Financial code that describes the objective specified by an expenditure that has been authorized by parliament.		1
Progress payments	Payments made in advance of full delivery as specified percentages of the total purchase are delivered, or certain stages of work performance are achieved.	advance payments, partial payments	1
Progressive award	The award of a definite quantity contract under the same solicitation to two or more vendors or contractors to furnish the same or similar supplies or services, where more than one vendor is needed to meet the contract requirements for quantity, delivery, or service	incremental award, multiple award	1
Prohibited articles	Articles which will not be handled, as listed in carrier's tariffs.		1
Project approval process	Project approval, preliminary and project approval, effective.		1

Project approval, class estimates	Four types, A, B, C, D, defined as follows Class Estimate A based on the working drawings and specifications, and other significant conditions of production/construction. Class Estimate B based on the design of major systems and sub-systems (including preliminary drawings and models, and an outline of specifications), as well as all site/installation investigations. Class Estimate C based on the general description of the end item (e.g., equipment, facility), production/construction experience, and market conditions. Class Estimate D based on a comprehensive statement of requirements in mission terms and an outline of potential solutions.	1
Project approval, effective	Approval based on reliable and up-to-date cost estimates (at least a Class B Estimate) which provides authority to proceed with a project or complete it in those instances where there is already a preliminary approval, and spend all project funds, based on a specific budget in constant and current (budget-year) Shillings.	1
Project approval, preliminary	Approval based on Class C Estimates which provides authority to initiate a project as the preferred option for fulfilling a justified need, and spends only those funds necessary to cover such activities as concept and preliminary design and to develop at least a Class B Estimate.	1
Project duration	Duration of time from project announcement to completion.	1
Project identification name	Project name.	1
Project management	Body of knowledge concerned with principles, techniques, and tools used in planning, control, monitoring, and review of projects.	3

Promissory note	An unconditional written promise to pay a certain sum in money, on demand or at a fixed or determinable future date, either to the bearer or to the order of a designated person.		1
Prompt payment discount	Discount given for payment made before the payment due date.	cash discount	1
Proposal	1. In competitive bidding, the document submitted by the offeror in response to the RFP to be used as the basis for negotiations for entering into a contract. 2. A tender, bid or offer which may be either unsolicited or submitted in response to an invitation from a contracting authority. A proposal is usually requested in cases where the selection of a contractor is to be made on the basis of the performance that is offered rather than on that of price alone and may require an outline of details such as the vendor's qualifications and experience and the identification of problems and proposed solutions in addition to details of price.	bid	1
Proprietary article	An item produced and marketed by a person or persons having the exclusive right to manufacture and sell it.	trade secret, patent	1
Protest	A written objection by an interested party to an IFB or RFP solicitation, or to a proposed award or award of a contract, with the intention of receiving a remedial result.	dispute	1
Provisioning and supply	The process of determining requirements, initiating procurement and providing a stock of supplies for future needs.		1
PSM Consultant	Person with the relevant education, professional qualification in PSM, experience, training and registered as a practitioner with KISM that uniquely qualifies the person to perform specialized	expert	33

service of a technical nature relating to PSM.

PSM Management audit	An audit conducted to determine the degree of management efficiency and effectiveness in PSM.	33
PSM practitioner	A person registered as a supplies practitioner under section 16 of SPMA.	33
Public entity	The Government or any department of the Government; the courts; the commissions established under the Constitution; a County Government under the County Government Act; a state corporation within the meaning of the State Corporations Act; the Central Bank of Kenya established under the Central Bank of Kenya Act; a co-operative society established under the Co-operative Societies Act; (h) a public school within the meaning of the Education Act; (i) a public university within the meaning of the Universities Act; (j) a college or other educational institution maintained or assisted out of public funds.	7
Public bid opening	The process of opening and reading bids at the time and place specified in the invitation for bids and in the presence of anyone who wishes to attend.	1
Public funds	Has the meaning assigned to it in the Exchequer and Audit Act and includes monetary resources appropriated to procuring entities through the budgetary process, as well as extra budgetary funds, including aid grants and credits, put at the disposal of procuring entities by foreign donors, and revenues of procuring entities.	7, 54

Public notice	Announcement widely disseminated through broadcast media such as newspapers, radio, television for general circulation, in reasonable time prior to the date and time of the event, to allow those interested to participate.	1,3
Public office	An office in the national government, a county government or the public service, if the remuneration and benefits of the office are payable directly from the Consolidated Fund or directly out of money provided by Parliament	5
Public policy	That which is deemed by courts to be general and well-settled public opinion relating to the duties of persons and government.	1
Public Private Partnership(PPP)	1. Contract concluded between the contracting authority and a project company under which the project company is entrusted to undertake a project. 2. An arrangement between a public entity and a private party under which a private party undertakes to perform a public function or provide a service on behalf of the public entity and in return it: receives a benefit for performing a public function by way of compensation from a public fund; charges or fees collected by the private party from users or consumers of a service provided to them; or a combination of such compensation and such charges or fees; and is generally liable for risks arising from the performance of the function in accordance with the terms of the project agreement.	53,1
Public Procurement Administrative Review Board (PPARB)	An unincorporated board established under the Public Procurement and Asset Disposal Act 2015, to review, hear and determine tendering and asset disposal disputes.	6

Public Procurement and Asset Disposal Act, 2015 (PPDA)	An Act of Parliament which regulates and procurement in the public sector.	7
Public Procurement Regulatory Authority (PPRA)	A government body created by an act of parliament and is mandated with the responsibility of: a. ensuring that procurement procedures established under the Act are complied with; b. monitoring the procurement system and reporting on its overall functioning c. Initiating public procurement policy. d. assisting in the implementation and operation of the public procurement system by: preparing and distributing manuals and standard tender documents, providing advice and assistance to procuring entities, and develop, promote and support training and professional development of staff involved in procurement.	6
Public purchasing	The process of economically obtaining goods and services using public resources for public purpose or usage.	1
Public service	1. Services rendered for benefit of the public. 2. Collection of employees within government or civil service.	5
Puffery	Expansive statements made about the product or service by the supplier that are not intended to be taken literally.	27
Purchase description	The words used in a solicitation to describe the supplies, services, or construction to be purchased; includes specifications that are attached to or made part of the solicitation.	1

Purchase log	A register of all requisitions received and all purchase orders issued, containing information such as requisition number, purchase order number, bid number, the vendor, commodity code or description of the supply or service, and the value of the order.		1
Purchase order	A purchaser's written document to a vendor or supplier acting as an authority to supply certain goods and services. It includes details on description of required goods and services, delivery terms, terms of payment, and any other special terms as agreed by both parties.		1
Purchase order change notice	A form documenting a change made to a purchase order.		1
Purchase order history	File detailing the goods and service that have been purchased over a period of time. It includes information from when the requisition was approved to the final delivery		1
Purchase price	The price quoted by a supplier for a materiel item; may include delivery, taxes, reimbursable costs and installation costs.	original cost	1
Purchase request	This is a document prepared by a user detailing their requirements and requesting the procurement or purchasing section to initiate a procurement process to service the particular need.	purchase requisition, requisition	1
Purchase requisition status	A status report on a purchase request.	Milestone status	1
Purchase Requisition Tracker	A system that is developed to trail all requisitions made by users to procurement. It captures all the processes from approval of the requisition to delivery		27
Purchaser	Person who acquires goods and services on behalf of the procuring entity.	Buyer, Procurement officer	1

