

**How- to- Guide:**

**To access corporate supplier  
registration systems**

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## **CORPORATE SUPPLIER PROCUREMENT BASICS**

The concept of Corporate Procurement originated during the Industrial Revolution when it became necessary to accumulate and transport large quantities of materials between businesses. As the nature and scope of business evolved from a local to global perspectives, more sophisticated strategies emerged to help companies optimize their efforts around this function. While the overall process by which corporation obtains goods and services to support their business, remains fairly straight forward, its function is extremely involved and complex to effectively implement and manage. Consequently, establishing clear directives and governing policies to safe guard this process becomes a business imperative for large organization (see Appendix A for details). For the purposes of our discussion today, we'll define Corporate Procurement as:

***CORPORATE PROCUREMENT***—activities associated with corporations identifying and acquiring products or services necessary to meet the needs of their organization.

The range of activities involved in the Corporate Procurement process can vary widely between organizations to include: purchase planning, standards determination, specification development, supplier research & selection, value analysis, financing, price negotiation, purchasing, supply contract administration, inventory control, traffic, receiving, incoming inspection; salvage operations and disposals. As well as, requesting, ordering, auditing, and paying for goods and services.

Supplier Diversity Professional find themselves under tremendous pressure to make their Procurement Process run as efficiently as possible in order to maximize their spend dollars across a broad spectrum of business needs and suppliers. The following illustration will provide you an overview of the basic principles all Corporate Procurement systems adhere to:

### **The Basic Principles of Corporate Procurement**



- Define Procurement Goals
- Plan Contracting Activities
- Issue Bids/RFXs
- Select Suppliers
- Contract Management
- Contract Closure

## **CORPORATE SUPPLIER PROCUREMENT BASICS (Continued)**

As an M/WBE it is extremely important for you to develop a working understanding of the types of systems and processes Supplier Diversity Professionals must adhere to in order to bid out certain types of contracts. Corporations want suppliers who understand their business needs, service expectations and honor their Supplier Diversity initiatives by certifying with accredited agencies like SBS and registering through Supplier Diversity portals like **IBM free** Web-Based [Supplier Connection](#), portal to consolidate common processes. Registering through this portal provides you access to nine major corporations that are committed to using qualified M/WBEs in meeting their procurement needs.

While there are a wide range of Procurement models on the market today, we recommend you consider developing your procurement process around those concepts considered “Best In Class” to ensure that you organization realizes the highest level of Return-On-Investment possible. One such model available to you for consideration comes from Accenture Procurement BPO (see Appendix B for details).

### **REGISTERING AS A CORPORATE SUPPLIER**

To be considered a viable vendor to compete for Supplier Diversity opportunities with CAP Corporate Members you should be:

1. Registered on Supplier Diversity Portals;
2. A provider of a product or service within the Commodities group the Corporations are seeking Suppliers to bid on;
3. Able to verify that your business has the Capability, Cost Savings Advantage, and the Capacity to support long-term business needs.
4. A Certified M/WBE through an accredited certifying agency like SBS, WBENC or the NY NJ Minority Supplier Development Council.

If you've owned your business for any length of time, you know that many Corporations have their own Supplier Diversity database they prefer Suppliers to register through to make them aware of their services and products. Registering on these individual portals can be extremely time consuming and even more expensive if you pay someone else to execute this task for you. The aforementioned Supplier Connection portal allows you to register one time and have over eight corporate partners' access your company's information and registration data.

The following screen shot is provided as a point of verification that you've accessed the correct portal (See Appendix C for details):



## ACQUIRING A CORPORATE CONTRACT

As important as it is to develop a working understanding of the types of systems and processes Supplier Diversity Professionals must adhere to in order to bid out a contract, it is even more important to understand how Corporation decide what products and services are necessary for them to create in-house and which make more sense to outsource to external Suppliers. Without this understanding you won't be able to effectively respond to Supplier Diversity Professionals in a way that demonstrates you understand the business drivers that are creating the opportunities that you're pursuing. Accenture has an excellent Procurement Model that explains this process in great detail (See Appendix D for details).

The following illustrates provides an overview of the factors that guide Supplier Diversity Professionals in their decisions to 'Make or Buy' a particular product or service:



Another great tool that you should also have in your tool box, to help guide you through these conversations and processes, is a comprehensive Capabilities Statement. Your Capabilities Statement will contain all the pertinent information about your business, function as handy marketing tool during networking events and serve as a constant reminder of your personal standard for excellence.

If you don't already have one, the template on the following page will guide you in the creation of your own Capabilities Statement. (See the Appendix E for a completed sample.)



# Corporate Alliance Program

## CAPABILITITES STATEMENT (Template)

<b>ABC Company</b>	Contact Information
Logo	
Tag Line	<b>CAPABILITITES STATEMENT</b>
<i>MWBE Certified Organization</i>	

**Company Overview:**  
*(Insert summary on business purpose, origin and certifications.)*

**Services:**  
*(Explain competitive advantages to doing business with you and list core services provided in bullets.)*

**Contract Client List:**  
*(List names of agencies that you hold contracts with in alpha order.)*

- Client 1
- Client 2
- Client 3
- Etc.

**Client List:**  
*(List names of corporate clients in alpha order.)*

- Client 1
- Client 2
- Client 3
- Etc.

**Company Information:**  
DUNS# 123456789  
EIN# 12-3456789

**Key Personnel:**  
First, Last Name, President  
First, Last Name, VP of Sales

**M/WBE Certifications:**

- NYC Dept. of Small Business Services
- NYMSDC
- WBENC

**Company Designations**

**NAICS Codes:**  
123456 – Title  
789012 - Title  
987654 - Title  
Etc.

**SIC Codes:**  
1234 - Title  
5678 - Title  
9012 - Title  
Etc.

**NIGP Codes:**  
123-45-67 Title  
123-45-67 Title  
123-45-67 Title  
Etc.

**Contact:**  
First & Last Name, Account Manager  
eMail Address  
Phone (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX  
Cell: (XXX) XXX-XXXX

## CAP MEMBER COMPANIES

There are 12 CAP Corporate Members generously supporting this initiative through the commitment of their time, funding and intellectual capital. Our CAP Corporate Members include:

1. Accenture
2. American Express Company
3. AXA/Equitable
4. BNY Mellon
5. Citi
6. Colgate-Palmolive
7. Columbia University
8. Con Edison
9. Credit Suisse AG
10. Goldman Sachs
11. IBM
12. National Grid

Following is an overview of their committed to supporting M/WBE business development initiatives and their requirements for pursuing Supplier Diversity opportunities in their organizations:



Accenture is a global management consulting, technology services and outsourcing company, with approximately 211,000 people serving clients in more than 120 countries.

**Program:** [US Supplier Diversity Program](#)

### FROM THE ACCENTURE WEBSITE

Accenture's US Human Capital & Diversity initiative has established its [US Supplier Diversity Program](#) to develop and expand relationships with minority-owned, women-owned, small and other growing businesses.

In 2006, Accenture launched a mentoring program between Accenture executives and diverse suppliers. Participants learn about Accenture's strategic goals, current and future business needs and create strategic plans within their businesses. The meetings provide participants with an opportunity address key challenges in running and growing their businesses.

Program principles:

- Tailor interaction for each individual, based on the needs of the supplier with the expertise of the mentor.
- Focus on key performance indicators that result in mutual benefits for program participants.
- Evolve and expand the program based on formal assessment by all participants.
- Accept responsibility to actively participate and share learnings.



# Corporate Alliance Program

## Corporate Procurement Process:

Accenture requests suppliers to be certified by any accredited certifying agency but recommend the following:

- [National Minority Supplier Development Council](#) (NMSDC) and its regional affiliates.
- [Women's Business Enterprise National Council](#) (WBENC) and its regional affiliates.
- [National Gay & Lesbian Chamber of Commerce](#) (NGLCC)
- [Small Business Administration](#) (SBA)
- Other Government Agencies (State or National level)
- Public Utilities Commission
- Department of Commerce
- Department of Economic Development
- Department of Transportation

## Registration:

- [Register](#) for an account. For registration questions, see the [user guide](#).
- Please be as thorough as possible when completing the supplier profile, including uploading any brochures and/or certifications.
- You will receive a username and password and can visit the Accenture Supplier Portal at any time to update your company information.



**Contact:** [supplier.portal.application@accenture.com](mailto:supplier.portal.application@accenture.com)



# Corporate Alliance Program



American Express Company is a leading global payments, network and travel company founded in 1850.

**Program:** [American Express Corporate Supplier Diversity & Business Development initiative](#)

## FROM THE AMERICAN EXPRESS WEBSITE

American Express is committed to developing mutually advantageous business relationships with small businesses and firms owned and operated by minorities, women and the physically challenged. American Express seeks the best valued, highest quality products and services by encouraging competition among all suppliers.

### Corporate Procurement Process:

To be considered under American Express's supplier diversity initiative, firms must be certified by an official certification agency. Certification documents from the following qualified agencies are acceptable:

- [National Minority Supplier Development Council](#) (NMSDC) or its affiliates
- [National Association of Women Business Owners](#) (NAWBO) or its affiliates
- [Women's Business Enterprise Council](#) (WBENC) or its affiliates
- [US Pan Asian American Chamber of Commerce](#) (USPAACC)
- [United States Small Business Administration](#) (SBA)
- City, State, or Federal Certification Agencies

### Commodities purchased:

American Express has a broad array of buying needs with requirements that can vary greatly depending on location, operation and/or business. Below are a sampling of goods and services currently procured from diverse suppliers:

- Equipment
- Facilities
- Marketing
- Office Supplies
- Operational Services
- Printing
- Professional Services
- Staffing
- Technologies
- Telecommunications

To be eligible to participate in the American Express supplier diversity initiative the company must be 51% minority or women-owned, the owners of record must operate and control the business and the business must be certified by one of the mentioned certifying agencies.

### Registration:

Qualifying businesses are encouraged to register their interest in doing business with American Express as a minority or women-owned business. The following are the **three simple registration**



# Corporate Alliance Program

**steps:**

1. Download the [supplier registration form](#). Note: This form is NOT an application to have the company listed in the American Express B2B Directory. See the [B2B Directory](#) for more information.
2. Provide proof of company's diverse status, by submitting a copy of current certificate from one or more certifying agencies listed in section "certification requirements."
3. E-mail/mail completed Supplier Profile Form and copy of diverse status validation (Certification) to:

Corporate Supplier Diversity & Business Development  
American Express TRS Co., Inc.  
20002 N 19th Ave  
Phoenix, AZ 85027  
M/S 50-01-13  
[supplier-diversity@aexp.com](mailto:supplier-diversity@aexp.com)





In business since 1859, AXA Equitable Life Insurance Company (formerly The Equitable Life Assurance Society of the United States), headquartered in New York, NY, is a leading financial protection company and a premier provider of life insurance, annuities and related financial services.

**Program:** [Supplier Diversity Program](#)

## FROM THE AXA EQUITABLE WEBSITE

The AXA Equitable supplier diversity program was started in 2005 within the Corporate Sourcing and Procurement (CSP) department, with the goal of providing diverse businesses with more opportunities to participate in and partner with us in our business activities.

Today, we track and report on the following diverse suppliers:

- Woman-Owned Business Enterprises (WBEs)
- Minority-Owned Business Enterprises (MBEs)
- Veteran-Owned Business Enterprises (VBEs)
- Disabled Veteran-Owned Business Enterprises (DVBES)
- Gay, Lesbian, Bi-Sexual & Transgender-Owned Businesses (GLBT)

Through our second tier supplier diversity program, we also seek to work with suppliers who demonstrate support of our efforts by extending opportunities to diverse suppliers to the best extent possible.

We take a holistic view of the diversity of our suppliers, also taking into account their workforce diversity.

We are proud to be active partners of the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), New York Region of Women President's Educational Organization (WPEO) and the New York/New Jersey Minority Supplier Development Council (NY/NJ MSDC).

## Certification Requirements

To preserve the integrity of the Supplier Diversity Program, we request that our U.S.-based diverse suppliers provide verification of ownership and control through a third party certification agency. Recognized certification agencies are:

- [National Minority Supplier Development Council](#) (NMSDC)
- [Women's Business Enterprise Council](#) (WBENC)
- [National Gay & Lesbian Chamber of Commerce](#)
- [Small Business Administration](#) (SBA) for service disabled, veteran-owned status
- Other certification agencies (i.e. city and county agencies) will be considered on a case-by-case basis.

## Corporate Sourcing & Procurement (CSP)

The Corporate Sourcing & Procurement (CSP) team is responsible for purchasing goods and services for AXA Equitable. We set high standards of performance for our company, and the products and services we offer. We also expect the same from our suppliers and appreciate suppliers who can provide quality offerings and help us continuously look for ways to help us lower our costs, while maintaining a strong customer focus. We look to partner with suppliers who have:

- Quality processes
- The ability to provide innovative business solutions
- Competitive and value-added capabilities
- A proven track record and trustworthy references
- Good financial standing
- An understanding of our business
- Technological capabilities

Although AXA Equitable's purchasing needs vary from time to time, the following tend to be procured by CSP:

- Building Services (appliances, architects, artwork, cabling, construction, flooring, lighting, locks, mailboxes, movers, painting)
- Consulting and Outsourcing Services
- Graphic & Audio Visual Services
- Human Resource Recruitment Services
- Legal Services
- Printing
- Production Services (creative and production support for meetings/events/videos)
- Software Services (niche – e.g. e-learning tools, compliance software, records management systems – imaging & workflow initiatives)
- Telecommunications Accessories
- Training & Education
- Translation Services
- Underwriting Services (lab/paramedical services, attending physician statements, etc)

## How To Do Business With AXA Equitable?

1. Take a realistic look at your company's offerings and determine where you would be most competitive, and what unique value your organization can bring in doing business with AXA Equitable.
2. Let us know about these offerings by registering your interest in doing business with AXA Equitable. Complete this Supplier Registration Form (SRF) and submit it by e-mail to [supplier.registration@axa-equitable.com](mailto:supplier.registration@axa-equitable.com). Registration is not a guarantee of future business but if your company provides viable offerings, the information will be uploaded to a Supplier Diversity Database which allows CSP procurement professionals to match interested diverse suppliers with internal needs as they come up.



## Corporate Alliance Program

Once the SRF has been received, a CSP representative will review the information to determine if there is an immediate opportunity.

If there is a potential opportunity and your company is proven to be qualified and capable, a CSP representative will reach out to you. Your company may then be included on a bid list or added as an approved supplier. Contracting and procurement decisions are at the discretion of AXA Equitable.

Contact:

Send an email to [supplier.registration@axa-equitable.com](mailto:supplier.registration@axa-equitable.com) for questions regarding Supplier Diversity, the supplier selection process or completing the Supplier Registration Form.





**BNY MELLON**

BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets.

**Program:** [Supplier Development Program](#)

## FROM THE BNY MELLON WEBSITE

BNY Mellon believes in forging strong supplier relationships. BNY Mellon relies on their suppliers for a multitude of products and services to support all of their business lines and affiliates. In the financial services arena — just as in the manufacturing industry — developing sound supplier relationships helps to improve performance and market position.

BNY Mellon is interested in the value you can bring to BNY Mellon. BNY Mellon not only wants to know what products and services you offer, BNY Mellon wants to be sure their relationship will be a good fit for both your business and theirs.

The information here will help define BNY Mellon's expectations of suppliers, including ways you can communicate your company's value proposition to BNY Mellon. You will also find a definition of BNY Mellon's sourcing philosophy, including the process BNY Mellon employs to achieve BNY Mellon's goals as well as general information about BNY Mellon's Company.

- [A Supplier's Guide to BNY Mellon](#)
- [Supplier Profile Form](#)
- [Supplier Development Program](#)
- [Ethics](#)
- [Contact Information](#)

**Corporate Procurement Process:** [Registration](#)

For step-by-step guide to creating an account, please check the [BNY Supplier Guide](#).

Registration in the Supplier Profile Portal will:

After you have registered, you will receive an email confirmation of your registration. BNY Mellon will contact you regarding next steps only if opportunities exist that match your company's products and/or services. *Registration of your company in the Supplier Profile Portal is not a guarantee that BNY Mellon will select your company as a supplier.* [Add your company's profile:](#)

If you are visiting the BNY Mellon Supplier Profile Portal for the first time, you will need to have your company's contact information and tax ID number available to register. After you register your company, you will be prompted to complete the Supplier Profile which requires the following information:



# Corporate Alliance Program

- Your company's history, locations, and capabilities
- A listing of products and services
- Industry classification and product service codes (NAICS/SIC/UNSPSC)
- Diversity classifications and certifications (if applicable)
- References

## Contact:

### PITTSBURGH

Two BNY Mellon Center  
Suite 153-1900  
Pittsburgh, PA 15259-0001  
412 234 5530  
412 234 5530  
supplier.info@bnymellon.com

### NEW YORK

101 Barclay Street  
9 West  
New York, NY 10286

### LONDON

The Bank of New York Mellon  
Centre  
160 Queen Victoria Street, E110  
GDO  
London EC4V 4LA  
United Kingdom

Non-US companies should contact [BNY Mellon](#) for a supplier profile form.

### Update your company's profile:

If your company is already registered in BNY Mellon's Supplier Portal, BNY Mellon encourages you to update your Supplier Profile at least once a year or as changes occur within your company. Returning registrants may login at any time using their existing user name and password.





Citi is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets.

## FROM THE CITI WEBSITE

[Citi Supplier Diversity Program FAQ](#) and [subcontracting](#) information.

The Citi Supplier Diversity Program works to create mutually beneficial business relationships with diverse suppliers that strengthen the communities Citi serves and create value for their shareholders. The primary thrust of this program is to provide maximum opportunity to diverse suppliers and consultants who satisfy Citi's purchasing and contractual standards. Sourcing areas of the corporation are encouraged to identify and include diverse suppliers and consultants in the procurement process.

Citi's search for diverse suppliers is not limited to those suppliers who already meet purchasing and contractual requirements. A secondary objective of the program is to provide technical and managerial assistance that will help suppliers meet Citi's criteria. With this assistance, Citi hopes to give more diverse suppliers access to corporate buyers.

Citi is committed to assisting diverse suppliers in their growth and development on a long-term basis. Today, Citi Supplier Diversity encompasses all of Citi's businesses in the United States. The Supply Diversity Program is responsible for supporting and encouraging each business group in the effort to identify and include diverse suppliers and consultants in their purchasing activities. The Supplier Diversity Program maintains a list of diverse suppliers, seeks additional suppliers for referral to purchasing areas, and secures the technical and managerial assistance needed to help qualify diverse suppliers.

### **Corporate Procurement Process:**

Here are a few basics for initiating the process with Citi's Supplier Diversity Program:

- Complete the [Supplier Diversity Program – Supplier Profile](#) Form and return it to Citi Supplier Diversity. The Supplier Profile Form was developed to provide us contact information for your business and to provide Citi's Supply Base Managers with basic information about your company.
- Send Citi Supplier Diversity a copy of your third-party certification documentation.
- If your product or service is needed at present, a Citi purchasing professional will contact you with information regarding the next steps and other pertinent details.
- If there is no present need for your product or service, your information will remain in Citi's files for future requests from Citi's purchasing professionals.

## Additional Positive Factors:

- Competitive and value-added capabilities
- Proven track record and trustworthy references
- Good financial standing
- Quality processes
- Electronic Data Interchange (EDI) or E-commerce for product purchases and payments
- Core competency in supplier's line of business
- Understanding of Citi's business
- Ability to market the company aggressively
- Ability to provide multiple services and serve multiple customers
- Technological capabilities
- Fulfillment of Occupational Safety and Health Administration (OSHA) product and service safety standards
- Third-party certification as diverse supplier

### Contact:

**Ilonka (Javette) Hines**

SVP/Manager, Citi Supplier Diversity

**Deloris Day Johnson**

AVP, Citi Supplier Diversity

**Ann E Musselman**

Senior Officer, Citi Supplier Diversity

**Chris Davis**

Manager, Citi Supplier Diversity

111 Wall Street, 18th Floor

New York, NY 10005

[SupplierDiversityUS@citi.com](mailto:SupplierDiversityUS@citi.com)





**COLGATE-PALMOLIVE COMPANY**

Colgate-Palmolive is a global consumer products company, focused on oral care, personal care, homecare and pet nutrition.

**Program:** [Supplier Diversity](#)

**FROM THE COLGATE-PALMOLIVE WEBSITE**

The Supplier Diversity initiatives are designed to reach out to minority-owned and women-owned businesses, build supplier diversity and develop mutually beneficial supply relationships.

The Supplier Diversity team strives to foster supply relationships with minority-owned and women-owned businesses which will:

- Meet or exceed the expectations of Colgate-Palmolive stakeholders for quality, speed, innovation and cost effectiveness, and
- Contribute to the Colgate-Palmolive corporate objectives of Driving Growth, Funding Growth, and Becoming the Best Place to Work.

**Corporate Procurement Process:**

**Supplier Opportunities:**

Colgate has continuing requirements for the following goods and services:

- |                                       |                          |
|---------------------------------------|--------------------------|
| • Car Service                         | • Information technology |
| • Catering                            | • Investment management  |
| • Chemicals                           | • Janitorial             |
| • Communications                      | • Landscaping            |
| • Computer peripherals                | • Legal services         |
| • Construction                        | • Market research        |
| • Consulting                          | • Media                  |
| • Contract manufacturing              | • Packaging              |
| • Co-packing                          | • Printing               |
| • Courier service                     | • Promotions             |
| • Disposal service                    | • Training               |
| • Employment service                  | • Transportation         |
| • Flavor and fragrance in ingredients | • Warehousing            |
| • Graphic design                      | • Waste management       |

You also may find it helpful to review the Colgate-Palmolive’s [Annual Report](#) to understand the products manufactured by Colgate and the potential for Colgate-Palmolive’s use of your product or service.

**Registration:**

If your business meets the above requirements and would like to be included in the supplier diversity database for future opportunities, please follow the steps below.

**Step 1:** [Download](#) the Profile form.

**Step 2:** Fill out the form. All fields on the Profile form must be completed.

**Step 3:** Save the form to your desktop, using your company name.



## Corporate Alliance Program

**Step 4:** Send an email to [Colgate-Palmolive\\_Supplier\\_Diversity@colpal.com](mailto:Colgate-Palmolive_Supplier_Diversity@colpal.com) and attach your completed Profile form and a copy of your current certification.

If Colgate-Palmolive finds an opportunity to use your goods or services, Colgate-Palmolive will contact you for further information. Your information remains in their active database for a period of three years. If Colgate-Palmolive does not use your company within this three-year period, Colgate-Palmolive encourages you to re-apply.