Purchasing agent	Any individual or organization appointed by a procuring entity to carry out specific procurement or sourcing activities on its behalf as may be agreed by both parties. A procuring entity may contract part or all of its buying activities to an agent.	Procurement agent	1
Purchasing contract	A legal document agreed to by the buyer and seller on the terms of the transaction.		35
Purchasing ethics	A set of moral principles guiding the conduct and behaviour of procurement and supply chain professionals. Prohibits breach of the public trust by any attempt to realize personal gain by a public employee through conduct inconsistent with the proper discharge of the employee's duties.		1
Purchasing manager	An employee in an organization with responsibility and authority to act for the procuring entity on procurement matters.	Procurement Manager	1
Purchasing manual	A tool which describes the rules, regulations, policies and procedures to be followed by the procuring entity and the using agencies.		1
Purchasing Memorandum (PM)	A notification document used by a procurement entity to announce an adjustment, modification, extension or cancellation of a contract.		27
Purchasing procedure	A detailed process describing the steps to be followed in sourcing/buying goods and services. This procedure may be defined in procurement manual, donor guidelines, regulations issued by a cabinet secretary or an act of parliament.	Procurement procedures	1
Purchasing research	This is an investigation undertaken in order to gain knowledge and understanding of procurement processes, best practices and offer suggestions for creation of value addition in the procurement process	Procurement research	1

Purpose	The reason for which something exists or is done, made, used, etc. intended or desires result; end; aim; goal; determination; resoluteness	27
Qualified bidder	A bidder determined by the purchasing organization to meet the minimum set standards of business competence, reputation, financial ability, and product quality for placement on the bidders list.	1 prequalification of bidders, responsible bidder
Qualified products list (QPL)	An approved list of supplies, services, or construction items, described by model or catalogue numbers, which, prior to competitive solicitation, the jurisdiction has determined will meet the applicable specification requirements.	1 approved list, approved source list
Quality	The composite of all attributes or characteristics, including performance that satisfies a user's needs.	1
Quality assurance (QA)	A planned and systematic pattern of actions necessary to provide adequate confidence that products and services conform to established technical requirements and achieve satisfactory performance.	1 quality control, total quality management
Quality control (QC)	Practices and procedures followed to ensure appropriate quality and performance of goods produced or received, such as design, testing, and inspection.	1
Quality Cost Based Selection (QCBS)	Tendering or bid selection procedure which takes into account the quality and cost of the proposal in the selection or evaluation of the successful firm. Cost as a factor of selection shall be used judiciously. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment.	4

Quality-Based Selection (QBS)	This is a bid selection method where the firms having the required experience and competence relevant to the assignment is assessed and compared, and the best qualified and experienced firm selected. Only the selected firm is asked to submit a combined technical and financial proposal and if such proposal is responsive and acceptable, be invited to negotiate a contract. Both technical and financial aspects of the proposal may be negotiated.	4
Quantity allocated	Is the quantity that is on current open sales orders or production orders (as components) and may be relative to a specific time	34
Quantity available	The result of a calculation that takes quantity on hand and reduces it by allocations (for sales orders, manufacturing orders, etc.). It may or may not be date specific and therefore take into account future receipts.	34
Quantity discount	A discount or reduction in the unit price offered for large volume contracts.	1
Questionnaires	Research instruments consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Can be sent to a large number of people and saves the researcher time and money.	2
Queue time	Amount of time a job waits at an operation prior to set up or processing. Part of manufacturing lead time.	34

Quid Pro Quo	A legal term, meaning ‘something for something’, or an exchange of benefits. One of the prerequisites for the creation of a contract is consideration, which is the exchange of something of value for something else of value. In most procurement situations, the supplier exchanges their services or goods for a sum of money, and the exchange of value fulfils the requirements for a bilateral contract. When bargaining, the exchange of two different negotiable variables is described as ‘knock-for-knock’ or quid pro quo.	27
Quotation	1. A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser; may be non-binding if solicited to obtain market information for planning purposes. 2. A statement of price, terms of sale and description of goods or services offered by a seller to a prospective buyer.	1
Quote	The response to a request for quotation. offer	1
Random Sampling	A sampling method in which all members of a group (population or universe) have an equal and independent chance of being selected.	2
Rate	As applied to transportation or the movement and handling of goods and persons, the cost of, or charge for, service. tariff	1
Rate of exchange	The rate at which Kenya shilling is exchanged for the currency of another country.	1
Real estate	Real property.	1
Real property	1. Land and its permanently affixed buildings or structures. 2. Any property which is not personal property. Chattel, real estate	1

Reasonable cost	A cost that by its nature or amount does not exceed what would normally be incurred by an ordinarily prudent person in the conduct of competitive business.	1
Rebate	A sum of money returned by the vendor to the purchaser in consideration for the purchase of an agreed upon quantity or value of goods, generally within a limited period of time.	1
Rebilling	In freight handling, issuing a new waybill at a junction point to which shipment has been billed by a connecting line.	1
Receipt	Written acknowledgment that one party has obtained money or something of value from the other, without any affirmative obligation upon either party.	1
Receipt acknowledged	Acknowledgment.	1
Receipt of goods approval	Performance of services approval.	1
Receiving	The function of accepting from all sources all items of supply used in the procuring entity.	1
Receiving inspection	Inspection of purchased items at the point of receipt, after delivery by the vendor, to ensure compliance with specifications and agreements.	1
Receiving report	Form listing items or services received from a vendor; used to match purchase order, vendors' invoices, and other originating documents before payment is made.	1
Receiving voucher	A document used to record the receipt of material.	1
Reciprocity	A preference applied against a bidder under preference and reservations.	1

Re-consignment	1. A privilege extended to shippers allowing goods to be forwarded to a point other than the original destination without removal from carrier and at the through rate from initial point to that of final delivery. 2. A change, as in consignee, destination, or route, in the original billing of goods in transit.	1
Redistribution	The transfer of control, utilization, or location of material, work and money between organizations or activities.	1
Reduced inspection	Inspection under a sampling plan using the same quality level as for normal inspection, but requiring a smaller sample.	1
Refused shipment	Freight the consignee refuses to accept because it doesn't conform to agreed contract specification.	1
Registration Committee	The Committee constituted under section 15 of SPMA to receive and process application for registration and membership of Supplies Practitioners into the Institute.	33
Regulation	An official rule or directive made and maintained by an authority to implement, interpret, or prescribe law or policy, or to describe organization, procedure, or practice.	1
Reinsurance	A contract in which an insurance company "(reinsurer)" agrees to indemnify another insurance company in whole or in part against risks the first company has assumed. Legal rights of the policyholders (insured's) are in no way affected by reinsurance, and the insurer remains liable to the insured's for insurance policy benefits and claims.	1
Re-invitation	A new invitation to bid following the cancellation of original one by a procuring entity, for one reason or another.	42

Rejection	Refusal of a delivered supply or service that does not meet contract specifications or requirements.		1
Rejection of all bids/proposals	This is the rejection of all Bids by a procuring entity because they may not responsive or the procuring entity decides to terminate the procurement proceedings for a reason which is communicated to all the bidders		42
Relevancy of the Study	A research statement that gives the significance and implications of the study. It relates to the intended or expected outcomes of one's research to the original aims expressed in the introduction so that the significance of the study and the contribution to knowledge is apparent.		2
Remedy	A procedure or code providing means or methods to redress a wrong or obtain relief from a grievance.		1
Renegotiation	Deliberation, discussion, or conference to change or amend the terms of an existing agreement.		1
Rent	Compensation or fee paid, usually periodically, for the use of any property, land, building, or equipment under a lease.	lease	1
Re-order cycle quantity	The quantity of goods required to sustain operations for a specified period of time, after which time orders will be placed for more goods.	economic order quantity,	1
Re-order level	A pre-determined stock level such that, if the net stock falls to or below it, action is taken to replenish stock.		1
Re-order point	The level of stock or inventory, above the safety stock level, at which orders are placed to obtain more goods.	order level, order point	1

Re-order quantity	Inventory level of an item which signals the need for placement of a replenishment order, taking into account the consumption of the item during order lead time and the quantity required for the safety stock.	1
Repair and overhaul	The repair of an item of equipment to return it to serviceable condition; overhaul may or may not be coincident with repair. Repair normally involves the correction of specific defects only, whereas overhaul will entail replacement of both worn and damaged parts and parts for which service life has expired. Overhaul is normally effected only after expiry of service life due to hours of use or elapsed time.	1
Repair work order	A document describing the repair activities required for one or more material items.	1
Replacement material	Material assets which are acquired to replace disposed items.	1
Report of partial shipment	Report showing the items received from a vendor when an order is incomplete.	1
Reporting object	Subdivision of standard objects, which are used for central management purposes.	1
Request for information (RFI)	Request made typically during the project planning phase where a buyer cannot clearly identify product requirements, specifications, and purchase options. RFIs clearly indicate that award of a contract will not automatically follow.	42