Please Note: If you are having trouble downloading the profile form e-mail

[Colgate-Palmolive\\_Supplier\\_Diversity@colpal.com](mailto:Colgate-Palmolive_Supplier_Diversity@colpal.com) to request a form by mail.

### Supplier Recognition

One of the Supplier Diversity initiatives recognizes and honors minority-owned and women-owned businesses who have demonstrated outstanding performance in goods and services.



**Contact:**

[Colgate-Palmolive\\_Supplier\\_Diversity@colpal.com](mailto:Colgate-Palmolive_Supplier_Diversity@colpal.com)



# Corporate Alliance Program



Columbia University is a top research university that seeks to advance the frontiers of knowledge and foster a community deeply engaged in understanding and addressing complex global issues.

## FROM THE COLUMBIA UNIVERSITY WEBSITE

Columbia University has a long-standing commitment to working with minority-owned, women-owned, or locally based (M/W/L) businesses—whether by establishing purchasing relationships with vendors, entering into consulting agreements for services, or contracting for construction, renovation, or repair services. The “[A Guide to Working with Columbia University](#)” is designed to provide an overview of what is needed to develop a business relationship with Columbia. Every [vendor](#) must be validated and approved before providing goods and services to the University.

### Corporate Procurement Process:

**Certification:** [Vendor Qualification Form](#)

One of the key steps in being prepared to work with the University is obtaining relevant certifications for your business, including:

- Local business
- Minority-owned business
- Women-owned business
- Small business
- Small disadvantaged business
- Business located in an Historically Underutilized Business (HUB) Zone
- Veteran-owned business
- Service disabled, veteran-owned business
- Historically black college or university

Certification is helpful in a variety of ways. Columbia searches databases of certified businesses to identify potential business partners. While not a guarantee that your firm will obtain business, certification can open the door to business with the University.

### Contact:

Vendors and consultants interested in learning more about opportunities for non-construction or consulting-related services are invited to contact D. Sean Johnson, Manager, Small Business Compliance and Vendor Outreach, Procurement Services, 212-854-2335 or via e-mail at [dj223@columbia.edu](mailto:dj223@columbia.edu). Or visit the [purchasing website](#).

M/W/L construction-related firms interested in learning more about opportunities at Columbia are invited to contact Sheena Jones, Project Coordinator, Construction Business Services and Communications, Columbia University Facilities at 212-854-6599 or via e-mail at [projx@columbia.edu](mailto:projx@columbia.edu).





Con Edison is a utility that provides electric, gas and steam service to more than 3 million customers in New York City and Westchester County, New York.

Program: [Supplier Diversity Program](#)

### FROM THE CON EDISON WEBSITE

Con Edison's award-winning Supplier Diversity Program invites entrepreneurs and executives to partner with us in mutually beneficial business relationships. To support this effort, the Purchasing department conducts seminars at both Con Edison and Orange & Rockland for prime contractors and minority- and women-owned businesses, to describe upcoming business opportunities, to thank prime contractors who have supported subcontracting efforts, and to encourage contractors to utilize program vendors in their business ventures. Also as part of the program, Con Edison helps fledgling firms to define themselves in the marketplace and to expand their services.

### Corporate Procurement Process:

Businesses wishing to be considered as vendors for Con Edison may review Con Edison's qualification process and complete a vendor qualification application online.

Some of the types of businesses with whom the company has contracted include automotive services and supplies; computer services; construction services; electrical supplies; general supplies; mechanical supplies; and services and repairs.

To get started, interested vendors should contact the Supplier Diversity Program at 212-460-3076, or by email at [minoritybusinessprogram@conEd.com](mailto:minoritybusinessprogram@conEd.com).

### Vendor qualification process

Vendors must be qualified prior to being included on bid lists. However, exceptions may be made in cases when items are of a unique nature, are not expected to be purchased often, or if time constraints preclude qualification prior to bidding.

- Vendors are evaluated by relying on information supplied by the vendor, company experience, references, publications, and other sources of information obtained in the course of doing business. Qualification is based on the prospective vendor demonstrating: experience in providing material, equipment, or services that meet company specifications and standards; financial and operating stability; and the adequacy of its facilities, organization, and location. Upon qualification vendors are included on the approved list.
- Purchasing reviews the submitted data, identifies the company departments that would be the primary users of the materials or services offered and obtains their comments, conducts whatever tests or inspections which may be appropriate to evaluate the qualifications, and determines whether or not to approve the vendor's request.
- The qualification process may be initiated either by the company (when it is seeking new vendors) or by the vendor.
- The [qualification questionnaire](#) is completed by the prospective vendor and returned to Purchasing along with a current financial statement or tax return. In some cases when a commodity is involved, sample product(s) may be required. Such questionnaire may also be

tailored to special or specific commodities or services.

- Any vendor may be removed from the list of approved vendors if performance standards are not met, if there is a repeated lack of interest in bidding, or when it is demonstrated to be in the best interest of the company.

**Vendor qualification list of desired services:**

Depending on the complexities and nature of Credit Suisse's projects, Con Edison and Orange and Rockland Utilities may look for contractors or vendors that provide the services, materials, and/or equipment listed below.

Construction:

- |  |  |
|--|--|
| ○ Gas Construction/Trenching Work      | ○ Elevator Maintenance                 |
| ○ Marine Construction                  | ○ Pest Control                         |
| ○ Overhead Construction Work           | ○ Maintaining Fire Suppression Systems |
| ○ Electrical Construction (Industrial) | ○ Materials/Equipment:                 |
| ○ Services:                            | None needed at this time               |

If you provide any of the services or materials listed above, Con Edison invites you to submit an application by clicking the "Vendor Qualification Application" button. In order to submit an application, you will be required to obtain an Access Code from the ConEdison System Administrator by calling (212) 460-3647. If you do not see your service or materials listed, please try back in six months. Because of the volume of applications received, Con Edison can only process those where [Con Edison](#) has a need.



**Contact:**

Supplier Diversity Program  
212-460-3076  
[minoritybusinessprogram@conEd.com](mailto:minoritybusinessprogram@conEd.com)



Credit Suisse AG, part of the Credit Suisse group of companies, is a worldwide financial services provider.

**Program:** [Supplier Diversity Program](#)

### FROM THE CREDIT SUISSE WEBSITE

Credit Suisse cares about establishing relationships with small and medium sized businesses that are often underrepresented in supplying the needs of major corporations.

A diverse supply base helps Credit Suisse provide flexible, innovative and best quality solutions at the best price for Credit Suisse's clients. The mission of Credit Suisse's Supplier Diversity Program, primarily run in the United States and increasingly in other regions, is to create and foster relationships with qualified underrepresented businesses, including but not limited to ethnic minority-, women-, lesbian/gay/bisexual and transgender (LGBT)-, disabled- and / or veteran-owned businesses, that share Credit Suisse's standard of excellence.

#### Tier I Program

In the Tier I Program, Credit Suisse directly conducts business with suppliers qualifying for the above. To register with us as a potential Tier I supplier, please follow the [U.S. Application Process](#).

#### Tier II Program

Not only is Credit Suisse committed to supplier diversity, but they ask that their business partners also share this commitment. The Tier II Program run in the United States asks all Credit Suisse's participating suppliers to report on how much of the business that Credit Suisse grants them goes to support underrepresented suppliers. Please contact the Credit Suisse [Supplier Diversity Team](#) for more information.

### Corporate Procurement Process:

This Supplier Diversity registration is the first step for potential procurement opportunities available at Credit Suisse to qualified underrepresented businesses, including but not limited to ethnic minority-, women-, lesbian/gay/bisexual and transgender (LGBT)-, disabled- and / or veteran-owned businesses, located in the United States.

**Credit Suisse considers a business as an underrepresented business when at least 51% of the business is owned, operated, and controlled by underrepresented groups. In the case of publicly owned businesses, they ask that at least 51% of the stock be owned by members of an underrepresented group. Once Credit Suisse receives your information, it will become part of Credit Suisse's Supplier Diversity Database, which is the main portal in Credit Suisse for access to Tier I suppliers.**

The registration process for potential Tier I suppliers includes two steps:

- 1) Make sure that you are business-certified by one of the following qualified agencies:
  - [National Minority Supplier Development Council](#) (NMSDC)
  - [Women's Business Enterprise Council](#) (WBENC)

- [National Association of Women Owned Business Owners \(NAWBO\)](#)
- [United States Small Business Administration \(SBA\)](#)
- [National Women's Business Council \(NWBC\)](#)
- [National Gay & Lesbian Chamber of Commerce \(NGLCC\)](#)
- City, State, or Federal Agencies



- 2) Complete this form to register your interest in becoming a supplier to Credit Suisse. By submitting this form you are confirming that all the information is accurate and true.

# Goldman Sachs

The Goldman Sachs Group is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base.

**Program:** [Vendor Diversity Program](#)

## FROM THE GOLDMAN SACHS WEBSITE

Goldman strives to provide minority-owned (MBE), women-owned (WBE) and veteran-owned (VOB) businesses with the opportunity to compete on a fair and equal basis for Goldman's business and, ideally, to expand and grow their businesses while working with us. Goldman's vendor diversity efforts proactively seek out and build relationships with qualified diverse businesses by leveraging Goldman's industry association memberships, encouraging the utilization of diverse businesses where opportunities exist and by promoting strategic partnerships.

Goldman's formal vendor diversity program began in North America in 2000 and expanded to Europe in 2005. When constructing Goldman's global headquarters in New York, more than \$300 million was awarded to women and minority-owned businesses - making it the most successful project in the history of New York State's Minority and Women Owned Business Enterprise program.

### Corporate Procurement Process:

As a firm, Goldman takes its reputation for excellence seriously and seek to align with business partners who share their commitment to quality. In selecting vendors for the firm, Goldman considers those businesses that can supply the most cost-effective, reliable products and services. To qualify as a vendor to Goldman Sachs, prospective suppliers are evaluated on several criteria, including:

- quality products and services;
- excellent customer service;
- competitive pricing;
- ability to assist Goldman in meeting their business goals; and
- environmental and social impact.

### Certification:

In North America, Goldman is a participating member and supporter of the [National Minority Supplier Development Council](#), [NY and NJ Minority Supplier Development Council](#), and the [Women President's Educational Organization](#). In Europe, Goldman is a member of the [Minority Supplier Development Council – United Kingdom](#) and active supporters of [WEConnect Europe](#).

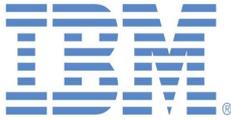
### Registration:

If you are a minority-owned (MBE), women-owned (WBE) and/or veteran-owned business (VOB) in North America or London and are interested in becoming a Goldman Sachs vendor, please complete the **prospective diverse supplier form** and return it via email to [vendor.diversity@gs.com](mailto:vendor.diversity@gs.com). Your submission must include a current copy of your MBE or WBE certification by a recognized agency and/or VOB self-certification documentation. Note that submission of the form is for informational purposes and internal use only. It is not a guarantee of business and does not ensure "Approved" vendor status. See the prospective [diverse supplier form](#).

Goldman  
Sachs



## Corporate Alliance Program



IBM is a developer and manufacturer of advanced information technologies, including computer systems, software, storage systems and microelectronics.

**Program:** [Supplier diversity](#)

### FROM THE IBM WEBSITE

IBM's supplier diversity program expands purchasing opportunities for businesses owned and operated by minorities, women, gay and lesbian, veterans and service disabled veterans, and disabled persons. Purchasing opportunities are also expanded for IBM's non-profit organizations that hire disabled persons and for HUBZone companies.