Request for proposal (RFP)	1. All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals. 2. A bid solicitation method used for requirements exceeding authorized limits when it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements, or other factors will be considered in the selection of the contractor in addition to price, or only one source is being solicited.	1
Request for quotation (RFQ)	1. An informal solicitation or request for information, where oral or written quotes are obtained from vendors, without formal advertising or receipt of sealed bids. Used only where statutes do not require formal sealed bids, such as small or emergency purchases, but price competition is desired. 2. A bid solicitation method for competitive and sole source requirements when the estimated value is less than the authorized limit.	1
Requirement	The specific supplies, services, or construction and the time period within which they are needed.	1
Requirements analysis	Value analysis applied to the writing of specifications to eliminate products or services that are not cost effective.	1
Requirements contract	A form of indefinite delivery/indefinite quantity contract where all actual purchase requirements for specific supplies or services during the contract period are filled by the selected vendor, with deliveries to be scheduled by placing orders with the vendor.	1
Requisition	1. Procuring entity's internal document by which a user sends details of supplies, services, or materials required to PMU. 2. A request to obtain material or services and authority to commit funds to cover the purchase.	1
	purchase request, purchase requisition	

Requisition certified by	Signature of the financial officer who has authority to certify funds availability.		1
Requisition item quantity	The quantity required based on the correct unit of issue.		1
Requisition number	An alphanumeric code applied to a requisition for control purposes.		1
Requisition originator	Person who initiates a procurement, issue or disposal transaction.		1
Requisition serial number	A four-character serial number, whichever the department uses for requisitioning control purposes.		1
Requisitioner	A user or anyone who initiates a purchase requisition or request for goods or services.		1
Research and development (R&D)	A process of scientific discovery and application of knowledge in which new products are created and uses are found for them.		1
Residency preference	A policy of giving special consideration to businesses that meet the residency requirements established by Kenya government.	buy local	1
Responsibility centre	Organizational unit which has been delegated responsibility for the control and monitoring of a financial budget and procurement spend.		1
Responsible bidder or offeror	A bidder or offeror who has the capability in all respects to perform fully the contract requirements, and the experience, integrity, perseverance, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.	responsible offeror	1
Responsible offeror	Responsible bidder or offeror.		1
Responsive bidder	A vendor who has submitted a bid which conforms to all the mandatory requirements in the tender documents.		8

Restraint of trade	The effect of an act, contract, conspiracy, or combination which eliminates or stifles competition, effects a monopoly, artificially maintains prices, or otherwise hampers or obstructs the course of trade and commerce as it would be carried on if left to the control of natural and economic forces.	1
Restricted Tender	Invitation to bid (ITB) sent only to selected contractors, sellers, or vendors who have been pre-qualified through a screening process. Also called restricted bidding.	4
Restrictive specifications	Specifications that unnecessarily limit competition by eliminating items capable of satisfactorily meeting actual needs, often by requiring features which exceed the minimum acceptable characteristics required for satisfactory performance.	1
Retailer	A business which acquires goods for resale to an ultimate consumer.	1
Retainer and / or Contingency fee contract	A contract for a fee paid to a person or firm to secure the privilege of obtaining its services as and when required.	42
Retention	The withholding of a part of the payment due until final acceptance of the purchase by the purchaser, in accordance with the contract terms.	1
Retention money	Payment for a service or product that is withheld pending the completion of some specified condition. For example, when a manufacturing business purchases production machinery from a supplier, they might withhold some percentage of payment due as retention money until the machines are successfully installed and operational.	42

Retention schedule (for records)	The procuring entity established timetable for maintenance and destruction of purchasing records, based on administrative, historical, and legal requirements.	1
Retroactive Financing	Retroactive Financing refers to agreement by the bank to finance all or part of the costs incurred by the beneficiary/borrower with respect to a project before the date on which the bank approves the project/loan. These expenditures are recognised by the bank as part of the total cost of a project, of certain payments related to the project made by the borrower before the date on which the bank approved the loan or technical cooperation project.	42
Reverse auction	Type of auction in which several sellers offer their items for bidding, and compete for the price which a buyer will accept. The buyer usually has the option to accept any bid or reject all. Bid-based construction or supply contracts are examples of reverse auction. Also called business to consumer auction.	42
Reverse logistics	Flow of surplus or unwanted material, goods, or equipment back to the firm, through its logistics chain, for reuse, recycling, or disposal.	
Revocation	Cancellation, withdrawal, or termination of an act, offer, or power (such as power of attorney).	
Risk Assessment	Identification, evaluation and estimation of the levels of risks involved in procurement, their comparison against benchmarks or standards and determination of an acceptable level of risk.	3

Risk factors	Any risk that may jeopardize the successful outcome of a procurement and diminish the predetermined value e.g., financial viability and capacity of the Vendor, legal exposure and liability, geo-political circumstances, price stability, and dependency.	3
Risk management	The identification, analysis, assessment, control, and avoidance, minimization, or elimination of unacceptable risks. An organization may use risk assumption, risk avoidance, risk retention, risk transfer, or any other strategy (or combination of strategies) in proper management of future events.	1
Routing	Selecting the minimum cost, distance, and/or time path from several alternatives for a good or message to reach its destination”	1
Royalty	Compensation, consideration, or fee paid for a license or privilege to use an intellectual property (brand, copyright, patent, process) or a natural resource (fishing, hunting, mining), computed usually as a percentage of revenue or profit realized from the use”	1
Rules and regulations	Governing precepts and procedures, made by an administrative body or agency under legislative authority, that sometimes have the force and effect of PPDA 2005.	1
Safety stock	The quantity of material exceeding immediate needs held for the purpose of ensuring continuity of supply and guarding against unforeseen shortages.	1
Sales representative	A person acting on behalf of a vendor who visits PMU to discuss requirements.	1
Sales tax	A levy on a vendor's sale by an authorized level of government of Kenya.	1

Salvage	Property having some value in excess of its basic material content or scrap value, but is in such condition as to be no longer useable, and its repair or rehabilitation for use is clearly impractical.	excess property, obsolete supplies, surplus, scrap, waste, worn or damaged, salvageable material	1
Salvageable material	Salvage.		1
Sanction	1. Authoritative permission or approval that makes a course of action valid. 2. An action by a government body against another government body, such as restrictions on trade.		1
Schedule contract	A contract that consolidates agency requirements by pre-establishing a bid opening date and requiring using agencies to submit requirements by a specified Time.	scheduled purchase, blanket order, systems contract, term contract	1
Scheduled purchase	Schedule contract.		1
Scrap	Salvageable material that is damaged, defective, or deteriorated to the extent that it has no value except for its basic material content.	waste	1
Sealed bid	A formal submission from a bidder/offer or submitted in response to an invitation to bid (ITB). It is submitted in a sealed envelope to prevent its contents from being revealed before the time and date set for the bid opening. A bid submitted in response to an invitation for bid. Bid is submitted in a sealed plain envelope to prevent dissemination of its contents before the deadline for the submission of all bids.	Competitive Sealed bidding. Proposal	1

Seasonal Inventory	This is inventory that is built up in anticipation of market fluctuations due to predictable increases or decreases in demand that occur periodically in a year.	Build stock, anticipation inventory	
Sector	Distinct and large subdivision defined on the basis of some common factors such as industry or economy of Kenya.		3
Security Breach	An act from outside an organization that bypasses or contravenes security policies, practices, or procedures. A similar internal act is called security violation.		27
Seller's lien	A lien in favour of a vendor granting the vendor the right to withhold goods sold, surrendering them only upon receipt of payment.		1
Sellers' market	A competitive market condition where demand exceeds supply; vendors have control over supply and price; often results in limited choice and prices that are comparatively high.		1
Seller's option	1. vendor's right to compel a purchaser to buy at a particular price and time. 2. An option granted to the vendor to make delivery within a specified, limited period.		1
Selling, Back door	The practice of deliberately bypassing the procurement department by a salesperson that seeks to sell directly to the budget holder in order to circumvent competitive processes or to undermine existing procurement arrangements.		1
Sequential sampling plan	A unit-by-unit approach to sampling in which the sample units are selected one at a time. After each unit is inspected, the decision is made to accept, reject, or continue inspection until the acceptance or rejection criteria are met. The sample size is not fixed in advance, but depends on actual inspection results.	acceptance sampling, composite sampling, double sampling, multiple sampling plan, random sampling, single sampling	1

Service	A vendor's ability to comply with promised delivery dates, specifications, and technical assistance.	1
Service contract	1. An agreement calling for a contractor's time and effort rather than for a product 2. An agreement to provide either professional services or general services such as landscaping and back hoeing.	1
Service delivery contractor	A service provider contracted to provide a particular service(s) as per agreed contract.	42
Service level agreement	Contract between a service provider and a customer, it details the nature, quality, and scope of the service to be provided. Also called service level contract.	42
Services	1. Work performed to meet a demand, especially work not connected with a manufacturing process. The furnishing of labour, time, or effort by a contractor or vendor, not involving the delivery of any specific end product, other than reports that are incidental to the required performance. 2. Any professional or general service work performed such as backhoe, landscape, etc., which does not result in the delivery of goods or material, e.g., repairs, training, surveys, consulting, etc.	1
Servitization	The increased offering of fuller market packages or "bundles" of customer focused combination of goods, services, support, self-services and knowledge.	27
Set asides	A procedure whereby an established percentage of expenditures is designated for exclusive bidding or purchase from specified types of businesses, such as minority-owned, woman-owned, small, or disadvantaged businesses, or for labour surplus areas.	1

Settlements of disputes	A process for resolving differences between two or more parties or groups. In business practice the resolution seeks to achieve fairness for all participants, and is often moderated by a third party. There is often a dispute resolution clause in contracts that defines how a disagreement is to be resolved.	42
Set-up cost	The cost incurred to change machine tooling or to change the production line to produce a different item or product.	1
Shall	Denotes the imperative in contract clauses or specifications.	1
Shelf life	The length of time which an item can be stored under specified environmental conditions and continues to remain suitable for its intended use.	1
Shipment Advice	Also known as notice of shipment. A notice sent to a purchaser advising that a shipment has been released. The notice usually contains details of packing, routing, etc.	1
Shipper's load and count	Where the contents of a conveyance were loaded and counted by the shipper, and not checked or verified by the transportation agency.	1
Shipping	The activities performed in preparation of the outgoing shipment of parts, products and components. Packaging, marking, weighing, and loading for shipment are parts of this activity.	1
Shipping list	A memorandum listing all items shipped at one time on a given order.	1

Shopping	Shopping is a method of procurement that may be used: (a) To procure small amounts of off-the-shelf goods or standard specification commodities for which more competitive methods are not justified on the basis of cost or efficiency. (b) In emergency projects or for urgent relief-type operations including re-establishment of vital services like utilities, communications, shelter, and vital supplies which stem from disasters or conflict. These emergency contracts may involve one or several activities in supply of goods, installation and commissioning, and very urgent minor civil works.	In the case of civil works or supply involving substantial installation, the term shopping is not used but referred commonly as "price comparison".	42
Shortage	Situation where the quantity available or supplied in a market falls short of the quantity demanded or required at a given time or price.	shrinkage	
Shortlist of consultants	A list of prequalified consultants meeting agreed criteria of a procuring entity, from which invitation for bids may be solicited from.		42
Shrinkage	Inventory that is lost, stolen or otherwise misplaced.	shortage	1
Single sampling plan	The sampling procedure that uses a single sample size with associated acceptance and rejection criteria.	acceptance sampling, composite sample, double sampling, multiple sampling plan, random sampling, sequential sampling	1

Single source procurement	A contract for the purchase of goods and services entered into after soliciting and negotiating only with one source, usually because of the technology required or uniqueness of the service provided or where there is only one vendor available to provide the good/service”	sole source procurement	1
Single Source Selection (SSS)	A procurement method whereby a single bidder is selected for consideration. With this method a consultant does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection and could encourage unacceptable practices. It may be appropriate in the following cases and only if it presents a clear advantage over competition (a) for tasks that represent a natural continuation of previous work carried out by procuring entity (b) in exceptional cases, such as, but not limited to, in response to natural disasters and for emergency situations (c) for very small assignments (d) when only one firm is qualified or has experience of exceptional worth for the assignment.		4
Site inspection	Visit to the actual location where the contract is to be performed by potential bidders or offeror to become familiar with site conditions as a basis for the evaluation of bidders		1
Skid	A wood or metal platform fitted with two sled-type runners, or with legs, upon which material is placed and transported; construction does not permit stacking of loaded skids one atop another.	pallet	1
Small disadvantaged business	A business meeting the small business size standard and owned or controlled by a majority of persons who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages; not limited to members of minority groups.	disadvantaged business	1

Small Enterprise	A firm, trade, service, industry or a business activity as defined in the Micro and Small Enterprises Act 2012: whose annual turnover ranges between five hundred and five million shillings; and employs between ten and fifty people; whose financial investment: in the manufacturing sector, where the investment in plant and machinery as well as the registered capital of the enterprise is between ten million and fifty million shillings; and service and farming enterprises, where the equipment investment as well as registered capital of the enterprise is between five million and twenty million shillings.	40
Small purchase	Any procurement not exceeding a given upper monetary limit, as established by PPDA or PPDR.	1
Sole proprietorship	Simplest, oldest, and most common form of business ownership in which only one individual acquires all the benefits and risks of running an enterprise. There is no legal distinction between the assets and liabilities of a business and those of its owner. It is by far the most popular business structure for start-ups because of its ease of formation, least record keeping, minimal regulatory controls, and avoidance of double taxation.	3
Sole source procurement	1. Only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation, such as technical qualifications, ability to deliver at a particular time or services from a public utility. 2. A situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority. Non-competitive situations arise when there is only one Kenyan source capable of supplying the product or service (referred to as sole source); and when, although a number of Kenyan sources exist which are capable of supplying the product or service, it is	1

decided for any reason to direct the purchase to a particular source.

Solicitation	1. A request for bids to provide supplies, services, or construction items. 2. A request for a priced offer to sell goods or services. It may be by an invitation for bids or a request for proposals.	competitive bid solicitation, advertising, invitation for bids, public notice, request for proposals	1
Source list	A record of pre-qualified, prospective bidders for the purchase or sale of specific goods or services.		1
Source of goods and services	Principal location where the goods or services are produced or where economic activity is generated.		1
Sourcing	The identification and selection of the supplier whose costs, qualities, technologies, timeliness, dependability, and service best meet the organization's needs.		
Sourcing Strategies:	Alternative procurement plans that give guidance to assess, evaluate, and manage the supply base in ways that are consistent with overall agency objectives.		
Sovereign immunity	Legal doctrine that a State cannot be sued in the courts under its jurisdiction by its own citizens. It generally does not cover government officers such as presidents, prime ministers, ministers, etc., and their actions.		1
SOW	Statement/Scope of work.		1
Specific procurement notice	Tender notice specifying the requirements of an agency requires acquiring.		42

Specification	A description of the physical or functional characteristics, or of the nature of a supply, service, or construction item; the requirements to be satisfied by a product, material, or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied.	brand name specification, brand name or equal specification, combination specification, design specification, performance specification, restrictive specification, standard specification	1
Spend Analysis	This refers to a sourcing strategy which involves the process of collecting, cleansing, classifying and analysing expenditure data from all sources within the organization (i.e. purchase orders, contracts etc.). The process analyses the current, past and forecasted expenditures to allow visibility of data by supplier, commodity or service, and by department within the organization. Spend analysis can be used to make future management decisions such as deciding which products need to be consolidated into framework agreements and which suppliers need to be developed.		
Spending authority	The authority assigned to incur expenditures, including advance and progress payments, and to confirm satisfactory contract performance and price, as a prerequisite to the requisitioning of payment.	Procuring entity	1
Spot purchase	A one-time purchase occasioned by a small requirement, an unusual or emergency circumstance, or a favourable market condition.	small purchase, emergency purchase	1