Minority owned businesses are defined as being at least 51% owned and controlled by one or more individuals from any of the following ethnic groups: Black, Hispanic, Native (including Eskimo and Native Hawaiians) and Asian Americans; or is "minority controlled" by 30% of its voting stock, board of directors and management.

Women owned businesses are defined as being at least 51% owned and controlled by one or more women. GLBT owned businesses are defined as being at least 51% owned by one or more gay, lesbian, bisexual or transgendered individuals.

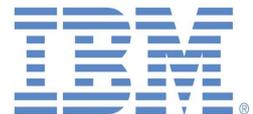
### Corporate Procurement Process:

Led by IBM, a consortium of companies have formed [Supplier Connection](#), a free, Web-based portal that allows small businesses to more easily apply to become suppliers to large companies (e.g. AT&T, Bank of America, Citi, Pfizer, and UPS).

### Certification:

As a part of IBM's on-going commitment to supplier diversity, it is important that IBM maintain integrity in IBM's tracking and reporting. Annually, IBM submits a subcontract plan to the federal government. The subcontract plan documents IBM's planned purchases with minority businesses. Quarterly, IBM's purchases are submitted to IBM's commercial customers, education institutions and state agencies. Since there are many companies wanting to do business with IBM, they have a responsibility to ensure any companies participating in this program are legitimate Minority and Women owned businesses. To aid in this quest, IBM accepts certifications from the following agencies:

- The [National Minority Supplier Development Council](#) (NMSDC) and its Regional affiliate councils
- The [Small Business Administration](#) (SBA) - 8a/SDB Programs
- A Federal Government Agency (i.e. Dept. of Transportation)
- A State Government Agency (i.e. Dept. of Transportation)
- A Local (county, city) Government Agency (i.e. City of Chicago/Cook County)
- [Women Business Enterprise National Council](#) (WBENC)
- [National Women Business Owners Corporation](#) (NWBOC)



### Contact:

Sherry Robison, Certification Administrator, at 720-396-7486 or [robisons@us.ibm.com](mailto:robisons@us.ibm.com).



## Corporate Alliance Program



[National Grid](#) is an international energy delivery company.

### FROM THE NATIONAL GRID WEBSITE

It is National Grid's policy to provide minority, women-owned and diverse business enterprises, as well as small businesses, with an equal opportunity to participate in National Grid's procurement and sourcing processes.

National Grid recognizes that the markets in which National Grid conducts business are becoming increasingly multicultural and multifaceted. Incorporating a rich cultural environment into National Grid's supplier database gives National Grid a competitive advantage and strengthens its reputation in the communities National Grid serves.

As one of the world's largest utilities, National Grid is committed to being an innovative leader in supporting the businesses in which National Grid lives and works, in an effort to sustain National Grid's global footprint for future generations. Through National Grid's Supplier Diversity Program, National Grid is committed to making every effort to use all of the resources within the markets and communities in which National Grid operate in order to develop, utilize, and grow their contracting opportunities with diverse companies. The benefits to National Grid's diverse suppliers will be increased market share, sustainability, and shareholder value.

### Corporate Procurement Process:

In order to be considered for any procurement business opportunities, National Grid requires all suppliers to register with National Grid. The information to complete your registration is provided through this link.

#### [Go to Supplier Registration](#)

The Supplier Eligibility process is open to suppliers only at the request of a National Grid Procurement Representative. The representative will provide instructions for completing the required forms provided through this link. Instructions will vary depending on supplier type and the goods and services they provide.

#### [Go to the Supplier Eligibility](#)

A Procurement Representative will advise new suppliers when they have been approved. The next step is to fill out the enrollment forms so that a purchase order can be issued. The required forms and documents for enrollment are provided through this [link](#).

#### [Go to Supplier Enrollment](#) /

Suppliers with any changes to their company information are required to submit the changes using the form provided through this [change of Information](#).



## FREQUENTLY ASKED QUESTIONS

### Q1. Who are the 12 Corporate Alliance Program (CAP) corporations?

- A. The members of the Corporate Alliance Program are Accenture, American Express, AXA Equitable, BNY/Mellon, Citi, Colgate-Palmolive, Columbia University, Con Edison, Credit Suisse, Goldman Sachs, IBM, and National Grid.

### Q2. What are the four initiatives that make up the CAP program, and how do I enroll?

- A. CAP members have committed to support one or more of four separate initiatives that make up the CAP program. Each initiative has different requirements.

#### **Initiative 1: M/WBE Recruitment Service**

CAP members request from the NYC Department of Small Business Services (SBS) lists of minority and women-owned businesses (M/WBE) that may satisfy contracting opportunities from their companies. Participation in the M/WBE Recruitment Service program requires that your firm:

- (1) be currently certified as a minority or woman-owned business with the City of New York.
- (2) have a complete and up-to-date profile in the SBS database.

City-certified M/WBEs are matched against the SBS database for contracting opportunities identified by CAP members. To best qualify for these opportunities check your profile in the Online Directory of Certified Businesses at [www.nyc.gov/buycertified](http://www.nyc.gov/buycertified) to ensure your experience and information are current. To update your profile, contact the Vendor Services team at [bizhelp@sbs.nyc.gov](mailto:bizhelp@sbs.nyc.gov) or 212-513-6444. Pay particular attention to your contact information (business phone and e-mail), NIGP commodity codes, company description and past work experience.

#### **Initiative 2: CAP/ Columbia University Mentorship Program**

A core group of M/WBE construction firms are identified through a competitive application process to participate in academic, bidding and technical assistance training in construction management and learn the unique aspects of what is required to do business with the CAP members.

#### **Initiative 3: Corporate Coaching Program**

Professional services M/WBEs, selected through a competitive application process, will be matched with senior executives from CAP companies to participate in this program. Together, they address specific business challenges M/WBE firms face in core areas over a defined period of time. Additionally workshops in Pitching Your Business, Fundamentals of Strategic Sourcing, Sustainability Practices, Joint Venturing & Teaming, and Developing Your Business Plan help firms understand how to navigate corporate contracting.

The Corporate Coaching Program will have a separate application process. SBS will notify certified M/WBEs when the application periods open.

## FREQUENTLY ASKED QUESTIONS (continued)

### **Initiative 4: Corporate Skills Training**

Workshops designed to educate MWBEs about doing business with private corporations. Topics and resources include:

- Joint Venturing & Firm Collaboration
- Basic Corporate Procurement Principles
- Fundamentals of Strategic Sourcing
- Pitching Your Business
- Responding to Bids and RFPs
- Succession Planning and Risk Management
- Sustainability Practices
- Going Global
- Sub-contracting and Tier 2 Buying

Registration for these sessions will be open to all certified companies at **no cost**. SBS will notify certified M/WBEs when the registration period opens.

### **Q3. How will you identify M/WBEs qualified to participate in CAP?**

- A.** M/WBEs that meet the appropriate criteria for each of the four initiatives will be considered. The CAP member companies each have minimum supplier capacity requirements (e.g. sales volume, age of business, and past contract performance) that may vary based on specific contracting needs.

### **Q4. What are the services offered to M/WBEs that participate in CAP?**

- A.** SBS supports all M/WBEs, including CAP participants, with services that include
- business courses
  - legal assistance
  - access to financing and incentives
  - help recruiting and training employees
  - becoming a government contractor (City, State and Federal levels)
  - finding the right contract opportunities – identifying agencies that buy what your company sells, how to register for contracting e-mail alerts, and access to exclusive networking events with buyers
  - assistance competing for contract opportunities – answering questions on specific bids and RFPs, cost estimating, labor rates, and response formats
  - assistance performing on awarded contracts (e.g. submitting payment requisitions, creating work schedules, and dealing with change orders)

## FREQUENTLY ASKED QUESTIONS

(continued)

**Q5. If I participate in CAP, will I still have to register my company separately in these corporations' supplier systems?**

- A.** Currently, each corporation maintains its own supplier registration system, with their own processes and needs. SBS is creating a "How-to" guide to outline what M/WBEs need to do to register in each CAP member's system. IBM and Citi are already collaborating with other corporations (AT&T, Bank of America, Citi, Pfizer, and UPS) via a [supplier connection web portal](#) to consolidate common processes.

**Q6. I am already certified as a member of the Women Presidents' Educational Organization (WPEO), Women's Business Enterprise National Council (WBENC) and/or National Minority Supplier Development Council (NMSDC). What's different about this program?**

- A.** The CAP program is distinctly different from these certifying agencies as:
- There is **no fee** for City-certified M/WBEs to participate in CAP
  - If you are currently receiving contracting opportunities through one of these organizations, CAP may afford you **additional opportunities**
  - SBS works closely with both WPEO and NMSDC. Members of these organizations can "**fast-track**" their M/WBE certification with the City as a result of our partnership.

**Q7. Who is the contact at SBS for questions about CAP?**

- A.** For more information on CAP you may contact Daphne Emerson, Corporate Alliance Program Manager ([corporatealliance@sbs.nyc.gov](mailto:corporatealliance@sbs.nyc.gov)/ 212-618-6756). You can also contact the Vendor Services team at [bizhelp@sbs.nyc.gov](mailto:bizhelp@sbs.nyc.gov) or 212-513-6444.

**Q8. Will participating in CAP guarantee my firm a contract?**

1. No program offered by the City of New York will guarantee a contract. With the exception of sole-source contracts, emergency purchases and certain negotiated acquisitions, all contracts awarded by the City are competitively bid. Likewise, our CAP members do not have contracts "set-aside" for participating firms.

What you will gain is increased access to these corporations and better information about their requirements for the vendors that they contract with. This should help your firm to become more competitive when seeking opportunities to work with them.

**Q9. Will I be able to meet buyers from the CAP participating corporations that can help my firm get a contract?**

**A:** A special section of our annual Citywide Procurement Fair is designated for CAP members. There, you'll be able to meet supplier representatives from some of the companies and talk to them about contracting opportunities. Additional events will be announced as they are planned.

## FREQUENTLY ASKED QUESTIONS

(continued)

**Q10. What will the corporations that participate in CAP do with my information when SBS sends it for possible contracting opportunities?**

**A.** Both the corporations participating in CAP and SBS hold your firm's data with the highest level of confidentiality and security. Your data will not be provided to third parties for any other purpose.

**Q11. I'm a minority/woman business owner and want to participate in CAP. What do I need to do to certify with the City of New York? OR I used to be certified with the City as an M/WBE, but my certification expired. How do I re-certify?**

**A:** To certify with the City of NY as an M/WBE or renew an expired certification:

- Download the M/WBE certification application at [www.nyc.gov/getcertified](http://www.nyc.gov/getcertified) or begin the application online at [www.nyc.gov/BusinessExpress](http://www.nyc.gov/BusinessExpress)
- Attend free workshops on the certification application process. See workshop schedule and register at [www.nyc.gov/helpmecertify](http://www.nyc.gov/helpmecertify)
- Get help completing the certification application at any one of the NYC Business Solutions Centers. Find the center nearest you or have an Account Manager contact you, visit [www.nyc.gov/NYCBusiness](http://www.nyc.gov/NYCBusiness)

**Q12. My firm is not a certified M/WBE and not eligible to get certified, but I would still like to access all of your services, including CAP.**

**A.** In addition to the City's M/WBE program, SBS runs a federally-funded Procurement Technical Assistance Center (PTAC) to help all businesses learn to sell to all levels of government. Additionally, you may visit the [NYC Business Solutions Centers](#) located in every borough of the City.

Non-certified firms won't have access to the special services offered under CAP however they can still go to each corporation's website and register in its supplier system directly. Many of these corporations have commitments to work with all types of small businesses.

**Q12. When and how can I apply to get a CAP coach?**

**A.** We will notify M/WBEs by e-mail to announce the start of each new CAP initiative. You will receive an e-mail when the Corporate Coaching Program begins.

## PROCUREMENT INDUSTRY GLOSSARY of TERMS

### A

#### **Acceptance**

The act of accepting by an authorized representative; an indication of a willingness to pay; the assumption of a legal obligation by a party to the terms and conditions of a contract.

#### **Accountability**

The act of making a group or individual responsible for certain activities or outcomes. For example, managers and executives are accountable for business performance even though they may not actually perform the work.

#### **Acquisition**

The act of acquiring goods and services including construction. It is favorable that the goods/services are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location. Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion.

#### **Agent**

An enterprise authorized to transact business for or in the name of, another enterprise.

#### **Agreement**

A duly executed and legally binding contract; the act of agreeing.

#### **Alternate Response**

A substitute response; an intentional substantive variation to a basic provision or clause of a solicitation by a vendor.

#### **Amendment/Change Order**

A written modification to a contract or purchase order or other agreements.

#### **Application Service Provider (ASP)**

A company that offers access over the Internet to application (examples of applications include word processors, database programs, Web browsers, development tools, communication programs) and related services that would otherwise have to be located in their own computers. Sometimes referred to as "apps-on-tap," ASP services are expected to become an important alternative, especially for smaller companies with low budgets for information technology. The purpose is to try to reduce a company's burden by installing managing and maintaining software.

#### **Approved Vendor List (AVL)**

List of the suppliers approved for doing business. The AVL is usually created by procurement or sourcing and engineering personnel using a variety of criteria such as technology, functional fit of the product, financial stability and past performance of the supplier.

#### **Auction**

Matches buyers and sellers in any marketplace (or exchange) to transact in any quantity at any time. Allows users to submit a request for goods and services to be bid on by suppliers.

#### **Automated Clearinghouse (ACH)**

A nationwide electronic payments system which more than 15,000 financial institutions use on behalf of 100,000 corporations and millions of consumer in the U.S. The Funds transfer system of choice among businesses that make electronic payments to vendors; it is economical and can carry remittance information in standardized, computer process-able data formats.

### B

#### **Budgeting**

The process of translating approved expenditures into

## **Benchmark**

A measured, "best in class" achievement; a reference or measurement standard for comparison; this performance level is recognized as the standard of excellence for a specific business process. Any metric which is being used to compare actual performance against.

## **Best-in-Class**

An organization usually within a specific industry recognized for excellence in a specific process.

## **Best Practice**

A specific process or group of processes which have been recognized as the best method for conducting an action. Best Practices may vary by industry or geography depending on the environment being used. Best practices methodology may be applied with respect to resources, activities, cost object or processes.

## **Bid Field**

In e-sourcing, a bid field is anything that the buyer wants the supplier to answer. Bid fields build the price grid.

## **Bid/quote process**

Another term for reverse auctions.

## **Blank Order**

A contract under which a vendor agrees to provide goods or services on a purchase-on-demand basis. The contract generally establishes prices, terms, conditions and the period covered (no quantities are specified); shipments are to be made as required by the purchaser.

## **Branding**

The act of assigning a name or image to a product in such a way that consumers will associate one with the other. Branding typically includes doing background research to ensure that the name can be trademarked and is not currently in use by another company for a similar product.

funding allocations for a specified period of time.

## **Bundle**

A group of products that are shipped together as an unassembled unit.

## **Bundling**

An occurrence where two or more products are combined into one transaction for a single price.

## **Business**

A business (also known as enterprise or firm) is an organization engaged in the trade of goods, services. A contractor, subcontractor, supplier, consultant, or provider of technical, administrative, or physical services organized as a sole proprietorship, partnership, association, corporation, or other entity formed for the purpose of doing business for profit.

## **Business Activity Monitoring (BAM)**

A term which refers to capturing operational data in real-time or close to it, making it possible for an enterprise to react more quickly to events. This is typically done through software and includes features to provide alerts/notifications when specific events occur.

## **Business Affirmative Action**

The process of ensuring that businesses owned by minorities, women and other disadvantaged persons are considered in an organization's purchasing activities.

## **Business Continuity Plan (BCP)**

A defined operational plan which is designed to be implemented in the event of disruption of normal operations. Disruptions may be the result of natural disasters, civil or labor unrest, etc.

## **Business for Social Responsibility (BSR)**

A leader in corporate responsibility since 1992, BSR works with its global network of more than 250 members companies to develop sustainable business strategies and solutions through consulting, research and cross-sector collaboration.

**B** (continued)**Business Intelligence**

The set of skills, technologies, applications and practices used to help a business acquire a better understand of it commercial context to make better business decisions.

**Business Plan**

A formal statement of a set of business goals, the reasons why they are believed attainable and the plan for reaching those goals. It may also contain background information about the organization or team attempting to reach those goals.

**Business Performance Measurement (BPM)**

A technique which uses a system of goals and metrics to monitor performance. Analysis of these measurements can help businesses in periodically setting business goals and then providing feedback to managers on progress towards those goals. A specific measure can be compared to itself over time, compared with a preset target or evaluated along with other measures.

**Business Process Outsourcing (BPO)**

The practice of outsourcing non-core internal functions to third parties. Functions typically outsourced include logistics, accounts payable, accounts receivable, payroll and human resources. Other areas can include IT development or complete management of the IT functions of the enterprise.

**Business Process Reengineering (BPR)**

The fundamental rethinking and oftentimes, radical redesign of business processes to achieve dramatic organizational improvements.

**Business Reviews (BRs)**

A periodic assessment of the commercial context of a business, its mission statement, goals and strategic plan. Reviews are typically help each quarter of the calendar year and are attended by senior managers of functional areas from both supplier and customer organizations.

**Business-to-Business (B2B)**

As opposed to business-to-consumer (B2C). Many companies are now focusing on this strategy and their sites are aimed at businesses (think wholesale) and only other businesses can access or buy products on the site. Internet analysts predict this will be the biggest sector on the Web.

**Business-to-Consumer (B2C)**

The hundreds of e-commerce Web sites that sell goods directly to consumers are considered B2C. This distinction is important when comparing Websites that are B2B as the entire business model, strategy, execution and fulfillment is different.

**Business Unit**

A part of an organization which is managed like a separate business with its own profit and loss financial reporting. For example, in the General Motors group Chevrolet is a business unit.

**Buyer-Driven Auction**

A price-centric auction where buyers list what they are interested in purchasing and sellers enter competing bids.

**Buying Cards (P-Cards)**

Basically these are a form of credit card used to make maintenance, repair, and operating (MRO) inventory type purchases verses using a purchase order (PO) that can cost more to process for small purchases. Companies using these cards typically work with card issuers to develop guidelines for use – sometimes by value limits and type of expense – which provide control over authorized purchases at the point of sale.

## C

### **Call Center**

A call center is a centralized office used for the purpose of receiving and transmitting a large volume of requests by telephone. A call center is operated by a company to administer incoming product support or information inquiries from consumers. Outgoing calls for telemarketing, clients, product services and debt collection are also made. In addition to a call center, collective handling of letters, faxes, live chat, and e-mails at one location is known as a contact center.

### **Capacity**

The physical facilities, personnel and process available to meet the product or service needs of customers. Capacity generally refers to the maximum output or producing ability of a machine, a person, a process, a factory, a product or a service.

### **Capacity Management**

The concept that capacity should be understood defined and measured for each level in the organization to include market segments, products, processes, activities and resources. In each of these applications, capacity is defined in a hierarchy of idle, non-productive and productive views.

### **Capacity Planning**

Assuring that needed resources (e.g., manufacturing capacity, distribution center capacity, transportation vehicles, etc.) will be available at the right time and place to meet logistics and supply chain needs.

### **Capital Expenditure**

Expenditure on the acquisition or the creation of a tangible fixed asset.

### **Carbon Disclosure Project (CDP)**

The Carbon Disclosure Project is an independent not-for-profit organization holding the largest database of primary corporate climate change information in the world.

### **Carbon Footprint**

A measure of the total carbon emissions for a given person, organization, building, operation etc. and the impact their carbon emissions have on the environment by relating the amount of greenhouse gases produced to such activities as burning fossil fuels for electricity, heating transportation, etc.

### **Carbon Reduction**

Limiting energy usage and emissions from transportation, buildings, equipment, animals and processes. It can also be achieved by obtaining electricity and other energy from a renewable energy source, either directly by generating it or by selecting an approved green energy provider, and by using low-carbon alternative fuels such as sustainable bio-fuels.

### **Carbon Trade**

The process of buying and selling credits to emit carbon. Companies and organizations are assigned emission permits that stand for the amount of carbon they are allowed to emit. If a company or organization emits less carbon, then it can sell its emissions permits. If emissions are more than its current permits, then it will need to buy emission permits from other companies or organizations that produce less carbon.

### **Category Manager (CM)**

A procurement employee who manages a commodity, including the suppliers and vendors within that category of goods or services.

### **Center led purchasing function**

In a center led purchasing function, a center of excellence focuses on corporate purchasing strategy, strategic commodities, best practices and knowledge sharing while leaving individual purchases and tactical execution to the business units. All the advantages of centralized and decentralized models with minimal disadvantages. The center led model is based on cross-functional teams that represent all key business units; it allows the creation of flexible supply chain processes and commodity strategies.

**C** (continued)**Centralized purchasing function**

A slightly newer model for purchasing, centralized purchasing is a model where all purchasing is conducted through a single central organization. While fully leveraging a corporation's total spend, standardizing processes and sharing best practice, centralized purchasing has the disadvantage of losing local supply market and consumption patterns. The risk of maverick buying also increases when local supply managers do not fully agree with the centrally made decisions that impact local supply, quality or reaction time.

**Certification**

Verification by a qualified, independent third party of a minority- or woman-owned firm's true, legal ownership, control and operation. Certification is most commonly performed by one of the 44 regional affiliate councils of the National Minority Supplier Development Council or NMSDC for minority-owned businesses and by the Women's Business Enterprise National Council (WBENC) for businesses owned by women.

**Champion**

A business leader or senior manager who ensures that resources are available for training and projects and who is involved in project tollgate reviews; also an executive who supports and addresses Six Sigma organizational issues.

**Change Agent**

An individual from within or outside an organization who facilitates change within the organization. May or may not be the initiator of the change effort.

**Change Management**

Change management is the structured approach to managing change in individuals, teams and organizations. Successful change management is often a key to successful purchasing transformation.

**Clearinghouse**

A conventional or limited purpose entity generally restricted to providing specialized services such as clearing funds or settling accounts.

**Climate Change**

Refers to a statistically significant variation in either the mean state of the climate or in its variability, persisting for an extended period. Climate change is a change in the "average weather" that a given region experiences.

**Cloud Computing**

An emerging computing paradigm where data and services reside in massively scalable data centers and can be ubiquitously accessed from any connected devices over the internet. Similar to the "on demand" concept of SaaS or ASP computing services with the exception of the broad nature of the network of computers.

**Collaboration**

The use of Web-based software for the purpose of sharing information between businesses or organizations. Design collaboration, for example, allows engineers at different companies to share plans and data in real time.