Stakeholder	A person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the procuring entity’s actions, objectives and policies. Example of key stakeholders include; suppliers, creditors, directors, employees and government.	3
Standard	The result of an effort to produce standard specifications; a set of characteristics for an item, generally accepted by the manufacturers and users of the item, as required characteristics for all such items.	1
Standard contract	A contract in a pre-established format containing certain predetermined terms and conditions.	1
Standard object	The highest level of the object classification used for parliamentary and executive purposes, which is reported to Parliament in the estimates and Public Accounts.	1
Standard specification	A specification that is to be used for all or most purchases of an item; describes all required physical and functional characteristics of a good, service or construction.	1
Standardization of specifications	The process of establishing a single specification for an item, or range of items.	1
Standards committee	A committee whose purpose is to advise and assist the central purchasing authority in establishing standards and, in some cases, specifications.	1
Standing offer	An arrangement whereby a supplier offers to supply on demand goods and services described in the offer, at the price or on the pricing basis stated, and subject to all the terms and conditions set out therein. A standing offer is not a contract. A valid requisition, draw-down, or call-up made against a standing offer is an acceptance of the offer and is therefore a contract.	1

Standing offer number	Reference number assigned to a standing offer.		1
Standing order	Blanket order.		1
Statement of account	A detailed listing, usually prepared by the vendor, of transactions between vendor and buyer for a stated period of time, concluding with the open or unpaid balance.		1
Statement of work (SOW)	Detailed description of the work which the PMU wants the contractor to perform.		1
Statutory information	Information specifically called for, collected, distributed, reported in accordance with legislation, e.g., a statement of the financial transactions of the fiscal year as part of the public accounts, as required by the financial administration act.		1
Stock	Material maintained on hand at various storage points in a supply system to meet anticipated demands.	inventory	1
Stock control	1. Continuously evaluating and arranging for receipts of supplies and issues from stores to ensure that stock balances are adequate to support the current rate of consumption. 2. Process of maintaining inventory data on the quantity, location, and condition of supplies and equipment due-in, on-hand and due-out, to determine quantities of material and equipment available and/or required for issue and to facilitate distribution and management of material.	inventory control	1
Stock item	Material carried at storage point(s) in a supply system to meet anticipated demands.		1

Stock Keeping Unit (SKU) Storage	This refers to a methods of inventory control where all types of products are stored together because of some characteristic (such as brand, size, color, model) and must be stored and accounted for separate from other items.	
Stock level	The desired quantity of stock to be carried in inventory for a given item.	1
Stock location records	The records that indicate the location(s) of stocks in a storeroom or warehouse.	1
Stock on order	The quantity represented by the total of all outstanding replenishment orders.	1
Stock out	A condition in which there is a lack of sufficient inventory at hand to fill an order from a user.	1
Stock record	Information on the items in stock showing stock level position at a given time.	1
Stock usage/turnover rate	The historic rate at which a stocked item is used, based on number of times the stock is issued to determine the annual (or periodic) turnover rate.	1
Stockless purchasing	A system whereby the procuring entity has no responsibility for inventory of the goods being purchased. The inventory is owned by the contractor and may be located at either the contractor's or the buyer's facility.	just-in-time procurement 1
Stocks	Quantities of materials which are ordered in excess of immediate needs and stored for future use; also known as inventory. Good practice is to minimize stock levels consistent with providing appropriate service levels to customers.	
Stocktaking	The procedure of counting and reconciling actual holdings against stock records.	1

Storage	1. The act of storing, or state of being stored in a designated storage place for safekeeping. 2. A holding area for supplies until they are redistributed to a using agency 3.Managing stockrooms, warehouses and stockyards, operating handling and storage equipment, safekeeping and protecting stock 4.A function of warehousing which involves the receipt of an item, putting it away for safekeeping and subsequent retrieval when required for use, sale, or disposal.		1
Storage cost	The costs associated with the physical storage of inventory. This would include the cost of the physical space dedicated to the inventory, as well as storage equipment (racking, shelving) used to store the inventory.	Carrying cost	35
Storage life	Shelf life.		1
Stores accounting	The act of recording the details of stock movements and balances in value.		1
Stores management	To provide for the efficient storage and handling of goods to be redistributed to the using agencies.		1
Straight bill of lading	A bill of lading or contract which provides for direct shipment to a consignee.		1
Strategic alliances	Agreement for cooperation among two or more independent firms to work together toward common objectives. Unlike in a joint venture, firms in a strategic alliance do not form a new entity to further their aims but collaborate while remaining apart and distinct.		42
Strategic plan	A broadly-defined plan aimed at creating a desired future.		3
Strategic planning	A systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them		

Strategic procurement	Long-range plans for ensuring timely supply of goods and/or services that are critical to ' firm's ability to meet its core business objectives.	3
Strategic sourcing	A method of managing procurement processes for an organization in which the procedures, methods, and sources are constantly re-evaluated to optimize value to the organization. Strategic sourcing, which is considered a key aspect of supply chain management, involves elements such as examination of purchasing budgets, the landscape of the supply market, negotiation with suppliers, and periodic assessments of supply transactions.	42
Subcontract	A contract with another business entity entered into by a prime contractor or another subcontractor to obtain supplies, services, or construction items of any kind under a prime contract.	1
Subcontractor	A business entity holding a subcontract with a prime contractor.	1
Subject to prior sale	A clause frequently inserted in quotations for spot purchases, that the would-be buyer may purchase the goods provided they have not been sold elsewhere in the meantime.	1
Submission	The reply received from a supplier to bidding documents issued by the buying organisation. The Submission constitutes a firm offer from the Supplier to fulfil the requirements set forth by the organisation in the Bidding Documents. The Submission can be in the form of a Quotation, a Bid, or a Proposal, depending on the type of Solicitation Document issued (e.g. RFQ, ITB or RFP).	27
Sub-order release	Draw off order.	1

Subrogation	The substitution of one person in place or another, whether as a creditor or as the possessor of any lawful right, so the substituted person may succeed to the rights, remedies, or procedures of the original person.	1
Substitute item	Equivalent items.	1
Substitution of experts	Implies replacing experts who were originally in the proposal that is successful, but due to circumstances not foreseen at the time of preparing the proposal.	42
Sufficiency of tender	Whilst a bidder/contractor should not price his tender solely on the basis of the quantities stated in the Bills of Quantities, the Employer has a responsibility for the accuracy of that Bill of Quantities.	43
Supplemental agreement	Any contract addendum or modification accomplished by the mutual action of both parties.	1
Supplementary delivery instructions	An "attention" remark that is part of the normal consignee code address in the customer address directory.	1
Supplier	The person or business unit actually performing services, or manufacturing, producing, or shipping supplies required by the contract. contractor, vendor	1
Supplier Audit/Review	This is an assessment of the supplier's organisational management systems covering key supply chain risk areas, documented policies and processes with the aim of ascertaining adherence to the agreed contractual terms and conditions. It's also referred as vendor audit.	42
Supplier development	A systematic organizational effort to create and maintain a network of competent and pre-qualified vendors. partnering	1

Supplier development	A systematic organizational effort to create and maintain a network of competent and pre-qualified vendors.		
Supplier evaluation	Objective analysis of vendors by evaluating past performance, used with current vendors or as a preliminary assessment of new vendors; an evaluation of any or all the capabilities of a supplier that pertain to its competence as a source of supply. Vendors are usually evaluated on their technical quality, delivery, service, cost, and managerial capabilities.	approved list, approved source list, qualified products list	1
Supplier identification	This is the process or method through which prospective vendors of materials/services are identified. Identification may be through e.g. referral by other procurement professionals, the yellow pages, market surveys and through the internet (supplier journals).		42
Supplier lead time	The time that normally elapses between the times an order is received by the vendor and shipment of the material.		1
Supplier performance report	A report of vendor quality, delivery and service performance over a financial Year.	supplier evaluation	1
Supplier Relationship Management	This is a set of principles, processes, and tools that can assist organizations to maximize relationship value with suppliers and minimize risk and management of overhead through the entire supplier relationship life cycle. Supplier Relationship Management focuses on having clear commitment, understanding, agreeing, and whenever possible, strengthening the interactions between the supplier and the buyer. It's also referred as Vendor Relationship Management.		
Supplier stocking	Just-in-time purchasing, stockless purchasing.		1