**Collaborative commerce**

B2B systems that enable companies to interactively share data, develop plans and create products online.

**Commercial Invoice**

A document created by the seller. It is an official document which is used to indicate among other things, the name and address of the buyer and seller, the products(s) being shipped and their value for customs, insurance or other purposes.

**Commodity**

An article of trade or of commerce. Similar goods or services purchased within an organization are commonly grouped to facilitate proper analysis of individual costs and various market factors.

**Commodity Buying**

The practice of grouping like purchased items into common groups which are then managed by a single buyer/agent. This practice assumes that an individual who is more focused on a range of products or services can perform that function better than someone who is novice.

**C** (continued)**Commodity Manager**

A Commodity Manager is an individual responsible for coordinating or approving the purchase of a specific item or class of items for a company. In addition, they manage sourcing strategies for the assigned commodities to enhance supplier performance through: the development of best practices, developing and negotiating supplier agreements, managing supplier relationships, driving for continuous improvements, leveraging strategic supplier capabilities, and exploring opportunities to outsource components of a company's internal processes driving cost savings to minimize total supply chain costs through sourcing.

**Company Culture**

A concept which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. The values and customs shared by people and groups in an organization which govern how they interact with each other and with outside organizations.

**Compliance**

Meaning that products, services, processes and/or documents comply with requirements.

**Conflict of Interest**

A situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.

It is important to note that a conflict of interest exists whether or not decisions are affected by a personal interest; a conflict of interest implies only the potential for bias, not likelihood.

For example: A situation in which someone who must make a decision in an official or professional capacity may stand to profit personally from the decision.

**Consortium**

An association of two or more individuals, companies, organizations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.

**Construction**

Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

**Contingency Planning**

Preparing to deal with calamities (e.g., floods) and non-calamitous situations (e.g., strikes) before they occur.

**Continuous Process Improvement (CPI)**

Continuous Process Improvement is a strategic approach for developing a culture of continuous improvement in the areas of reliability, process cycle times, costs in terms of less total resource consumption, quality and productivity.

**Contract**

A contract is a legally enforceable agreement between two or more parties with mutual obligations, which may or may not have elements in writing.

**Contract Administration**

The management of all actions after the award of a contract that must be taken to assure compliance with the contract: e.g. timely delivery, acceptance, payment, closing contract, etc.

**C** (continued)**Contract Management**

Is the process of systematically and efficiently managing contract creation, execution, and monitoring for the purpose of maximizing financial and operational performance and minimizing risk.

**Contractor**

A person who agrees to furnish goods or services for a certain price; may be a prime contractor or subcontractor.

**Core Business**

Core business is the central and usually the original focus of an organization's activities that differentiates it from others and makes a vital contribution to its success.

**Corporate Social Responsibility (CSR)**

A businesses plan to reduce its impact on environmental, social and political issues.

**Cost Avoidance**

Reduction or elimination of a new cost that would have otherwise occurred.

**Cost Savings**

Spending less than previously spent or less than quoted options.

**Cross Functional**

A term used to describe a process or an activity that crosses the boundary between functions. A cross functional team consists of individual from more than one organizational unit or function.

**Customer Interaction Center**

See Call Center.

**Customer Service**

An activity between the buyer and seller that enhance or facilitate the sale or use of the seller's products or services.

**Customer Service Representative (CSR)**

The individual who provides customer support via telephone in a call center environment.

**D****Dashboard**

A performance measurement tool used to capture a summary of the key performance indicators (KPIs)/metrics of a company. Metrics dashboards/scorecards should be easy to read and usually have "red, yellow, green" indicators to flag when the company is not meeting its targets for its metrics. Ideally, a dashboard/scorecard should be cross-functional in nature and include both financial and non-financial measures. In addition, scorecards should be reviewed regularly – at least on a monthly basis and weekly in key functions such as manufacturing and distribution where activities are critical to the success of a company. The dashboard/scorecards philosophy can also be applied to external supply chain partners such as suppliers to ensure that supplier's objectives and practices align.

**Data Cleansing**

The process of detecting and cleaning inaccurate, incomplete, incorrect and irrelevant records in a data set. The records are deleted, modified or replaced as needed.

**Data Integration**

The process of integrating data residing in different sources and creating a unified view of the data for users.

**Data Integrity**

Assurance that the data is "whole" or complete. The data integrity perseveres during retrieval, storage and transfer. In database management, it refers to the process of ensuring the data accurately reflects the environment it is modeling or representing.

**D** (continued)**Data Warehouse**

A storage architecture designed to hold data extracted from transaction systems, operational data stores and external sources. A repository of an organization's electronically stored data designed in such a way as to facilitate reporting and analysis, the warehouse combines data in an aggregate, summary form suitable for enterprise-wide analysis and reporting for predefined business needs.

**Database**

Data stored in computer-readable form, usually indexed or sorted in a logical order by which users can find a particular item of data they need.

**Decentralized purchasing function**

In the traditional decentralized organization model for purchasing, each business, function or geographic unit within a corporation is responsible for its own purchases. By providing business units with autonomy and control over their own processes it often improves the overall satisfaction with the purchasing function. However, the decentralized model does not allow corporations to leverage the corporate spend or align BU objectives with the overall objectives for the corporation. With little or no coordination, best practice, templates and strategic know-how are unevenly distributed throughout the organization. Operating costs are often very high.

**Default**

Failure by a party to a contract to comply with contractual requirements.

**Department of Energy (DOE)**

Cabinet level department in the United States Government, charged with developing energy and safety policies and guidelines regarding the handling of nuclear material within the United States.

**Department of Homeland Security (DOE)**

Cabinet level department in the United States Government responsible for protecting the United States from terrorist attacks and natural disasters.

**Design Specification**

A specification setting forth the required characteristics or be considered for award of contract, including sufficient detail to show how the product is to be made or manufactured.

**Direct Cost**

A cost that can be directly traced to a cost object since a direct or repeatable cause-and-effect relationship exists. A direct cost uses a direct assignment or cost causal relationship to transfer costs. Direct costs can consist of materials used and labor directly involved in production.

**Disaster Recovery Planning**

Contingency planning specifically related to recovering hardware and software (e.g. data centers, application software, operations, personnel, telecommunications) in information system outages.

**Diverse Supplier**

A diverse supplier is one which is qualified by the United States Small Business Administration (SBA) as having met the definition of being at least 51% owned, controlled AND operated by one or more members of a diverse group (e.g., minority, women, etc.).

**Diversity**

Diversity is a commitment to recognizing and appreciating the variety of characteristics that make individuals unique in an atmosphere that promotes and celebrates individual and collective achievement.

**DUNS**

Data Universal Numbering System

**DUNS Number**

A unique nine-digit number assigned by Dun and Bradstreet to identify a company. DUNS stands FOR Data Universal Numbering System.

**E****E2E**

Exchange-to-exchange or enterprise-to-enterprise.

**EDI**

Electronic data interchange. The transmission of trade documents electronically using standardized formatting.

**Electronic Commerce (EC)**

Also written as e-commerce. Conducting business electronically via traditional EDI technologies or online via the Internet. In the traditional sense of selling goods, it is possible to do this electronically because of certain software programs that run the main functions of an e-commerce website, such as product display, online ordering and inventory management. The definition of e-commerce includes business activity that is business-to-business (B2), business-to-customer (B2C).

**Electronic Data Interchange (EDI)**

Intercompany, computer-to-computer transmission of business information in a standard format. For EDI purists, "computer-to-computer" means direct transmission from the originating application program to the receiving or processing application program. An EDI transmission consists only of business data, not any accompanying verbiage or free-form messages. Purists might also contend that a standard format is one that is approved by a national or international standards organization as opposed to formats developed by industry groups or companies.

**Electronic Data Interchange Association**

A national body that propagates and controls the use of EDI in a given country. All EDIAs are nonprofit organizations dedicated to encouraging EDI growth. The EDIA in the United States was formerly TDCC and administered the development of standards in transportation and other industries.

**Electronic Funds Transfer (EFT)**

Refers to the transactions and related computer-based systems used to perform financial (typically banking) transactions between organizations and accounts electronically.

**Energy Efficiency**

Using less energy to fulfill the same function or purposes, usually attributed to a technological fix rather than a change in behavior, examples include better insulation to reduce heating/cooling demand, compact fluorescent bulbs to replace incandescent, or proper tire inflation to improve gas mileage.

**Energy Star**

A federal standard applied to office equipment for the purpose of rating the energy efficiency of the equipment. Energy Star computers, monitors and printers save energy by powering down and going to "sleep" when not in use resulting in a reduction in electrical bills and pollution levels.

**Environmental Protection Agency (EPA)**

A federal agency in the United States Government that is tasked with regulating chemicals and protecting human health by safeguarding the natural environment (air, water and land).

**Environmentally Preferable Product (EPP)**

A product or service that has a lesser or reduced impact on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include but are not limited to those which contain recycled content, minimize waste, conserve energy or water and reduce the amount of toxics either disposed of or consumed.

**Environmentally Preferable Product (EPP) Certification**

Process by which products or services are certified as Environmentally Preferred Products (EPPs). The certification addresses all stages of the product's/service's life-cycle, incorporates key environmental and human health issues relevant to the category and undergoes outside stakeholder review.

**E** (continued)**E-procurement**

The act of acquiring/procuring/purchasing via an electronic format.

**EPP Certification**

Process by which products or services are certified as Environmentally Preferred Products (EPPs). The certification addresses all stages of the product's/service's life-cycle, incorporates key environmental and human health issues relevant to the category and undergoes outside stakeholder review.

**Equal or Approved Equal**

Used to indicate that an item may be substituted for a required item if it is equal in quality, performance and other characteristics.

**Escalation Clause**

A contract provision which permits the adjustment of contract prices by an amount or percent if certain specified contingencies occur such as changes in the vendor's raw material or labor cost.

**E-sourcing**

Web-based execution of the sourcing process for goods and services.

**Evaluation Of Responses**

The examination of responses after opening to determine the vendor's responsibility, responsiveness to requirements and other characteristics of the solicitation relating to the award.

**Exchange**

Also known as an e-marketplace. A web site for buying and selling goods.

**Executive Dashboard**

A series of cross-functional metrics that span the performance of the entire company and indicate the overall health of the company. Usually an Executive Dashboard includes the top KPIs for the company – and when possible is limited to the "vital few" that fit on a one page summary.

**Export**

(1) In logistics, the movement of products from one country to another. For example, significant volumes of cut flowers are exported from The Netherlands to other countries of the world. (2) A computer term referring to the transfer of information from a source (system or database) to a target.

**Exports**

A term used to describe those products produced in one geography (typically a country) and shipped/sold in another.

**F****Facilities**

An installation, contrivance or other thing which facilitates something; a place for doing something; Commercial or institutional buildings, including offices, plants and warehouses.

**Fair Market Value**

A price that would be acceptable on the open market for items or property of equivalent comparison.

**Firewall**

A computer term for a method of protecting the files and programs on one network from users on another network. A firewall blocks unwanted access to a protected network while giving the protected network access to networks outside of the firewall. A company will typically install a firewall to give user's access to the Internet while protecting their internal information.

**First-Tier Suppliers (aka Tier 1/Tier 1 Suppliers)**

Suppliers who sell directly to corporate or other customers. A First Tier Supplier get paid directly; also referred to as a Prime supplier.

**Fiscal Year**

The 12 months between one annual settlement of financial accounts and the next; a term used for budgeting etc.