Supplies	All property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land.	1
Supply centre/depot	A specialized facility designed, equipped, and manned to perform the warehousing function and conduct other supply activities, particularly those associated with the maintenance of stocks.	1
Supply Chain	Entire network of entities, directly or indirectly interlinked and interdependent in serving the same consumer or customer. It comprises of vendors that supply raw material, producers who convert the material into products, warehouse the stores, distribution centers that deliver to the retailers and retailers who bring the product to the ultimate user.	3
Supply Chain Integration	This is a supply chain strategy that focuses on coordination and linking up of all elements of a supply chain from raw material to finished product, suppliers to customers through real time sharing of information in order to achieve higher levels of overall performance and reduced cost.	
Supply Chain Management (SCM)	Management of material and information flow in a supply chain to provide the highest degree of customer satisfaction at the lowest possible cost. It requires the commitment of supply chain partners to work closely to coordinate order generation, order taking, and order fulfilment. They thereby create an extended enterprise spreading far beyond the producer's location.	3

Supply Market survey	An attempt to determine whether there are qualified sources capable of satisfying the specific requirement for supplies, services, or construction; may range from written or telephone contacts with knowledgeable experts regarding similar requirements, to consultation of technical and scientific journals, to solicitations for information or planning purposes only.	1
Supply method	The method used to acquire the required goods or services, such as requests for proposals, competitive bids, quotations, or self-serve stores.	1
Supply voucher	A document used to obtain material items from stock. Usually used to obtain consumable items.	1
Surety	An individual or corporation legally liable for the debt, default, or failure of a principal to satisfy the obligations of a contract.	bond, bid deposit 1
Surplus material	Material for which there is no known requirement by the custodian, although it may have future use for another. Material items which have been declared "surplus" are treated as candidates for transfers, loans or disposals.	1
Surplus property	Property in excess of the needs of an organization and not required for its foreseeable need.	1
Surplus supplies	Any items no longer having any use to the procuring entity, including obsolete supplies, scrap materials, and non-expendable supplies that have completed their useful life.	1
Surveillance	The continuing analysis and evaluation of records, methods, and procedures, including the act of verification, to assure conformance with technical requirements.	1

Survival Clause	This is a contract clause that is intended to continue after the contract is terminated. The clause survive because it contains obligations that both parties would wish to continue after lapse of the contract such as both parties agreeing to respect the other’s confidentiality post-contract termination.		
Suspension	The temporary exclusion of a person or company from participating in a procurement activity because of previous illegal or irresponsible action.	debarment	1
Sustainability	In the context of operating a business, taking into account the social, environmental and economic impacts of business activities to make sure today’s needs can be met without compromising the needs of future generations. Examples of sustainable business practices include building efficiently, minimising waste, and maximising resources.		
System infrastructure	The fundamental enabling structure upon which a system operates, including the technology platform, software and other standards, shared services, management support and capabilities.		1
Systems analysis	The process of analysing existing systems for the purpose of evaluating possible improvements in methods and procedures.		1
Systems contract	A contract that establishes a source of supply for a specified period for a large group or related family of materials, a method of procurement designed to improve reordering of materials used repeatedly. Contract usually includes a catalogue with a list and description of items that can be purchased.	blanket order, schedule contract, term contract	1
Tabulation of bids	The recording of bids and bidding data tabulation of items offered prices, delivery schedules, etc., submitted in response to a solicitation for purposes of comparison, analysis, and record keeping.		1

Tare	The weight of an empty container and the material used for packing its contents.		1
Tare Weight	The actual, computed or estimated weight of a substance obtained by deducting the weight of the empty container from the gross weight of the full container.		27
Tariff	This is a tax imposed on imports or exports.	Customs, duty	1
Tariff Schedule	1. A schedule containing the rate, rules and regulations under which carriers handle the transport of goods or people. 2. A schedule of duties imposed on imported or exported goods.		1
Task Order (TO)	Supplementary contractual and obligating document that usually includes task description, and is used in task type contracts.		3
Task Order contract	A contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks during the period of the contract.	Delivery order contract.	1
Tax compliance	The state of having satisfied the tax obligations relevant to a business entity or individual.		1
Technical Evaluation	Analysis of the provisions of a bid or offer based on technical suitability of equipment, material, product, process, or system for the intended objectives usually for the purpose of comparing the strengths and weaknesses of the bids received based on the requirements and criteria set forth in the invitation for bids.		4
Technical specifications	Specifications that establish the material and performance requirements of goods and services.		1

Telephone quotation	A quote received over the phone for prices and terms applicable.		1
Tender	An offer (written or electronic) that is submitted in response to an invitation from a procuring entity.		1
Tender closing	The date within which a client requires tenders to be submitted by tenderers.	Due date, closing date	1
Tender closing time	The time and date that the Tender Responses must be lodged as detailed in the relevant tender documentation.		1
Tender evaluation	An objective analysis of the tender using the set criteria contained in the bidding document to determine the most responsive bidder.		27
Tender security	The proportion of the amount of the value of contract submitted with the tender documents to safeguard the interest of the procurement entity during the tender validity period and it can take the form of cash; bank guarantee; such insurance company guarantee as may be approved by the authority or a letter of credit.	Bid bond, Bid Security, tender bond	4
Tender validity	Period when a valid contract can be entered into for a specific tender in relation to its content and conditions offered:		27
Term contract	A contract in which a source of supply is established for a specified period of time for specified services or supplies; usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price.	Requirements contract. Schedule contract, systems contract. blanket order, open end contract	1
Termination for convenience	Action by which the purchasing entity, in accordance with contract provisions, unilaterally cancels all or part of the contract work for the best interest of the	cancellation request	1

jurisdiction, and with no reflection on the contractor's performance.

Termination for default	Action by which the purchasing entity, in accordance with contract provisions, unilaterally cancels all or part of the contract work due to the contractor's failure to perform in accordance with the terms of the contract.		1
Terms and conditions	All language in a contract, including applicable standard clauses and special provisions; the rules under which all bids must be submitted, and the stipulations, applicable to most contracts, often published by purchasing authorities for the information of all potential bidders.	boilerplate, trade terms	1
Terms of contract	Stipulations made in contracts.	Clauses	1
Terms of payment	The methods of payment under a sales contract, such as cash payment or open account purchase or Credit payments		1
Terms of references (TORs)	Describe the purpose and structure of a project, committee, meeting, negotiation, or any similar collection of people who have agreed to work together to accomplish a shared goal.	The project charter.	42
Testing	That element of inspection that determines the physical, chemical, performance properties, and functional operation of items, or components thereof, using established scientific principles and procedures.		1
Threshold	Ceiling above which an authorized officer is not permitted to approve a purchase.		42
Threshold matrix	Guidelines determining a procurement method and assignment of responsibilities	<i>See first schedule of PPDR.</i>	8

based on the floor and ceiling of procurement value.