**F** (continued)**Fixed Costs**

Costs which do not fluctuate with business volume in the short run. Fixed cost includes items such as depreciation on buildings and fixtures.

**FMA**

Financial management and accountability.

**Forest Stewardship Council (FSC)**

FSC is an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests.

**Formal Solicitation**

A solicitation which requires a sealed response.

**Fossil Fuel**

Any petroleum based fuel source such as gasoline, natural gas, fuel oil, etc.

**FSP**

Fulfillment service provider. An organization that manages and executes part or all of a company's fulfillment process, using its own assets and resources.

**Fulfillment**

In the world of e-business, fulfillment refers to the process of shipping an order to a customer and the automation of that process.

**G****Global Report Initiative (GRI)**

The Global Reporting Initiative (GRI) is a network-based organization that pioneered the world's most widely used sustainability reporting framework. GRI is committed to the Framework's continuous improvement and application worldwide. GRI's core goals include the mainstreaming of disclosure on environmental, social and governance performance.

**Global Strategy**

An organization's strategic guide to globalization. A global strategy may be appropriate in industries where firms are faced with strong pressures for cost reduction but with weak pressures for local responsiveness. Therefore, the strategy allows these firms to sell a standardized product worldwide. However, fixed costs (capital equipment) are substantial. Nevertheless, these firms are able to take advantage of scale economies and experience curve effects because of the ability to mass-produce a standard product which can be exported – providing that demand is greater than the costs involved.

**Global Warming**

This refers to a specific type of climate change, an increased warming of the Earth's atmosphere caused by the buildup of man-made gases that trap the sun's heat, causing changes in weather patterns and other effects on a global scale. These effects include global sea level rise, changes in rainfall patterns and frequency, habitat loss and droughts.

**Globalization**

The process of making something worldwide in scope or application.

**GNP**

See Gross National Product

**Goods**

In relation to procurement, moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

**G** (continued)**Green Building**

A comprehensive process of design and construction that employs techniques to minimize adverse environmental impacts and reduce the energy consumption of a building which contributing to the health and productivity of its occupants, common metrics for evaluating green buildings include the LEED (Leadership in Energy and Environmental Design) certification and Australia's Green Star Program.

**Greenhouse Effect**

The trapping of heat within the Earth's atmosphere by greenhouse gases such as carbon dioxide which accumulates in Earth's atmosphere and act as a blanket keeping heat in.

**Greenhouse Gas Emissions**

The release of greenhouse gases into the atmosphere by human activities. Greenhouse Gases are identified as water vapor, carbon dioxide, methane, nitrous oxide and ozone.

**Greenhouse Gases (GHG)**

These gases are so named because they contribute to the greenhouse effect due to high concentrations of these gases remaining in the atmosphere. The GHGs of most concern include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxides (N<sub>2</sub>O).

**Green Procurement**

The purchase of environmentally preferable goods and services and the integration of environmental performance considerations into the procurement process including planning, acquisition, use and disposal.

Environmentally preferable goods and services are those that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose.

Environmental performance considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support of reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances.

**Green Strategy**

A comprehensive management plans that have the final goal of achieving environmental and economic sustainability. They are integrated, all-inclusive strategies that replace traditional single-issue policies.

**Green Washing**

The process by which a company publicly and misleadingly exaggerates or embellishes the environmental attributes of itself or its products which participating in environmentally or socially irresponsible practices.

**Gross National Product (GNP)**

A measure of a nation's output, the total value of all final goods and services produced during a period of time.

**H****Hazardous Goods**

See Hazardous Material

**Hazardous Material**

A substance or material which the Department of Transportation has determined to be capable of posing a risk to health, safety and property when stored or transported in commerce.

**Hazardous Waste**

Any waste (solid, liquid, or gas) which because of its quantity, concentration, or chemical, physical or infectious characteristics pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported or disposed of.

**H** (continued)**Hispanic Americans**

A U.S. citizens of Hispanic heritage from any of the Spanish-speaking areas of Latin America or the following regions: Mexico, Central America, South America and the Caribbean basin.

**I****Import**

Movement of products from one country into another. The import of automobiles from Germany to the U.S. is an example.

**Indirect Cost**

A resource or activity cost such as operation costs and overhead that cannot be directly traced to a final cost object since no direct or repeatable cause-and-effect relationship exists. An indirect cost uses an assignment or allocation to transfer cost.

**Informal Solicitation**

A solicitation which does not require a sealed response.

**Information systems (IS)**

Managing the flow of data in an organization in a systematic, structured way to assist in planning, implementing and controlling.

**Institute for Supply Management (ISM)**

ISM is the largest supply management association in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities and education. ISM's membership base includes more than 34,000 supply management professionals with a network of domestic and international affiliated associations.

**Insurance**

A contract between an insurance company and a person or group which provides for a money payment in case of covered loss, accident or death.

**IPO**

Initial public offering. Also international purchasing office.

**ISO 14001**

An internationally accepted specification for an environmental management system. It specifies requirements for establishing an environmental policy, determining environmental aspects and impacts of products/activities/services, planning environmental objectives and measurable targets, implementation and operation of programs to meet objectives and targets, checking and corrective action and management review.

**Interchange**

In EDI, the exchange of electronic information between companies. Also, the group of transaction sets transmitted from one sender to one receiver at one time. Delineated by interchange control segments.

**Invoice**

A list of goods or services sent to a purchaser showing information including prices, quantities and shipping charges for payment.

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**J****Joint Venture**

The temporary association of two or more businesses to secure and fulfill a procurement bid award.

**K****Key Performance Indicator (KPI)**

A measure which is of strategic importance to a company or department. For example, a supply chain flexibility metric is Supplier On-time Delivery Performance which indicates the percentage of orders that are fulfilled on or before the original requested date.

**KPI**

See Key Performance Indicator  
Financial and non-financial indicators for the performance of a company.

**L****Landfill**

A method of disposal of rubbish by burying it underground.

**Lead Time**

The total time that elapses between an order's placement and its receipt. It includes the time required for order transmittal, order processing, order preparation and transit.

**Leadership in Energy and  
Environmental Design (LEED)**

A building rating system, developed by the U.S. Green Building Council (USGBC) to provide a set of standards for environmentally sustainable construction.

**Lease**

A contract conveying from one entity to another the use of real or personal property for a designated period of time in return for payment or other consideration.

**LEED**

See Leadership in Energy and Environmental Design

**Lessee**

One to whom a lease is granted.

**Lessor**

One who grants a lease.

**Life Cycle Assessment (LCA)**

A tool for the evaluating the environmental impact of a product or service system through all stages of its life cycle.

**Life Cycle (Cradle to Grave)**

See Product Lifecycle

**Life Cycle Cost (LCC)**

In cost accounting, a product's life cycle is the period that starts with the initial product conceptualization and ends with the withdrawal of the product from the marketplace and final disposition. A product life cycle is characterized by certain defined stages, including research, development, introduction, maturity, decline, and abandonment. Life cycle cost is the accumulated costs incurred by a product during these stages.

**Life Cycle Costing**

A procurement evaluation technique which determines the total cost of acquisition, operation, maintaining and disposal of the items acquired; the lowest ownership cost during the time the item is in use.

**Line Item**

An item of supply or service specified in a solicitation for which the vendor must specify a separate price.

**Liquidated Damages**

A specific sum of money agreed to as part of a contract to be paid by one party to the other in the event of a breach of contract in lieu of actual damages unless otherwise provided by law.

**List Price**

The price of an article published in a catalog, advertisement or printed list from which discounts, if any, may be subtracted.

**Lockbox**

A method for receiving payments where customers make their remittance directly to a bank or other financial institution rather than to the invoicing company. The bank then applies the funds received directly to the company's account and provides the company with a listing (printed or electronic) of all the payments received.

## L (continued)

### **Lowest Responsible Vendor**

The vendor with the lowest price whose past performance, reputation and financial capability is deemed acceptable.

## M

### **Mandatory**

Required by the order stipulated, e.g., a specification or a specific description that may not be waived.

### **Manufacturer**

A business that makes or processes raw materials into a finished product.

### **Market**

The aggregate forces (including economics) at work in trade and commerce in a specific service or commodity. To sell, analyze, advertise, package, etc.

### **Market Value**

It is considered to be the true underlying value of an asset. Although it is not an exact science it is used as a business tool.

### **Market Intelligence**

The process of gathering and analyzing information about a company's market to better understand customer's wants and needs and to identify possible threats and opportunities to the company.

### **Materials Management**

Embraces all functions of acquisition, standards, quality control and surplus property management.

### **Metrics**

Specific areas of measurement. A metric must be quantitative, must support benchmarking and must be based on broad statistically valid data. Therefore, it must exist in a format for which published data exists within the enterprise or industry.

### **Minority Business Enterprise (MBE)**

An MBE is a for-profit enterprise, regardless of size, physically located in the United States or its

trust territories and owned, operated and controlled by minority group members. "Minority group members" are United States citizens who are African-Americans, Hispanics, Native Americans, Asian-Pacific Americans and Asian-Indian Americans. Ownership by minority individuals means the business must be at least 51 percent owned by minority group members. Furthermore, the management and daily business operations are controlled by those minority group members.

### **Memorandum of Understand (MOU)**

A memorandum of understand is a document describing a bilateral or unilateral agreement between two parties. It expresses a convergence of will between the parties, indicating a common line of action.

### **MSA**

Master service agreement.

### **Multiple Award**

Contracts awarded to more than one supplier for comparable suppliers and services. Awards are made for the same generic types of items at various prices.

### **Multi round e-sourcing**

An e-sourcing approach where contracts are awarded without the use of a negotiation tool such as an e-auction. In a multi round e-sourcing event the RFQ/RFP is iterated back and forth as the buyers provide feedback to suppliers in order for them to update or redefine their answers to the RFQ/RFP. It's a more passive manner of creating competition between suppliers that can be very effective in certain cases where the traditional multi stage approach is thought to be too price centric.

### **Multi stage e-sourcing**

The classic e-sourcing scenario where information is gathered, processed and contract awarded through the traditional RFI-RFQ-negotiation approach.

## N

### **NAICS (North American Industry Classification System) Code [Formerly known as SIC (Standard Industrial Classification) Code]**

Classification of business established by type of activity for the purpose of facilitating the collection, tabulation, presentation and analysis of data collected by various agencies of the United States government, state agencies, trade associations and private research organizations for promoting uniformity and comparability in the presentation of statistical data relating to those establishments and their fields of endeavor.

### **National Minority Supplier Development Council (NMSDC)**

The NMSDC offers a link between corporate America and minority-owned businesses, providing increased procurement and business opportunities for minority businesses of all sizes. The regional councils certify and match more than 15,000 minority-owned businesses (Asian, Black, Hispanic and native American) with member corporations that want to purchase goods and services.

### **Native Americans**

Persons who are American Indian, Eskimo, Aleut or Native Hawaiian, and regarded as such by the community of which the person claims to be a part. Native Americans must be documented members of a North American tribe, band or otherwise organized group of native people who are indigenous to the United States.

### **Negotiation**

Requests for proposals are sometimes used as a starting point for negotiations to establish a contract. RFPs generally include more than just price considerations. This method is especially applicable when dealing with a single source manufacturer.

### **Net Price**

Price after all discounts, rebates, etc., have been allowed.

### **No Bid**

A response to a solicitation for bids stating that respondent does not wish to submit an offer. It is usually operates as a procedure consideration to prevent suspension from the vendors list for failure to submit a response.