Time based contract	This type of contract is appropriate when it is difficult to define the scope and the length of services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required attaining the objectives of the assignment is difficult to assess. This type of contract is widely used for complex studies, supervision of construction, advisory services, and most training assignments. Payments are based on agreed hourly, daily, weekly, or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and/or agreed unit prices. The rates for staff include salary, social costs, overhead, fee (or profit), and, where appropriate, special allowances.	42
Time frame	The time period used or planned for a particular action or project.	2
Time-and-materials contract (T&M)	A contract which provides for the acquisition of supplies or services on the basis of direct labor hours at specified, fixed, hourly rates that include wages, overhead, profit, and general and administrative expenses, and materials at Cost.	1
Timetable	The stages of the research project in timeline, spreadsheet or tabular format, and the deadlines for completion of these stages or tasks. It includes any challenges to completion that you anticipate facing.	2
Title	The instrument or document whereby ownership of property is established.	1

Token bid	A perfunctory offer submitted by a bidder with no serious intent of being the lowest bidder; usually submitted when the bidder wishes to maintain eligibility on the bidders list, or as a collusive device.	1
Tolerance	A specified allowance for variation in weight or other measurement; the range of allowable deviation within which an item or service is classified as acceptable.	1
Tort	A civil wrong recognized by law as grounds for lawsuit, other than a breach of contract, such that the law permits compensation for damages.	1
Total hours	Total number of actual working hours for which services are required.	1
Total Quality Management (TQM)	An organization-wide, comprehensive management approach, integrated effort toward improving quality performance using continuous process improvement; integrates fundamental management techniques, quality improvement efforts, and technical and statistical tools under a disciplined approach focused on increased customer satisfaction.	1
Total supply	A concept of purchasing, the objective of which is to plan in advance and provide for the broadest scope of purchasing and purchasing-related activities as possible to minimize costs, increase managerial effectiveness, and improve operational efficiency. It is concerned not only with ordering, but also with requirements planning, logistics, and general procurement management.	1
Trade acceptance	A non-interest-bearing contractual agreement, negotiable bill of exchange or draft covering the sale of goods, drawn by the contractor and accepted by the purchaser; may include the purchaser's specifications on place of payment, amount due at a specified date.	1

Trade discount	A discount or reduction from a list price based on the position of the purchaser in the distribution channel, for example as distributor, retailer, or original equipment manufacturer.		1
Trade secret	Any aspect of a business or its operations which is known only to the manufacturer by which a business can obtain an economic advantage	proprietary article	1
Trade terms	The broadest classification applicable to purchase transactions with reference to understandings between buyer and vendor, either as to the meanings of certain abbreviations, words, or phrases, or to customs applicable to transactions as established by agreement between the parties, or as established by general usage.	terms and conditions	1
Trade-in value	The value obtained when trading one piece of equipment for another.		1
Trademark	Any sign, symbol, mark, word, or arrangement of words in the form of a label that is adopted and used by a vendor to designate particular goods; if registered, no other person has the legal right to use it.		1
Trade-off analysis	The process of determining the best course of action by weighing the advantages and disadvantages associated with alternatives. The selected course usually involves a compromise with some resource (time) traded off for another (money).	make-or-buy decision	1
Trade-offs	Is a situation that involves losing one quality or aspect of something in return for gaining another quality or aspect		42

Training Needs Assessment	A detailed systematic assessment of the training requirements of a procurement management unit in terms of 1. Number of trainees 2. Their educational and professional background 3.Their present level of competence 4.The desired behaviour or skill level acquired at the completion of training, level of effort and job requirements.	1
Transfer	Anything given to another person or organization with no expectation that it will be returned. When a material item is transferred custodial control is also transferred to the receiving officer.	1
Transit charges	Charges made for services rendered while a shipment is in transit to cover costs incurred in serving a shipper with transit privileges.	1
Truckload (TL)	1. A quantity of freight to which truckload rates apply or a shipment tendered as a truckload. 2. A highway truck or trailer loaded to its carrying capacity.	1
Turnkey project:	In construction procurement, a requirement whereby the contractor is responsible for the entire project including designing the project, contracting for construction and then furnishing the structure.	1
Turnkey system	The term is mostly used in Information Technology where a vendor is responsible for the hardware, software and support.	1
Turnover	1. The number of times that various assets, such as personal and raw material or other items of inventory, are replaced during a stated period, usually a year. 2. The number of times a particular stock of goods is sold and restocked during a given period of time.	1

Two stage Procurement	A combination of competitive procedures designed to obtain benefits of sealed bidding when adequate specifications are not available. May also be applied to a request for proposal negotiated procurement. Step one consists of a request for technical proposals, evaluations and discussion without pricing, and the selection of bidders whose proposals are considered most acceptable; step two consists of the submission of sealed priced bids by those who submitted acceptable technical proposals in step one. (Harney, 1992)	42
Two-bin system	An inventory control fixed order system in which identical stock is stored in two separate bins, with the stock in the second bin equal to that calculated for the order point. Withdrawals are made from the first bin and a requisition to replenish the supply is generated when that bin is emptied.	1 stock control, periodic inventory control system, perpetual inventory control system, optional replenishment inventory control system, Kanban.
Two-stage procurement	A combination of competitive procedures designed to obtain the benefits of sealed bidding when adequate specifications are not available. Step one consists of a request for technical proposals, evaluations and discussions without pricing, and the selection of bidders whose proposals are considered most acceptable; step two consists of the submission of sealed priced bids by those who submitted acceptable technical proposals in step one.	1
Tying arrangement	A vendor-imposed restraint in which the purchaser is forced to buy an unwanted item in order to acquire the desired one.	1
Ultimate cost	Life cycle cost.	1

Ultra vires action	An action which is beyond the powers granted by authority or by law to perform.	1
Unallowable cost	Any cost which, in accordance with pertinent laws or regulations, cannot be included in prices or cost-reimbursements under a contract to which the cost is allocable.	1
Unfinished goods	Items that are used to produce finished goods items. Unfinished goods are often called components, ingredients, raw materials, semi-processed materials, and subassemblies.	35
Unfulfilled obligations	The state of being behind in fulfilling obligations e.g. An unpaid, overdue debt.	43
Unilateral	An action/decision performed by or affecting only one person/group without the agreement of another/others	1
Unit	A standard or basic quantity into which an item of supply is divided, issued, or used, such as unit cost or unit of measurement.	1
Unit cost	The cost of a unit of product or service, found by dividing the total costs for a given period or operation by the number of units produced in that period or operation.	1
Unit of issue/measure of an item/order	The standard issue/physical measurement/count of an item/order quantity or measure of an item e.g. pound, pair or package, used for procurement, storage, and issue.	1

Unit of measure	Describes how the quantity of an item is tracked in the inventory system. The most common unit of measure is “cases,” meaning that each individual item is considered one unit. An item that uses “cases” as the unit of measure would be tracked by the number of cases rather than by the actual piece quantity. Other examples of units of measure would include pallets, pounds, ounces, linear feet, square feet, cubic feet, gallons, thousands, hundreds, pairs, dozens.	35
Unit of order	Order quantity, such as carton, box, bottle etc.	1
Unit price	The cost per unit of product or service.	1
United Nations’ Convention on Contracts for the International Sale of Goods (CISG):	The United Nations facilitated the development of a uniform body of law to govern contracts for the international sale of commercial goods. Commonly referred to as CISG, its objective is much like the Uniform Commercial Code, projected to the international level. The CISG does not apply to the purchase of services	
Unserviceable stores	Materials in store whose demand is low since they have outlived their usefulness. Such materials need to be disposed.	27
Unsuccessful bidder	A vendor whose bid was not accepted for reasons of price, quantity, or failure to comply with specifications.	1
Upgrade	To improve the functionality or to increase the value of equipment or service.	1
Urgent need	The need for goods, works or services in circumstances where there is an imminent or actual threat to public health, welfare, safety or of damage to property, such that engaging in tendering proceedings or other procurement methods would not be practicable.	8

Urgent procurement	Purchases compelling immediate action or attention.	Urgent need	8
Usage	The quantity of an inventory item consumed over a period of time expressed in units of quantity or of value in shillings.		1
Use tax	A tax imposed on the user of goods.		1
User	Individual/organization that uses the goods/services being procured.		8
User department	The department in a procuring entity which initiates procurement proceedings/Process		8
Validity of bids	Implies that the bids meet the terms and conditions of tendering.		3
Valuation	1. General: Appraising or estimating the worth of something having economic or monetary value. 2. Insurance: Determination/Judgment of the worth of the asset to be insured or that which has been damaged or lost. 3. International trade: Determination of the dutiable value of imports by the customs authorities.		3
Valuation method	Method by which the replacement cost of a piece of equipment is determined.		1
Value	The total amount of money spent on a contract while it's in force. It's also used as short hand for value for money		
Value added	The increase in the value of a product or service from a change in its form, location or availability, less the initial costs of the change		
Value analysis	An organized effort to systematically and critically analyze the function of systems, products, specifications, standards, practices, and procedures in order to satisfy the required function most economically.	requirements analysis	1

Value analysis	A systematic review of the design and other factors affecting the cost of an existing product or service to analyse whether it met the required quality and reliability standards at the lowest cost.		
Value engineering	A systematic method to increase the value of goods or services by either improving the function or reducing the cost		
Value for money (VFM)	A measure of quality that assesses the monetary cost of the product or service against the quality and/or benefits of that product or service, taking into account subjective factors such as fitness for purpose, along with whole-of-life costs such as installation, training, maintenance and disposal, and wastage.		
Value incentive contract	A fixed-price contract with a provision for rewarding the vendor for faster delivery or superior performance.	cost-plus-incentive fee contract, fixed-price-incentive fee contract	1
Value of increase or decrease	Value of the amendment increase (+) or decrease (-).		1
Valued policy	As used in fire insurance, an insurance policy in which the sum to be paid in case of loss is fixed by the terms of the policy.		1
Variation	A written agreement signed by both parties that changes any part of a contract between them.		
Vendor	1. One who sells goods or services; a supplier 2. Supplier who has entered into a contract to sell goods/services to a procuring entity either public or private. 3. Is an enterprise that contributes goods or services in a supply chain.		1
Vendor code	Code used to identify suppliers/Vendors used for the purchase orders		1

Vendor file	The accumulated record maintained by the PMU on a vendor, including information on the 'vendor's relationship with the procuring entity, application for inclusion on the bidders list, record of performance under contract, and correspondence.	1
Vendor Managed Inventory (VMI)	A form of outsourcing whereby a contract is initiated with a private business to manage and control the inventory of the public entity. The contractor is responsible for all inventory functions which may include re-ordering.	
Vendor rating	Measuring a supplier's performance against contract deliverables	1
Vendor supply point (VSP)	Representation of the geographic location at which goods are manufactured or, if not known, from which the goods are shipped by the vendor, or, in the case of services, where the services are mainly performed.	1
Vendor's lien	1. A seller's right to retain possession of property until payment for the property is recovered. 2. An implied lien given by law to a vendor for the remaining unpaid and unsecured part of a purchase price.	1
Virtual Supply Chain	This is a business model describing the dissemination of value-generating information services throughout an Extended Enterprise. This value chain begins with the content supplied by the provider, which is then distributed and supported by the information infrastructure; thereupon the context provider supplies actual customer interaction. It supports the physical value chain of procurement, manufacturing, distribution and sales of traditional companies.	42
Void	Without legal effect, unenforceable or not legally binding.	1

Volume discount	A reduction of price predicated on the size of an order or on the total annual volume.	1
Voluntary standards	Standards established and available for use by any person, private organization or governmental organization, generally established by voluntary participation of interested parties; includes industry standards and consensus standards, but does not include procurement professional standards mandated by PPDA and PPDR.	1
Voucher	A written instrument or documents showing that services have been performed or goods purchased and authorizes payment to be made to the vendor.	1
Waiver	This is a contract condition which is included in a contract if either party to a contract does not invoke a particular right or remedy in the event of a breach of contract, this condition prevents the other party from claiming that the right or remedy has been waived. Only written waivers will be binding on the waiving party.	Deferment
Waiver of bids	A process, usually statutory, whereby a government purchasing office may procure items without formal bidding procedures because of uniqueness of circumstances related to that procurement action.	1
Waiver of mistake or informality	The act of disregarding minor informalities, errors or technical nonconformities in the bid which will not adversely affect the competition or prejudice one bidder over another.	1
Warehouse	A structure/large Building used for the marshalling and/or storage of material to provide protection against theft, damage, or deterioration or before their export/distribution for sale.	1

Warehouse Bonded	1. A warehouse under bond to the government for payment of customs duties and taxes on goods stored or processed there. 2. A warehouse insured against damage or loss to goods stored there. 3. A warehouse in which goods may be stored prior to payment of duty. The operator of the warehouse can import and pay for the goods, but postpone paying local taxes or duties until the goods are on-sold.	Cu-toms - warehouse	1
Warehouse credits	Used for requisitioned supplies found to be in excess of requirements and which must be returned to the warehouse.	material credit	1
Warehouse receipt	An instrument or document showing that the signer has possession or proof of ownership of certain described goods for storage, and obligating the signer to deliver the goods to a specified person or to that person's order or bearer, upon return of the instrument.		1
Warehouse requisition	A document prepared by the user to request items from the warehouse.		1
Warehousing	The general performance of those physical and administrative functions incidental to and required in the conduct of the storage activity.		1
Warranty	The representation either expressed or implied that a certain fact regarding the subject matter of a contract is presently true or will be true; a promise that certain facts are truly as they are represented to be and that they will remain so, subject to any specified limitation.	Guarantee, breach of warranty, express warranty, full warranty, implied warranty, limited warranty	1
Wastage	Loss in handling, shrinkage or decay.		1
Waste disposal	The act of proper disposition of a discarded material in accordance with local environmental guidelines.		1

Waybill	A document prepared by a transportation line at the point of origin of a shipment, showing the point of origin, destination, route, consignor, consignee, description of shipment and amount charged for the transportation service and forwarded to the carrier's agent at transfer point or destination.	1
Weighting	The assignment of relative importance to each Evaluation Criterion so that a rating system can be used to assess whether each Supplier's Proposal meets or exceeds the minimum requirements of a Solicitation and to objectively compare it with other Suppliers'.	4
Wet Lease	A type of lease in which the lessee not only obtains the use of the asset, but the lessor also provides support services such as maintenance and staff.	27
Where is as is	Quoted in sale offers for (usually used) large equipment or lots, this term indicates that, in addition to as is restrictions, the buyer has to arrange removal and transportation	3
Wholesaler	A vendor who sells goods in large quantities, usually to others who will sell them in smaller quantities directly to users. retailer	1
Without prejudice	A term used in the negotiation process to indicate that a particular conversation or letter cannot be used as evidence in court.	
Women-Owned Business Enterprise (WBE)	A business of which a given percentage is owned or controlled by a woman. May also be entitled to minority classification by certain public entities. Also see Minority-Owned Business, Historically Underutilized Business (HUB), Economically Disadvantaged Individuals, Small Disadvantaged Business and MBE.	1

Work breakdown structure	A deliverable-oriented grouping of project elements that organizes and defines the total scope of the project. Each descending level represents an increasingly detailed definition of a project component. Project components can be products or services.	38
Work order	A purchaser's document setting out all terms and conditions of a repair/alteration transaction with a supplier (either sourced from commercial or in-house suppliers).	1
Work packages	A deliverable at the lowest level of the work breakdown structure. A work package can be divided into activities.	38
Work-in-process	Is the financial account that contains the monetary value of all inventory, labor, and overhead that has been issued to production but has not yet produced a finished product	35
Works	The construction, repair, renovation or demolition of buildings, roads or other structures and includes the installation of equipment and materials; site preparation; and other incidental services.	8
Work shift	One or more pairs of on/off working times that define the valid working periods within a single day.	38
Worn or damaged	Salvageable material, either scrap or waste, that may be sold or used as trade-in.	1
Write-down	The reduction of the recorded value of material as a result of conversion or change of conditions while in stock.	1
Write-off	1. The deletion from records of material due to shortage or loss by any cause. 2. A reduction in the value of an asset or earnings by the amount of an expense/loss	1

Youth	The collectively of all individuals in Kenya who have attained the age of eighteen years; but have not attained the age of thirty-five years.	5
Zero-based budgeting	An operation, planning and budgeting process in which each manager begins the budgeting period with no predetermined allocations and must justify all proposed expenditures.	1

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