### **Non Disclosure Agreement (NDA)**

A non-disclosure agreement, also known as a confidentiality agreement or confidential disclosure agreement (CDA) is a legal contract between at least two parties through which the parties agree not to disclose confidential material, knowledge or information as detailed in the agreement to any third party. An NDA protects non-public information.

## O

### **Online**

A computer term which describes activities performed using computer systems.

### **Optimization**

The process of making something as good or as effective as possible with given resources and constraints.

### **Option To Extend/Renew**

A provision (or exercise of a provision) which allows a continuance of the contract for an additional time according to permissible contractual conditions.

### **Outsource**

To utilize a third-party provider to perform services previously performed in-house. Examples include manufacturing of products and call center/customer support.

### **Overhead**

Includes all of the factors other than direct labor and materials included in the cost of goods sold. This figure is usually expressed as a percentage of direct labor cost, a dollar amount per production unit and several other ways.

## **P**

### **P2P**

Procure-to-Pay, a solution that provides integrated tools for management of the buying process from ordering to accounts receivables.

### **Packing List**

A document which itemizes in detail the content of a particular package or shipment.

### **Partnership**

An agreement between parties to operate a business with stipulations regarding the sharing of profits and losses.

### **Password**

A private code required to gain access to a computer, an application program or service.

### **Per Diem**

By the day.

### **Point of Sale (POS)**

(1) The time and place at which a sale occurs, such as a cash register in a retail operation or the order confirmation screen in an on-line session. Supply chain partners are interested in capturing data at the POS, because it is a true record of the sale rather than being derived from other information such as inventory movement. (2) Also a national network of merchant terminals, at which customers can use client cards and personal security codes to make purchases. Transactions are directed against client deposit accounts. POS terminals are sophisticated cryptographic devices with complex key management processes. POS standards draw on ABM network experiences and possess extremely stringent security requirements.

### **Point of Sale Information**

Price and quantity data from retail locations as sales transactions occur.

### **Portal**

Websites that serve as starting points to other destinations or activities on the Internet. Initially thought of as a "home base" type of web page, portals attempt to provide all Internet needs in one location. Portals commonly provide services such as e-mail, online chat forums, shopping, searching, content and news feeds.

### **Post Consumer Material**

A finished material which would normally be disposed of as a solid waste after its life cycle as a consumer item is completed. Does not include manufacturing or converting waste. This refers to material collected for recycling from office buildings, homes, retail stores, etc.

### **Pre-Bid Conference**

A meeting to clarify an invitation to bid that has been issued.

### **Pre-Bid Supplier Qualification Evaluation**

Preliminary audit of new suppliers which helps to identify capacity of suppliers, their responsibility to fulfill contract requirements and ability to meet with specifications defined in system of quality controlling and in the principles of supplier's policy.

### **Pre Consumer Material**

Material or by-products generated after the manufacture of a product but before the produce reaches the consumer, such as damaged or obsolete products. Pre-consumer material does not include mill and manufacturing trim, scrap or broken materials which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.

### **Prepaid**

A term denoting that transportation charges have been or are to be paid at the point of shipment.

**P** (continued)

### **Prequalification of Vendors**

The screening of potential vendors in which such factors as financial capability, reputation and management are considered when developing a list of qualified vendors.

### **Pre-Solicitation Conference**

A meeting with prospective bidders to obtain information for bidding and invite recommendations.

### **Price**

The amount of money that will purchase a definite weight or other measure of a commodity.

### **Prime Contractor**

A person who contracts with someone else for the performance of work by the other person, or at whose request, or on whose credit or behalf and with those knowledge and consent, work is performed or a person, claiming under the contractor, whose rights are acquired after the work begins.

### **Proactive**

The strategy of understanding issues before they become apparent and presenting the solution as a benefit to the customer, etc.

### **Process Benchmarking**

The activity associated with comparing a process in use to one used by another organization (internal or external). Benchmarks may include quantitative metrics as well as functional steps (qualitative).

### **Process Improvement**

Designs or activities which improve quality or reduce costs, often through the elimination of waste or non-value-added tasks.

### **Procurement**

Activities associated with corporations identifying and acquiring products or services necessary to meet the needs of their organization. The range of activities can vary widely between organizations to include all of parts of the functions of procurement planning, purchasing, inventory control, traffic, receiving, incoming inspection and salvage operations. In

addition, procurement is all of the processes involved in requesting, ordering, auditing, and paying for goods and services.

### **Procurement Card (P-Card)**

An organizational credit card program primarily used for low-cost non-inventory, non-capital items such as office supplies or travel expenses. The card allows procurement or field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be up to restrict use to specific purchases with pre-defined suppliers or stores and offer central billings.

Unlike the P-card which is primarily a purchasing tool, a corporate card is issued to an individual under a corporate program with the purpose of paying for expenses related to their job. Corporate cards will often have individual billing but central account management.

### **Procurement Officer**

A person who is authorized to enact and administer contracts and issue determinations in that regard.

### **Procurement Policies and Procedures (PPP)**

A document providing a framework and mandatory requirements to govern how organizations conduct sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, conflict of interest and purchasing and contract awarding. The "PPP" provides a common set of rules for managing the procurement of goods, services and construction across an organization.

### **Product Certification or Product Qualification**

The process of certifying that a certain product has passed performance and quality assurance tests or qualification requirements stipulated in regulations such as a building code and nationally accredited test standards or that it complies with a set of regulations governing quality and minimum performance requirements.

## P (continued)

### Product Life Cycle

The life of a product in a market with respect to business sales and profits over time. There are five stages to the product life cycle: product development, introduction, growth, maturity and decline.

### Product Life Cycle Management (PLM)

The process of managing the entire lifecycle of a product from its conception, design, development and manufacture, to management of it introduction, growth and decline.

### Proposal Evaluating Criteria

Facts and information such as: Management capabilities, performance plans and technical proficiencies. These factors may be weighted or given a numerical value.

### Purchase Order

The authorizing document for provision of goods or services from a supplier. The Purchase Order becomes a legally binding contract on acceptance by the supplier.

### Purchasing

The function associated with buying the goods and services required by the firm. Purchasing is the actual buying process, whether placing or transmitting an order orally, in hard copy, electronically via Electronic Document Interchange (EDI or Electronic Commerce (EC).

## Q

### Quality

The degree to which a set of defined characteristics of a product or service fulfills known requirements. The common element of the business definitions is that the quality of a product or service refers to the perception of the degree to which the product or service

meets the customer's expectations. Quality has no specific meaning unless related to a specific function and/or object. Quality is a perceptual, conditional and somewhat subjective attribute.

### Quote

To state a price for securities, goods, and services.

## R

### Rainforest Alliance

Is an organization that works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior.

### Recognized Certifying Bodies

These organizations certify enterprises as businesses that are managed, and controlled by minorities, women, or veterans; and small business concerns. The following list includes some major certifying agencies:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- U.S. Department of Veteran Affairs (VA) Center for Veteran Enterprise (CVE)
- U.S. Small Business Administration (SBA)
- State and City municipalities Minority and Women Small Business Development Offices.

### Recyclable

A designation for products or materials that are capable of being recovered from or otherwise diverted from waste streams into an established recycling.

### Recycled Content

Refers to the amount of recycled materials in a product – typically expressed as a percentage.

### Recycled Product

A product that contains the highest amount of post-consumer material practicable or when post-consumer materials is impracticable for a specific type of product, contains substantial amounts of pre-consumer material.

**R** (continued)**Recycling**

The series of activities, including collection, separation and processing by which materials are recovered from the waste stream for use as raw materials in the manufacture of new products.

**Reengineering**

- 1) A fundamental rethinking and radical redesign of business processes to achieve dramatic improvement in performance.
- 2) A term used to describe the process of making (usually) significant and major revisions or modifications to business processes.
- 3) Also called Business Process Reengineering.

**Renewable Resources**

A resource that can be replenished at a rate equal to or greater than its rate of depletion. Examples of renewable resources include corn, trees and soy-based products.

**Request for Information (RFI)**

Vendors are asked to provide information on a particular commodity or service. RFI's are often used as 'brain-storming' tools to meet a particular situation (example: "provide audio/visual system for auditorium") and rely more on the expertise of the vendors to meet a need.

**Request for Proposal (RFP)**

Vendors are asked to meet a need or set of needs. Unlike the request for information, criteria are more developed and specifications are given which the proposed commodity or service must meet or exceed. Most, but not all of the proposals will spell out the equipment/labor/services needed to complete the project.

**Request for Quotation (RFQ)**

Vendors are asked to provide specific pricing and delivery information on listed products or services. Quotations are requested for exact quantities, and products may be specified by make/model number, batch number, industry specification, etc.

**Requisition**

An internal document that a functional department (stores, maintenance, production, etc.) sends to the purchasing department containing details of materials to meet its needs, replenish stocks or obtain materials for specific jobs or contracts.

**Responder**

One who submits a response to a solicitation document.

**Response**

The offer received from a vendor in response to a solicitation. A response includes submissions commonly referred to as "offer," "bids," "quotes," or "proposals."

**Responsible Bidder**

A bidder whose reputation, past performance and business and financial capabilities are such that the bidder would be judged by an appropriate authority as capable of satisfying an organization's needs for a specific contract.

**Responsive Bidder**

A bidder whose bid does not vary from the specifications and terms set out in the invitation for bids.

**Reused Product**

Any product designed to be used many times for the same or other purpose without additional processing other than specific requirement, such as cleaning, painting or minor repairs.

**Reverse auction**

Also called a buyer's auction, a reverse auction empowers buyers, allowing them to find the lowest bidder among suppliers/sellers.

**RFx**

RFx is a term used to represent various procurement related competitive documents. The "RF" stands for "Request For" and the "x" represents RFIs, RFPs, RFQs.

**ROI**

Return on investment.

## S

### SCORE (Service Corps of Retired Executives)

SCORE is a 10,500-member volunteer association sponsored by the Small Business Administration (SBA). SCORE matches volunteer business-management counselors with present prospective small business owners in need of expert advice.

### Scorecard

A performance measurement tool used to capture a summary of the key performance indicators (KPIs)/metrics of a company. Metrics dashboards/scorecards should be easy to read and usually have “red, yellow, green” indicators to flag when the company is not meeting its targets for its metrics. Ideally, a dashboard/scorecard should be cross-functional in nature and include both financial and non-financial measures. In addition, scorecards should be reviewed regularly – at least on a monthly basis and weekly in key functions such as manufacturing and distribution where activities are critical to the success of a company. The dashboard/scorecards philosophy can also be applied to external supply chain partners such as suppliers to ensure that suppliers’ objectives and practices align.

### Second-Tier Supplier (Also known as Tier II or Tier 2 Suppliers)

Second-level contractor; subcontractor; also referred to as Tier 2 supplier. A Second Tier Supplier sell goods and services to First-Tier Suppliers.

### Service Level Agreement (SLA)

May used in lieu of a contract to represent and document the terms of the performance based agreement for organic support.

### Services

Professional or technical services and service performed under a service contract.

### Shared Services

Consolidation of a company's back-office processes to form a spinout (or a separate “shared services” unit, to be run like a separate business), providing services to the parent company and sometimes, to external customers. Shared services typically lower overall cost due to the consolidation and may improve support as a result of focus.

### Sigma

A Greek letter (  $\sigma$  ) commonly used to designate the standard deviation of a population. Sigma is a statistical term that measures how much a process varies from perfection, based on the number of defects per million units produced. In a process audit measurement would be of the number of times the process failed for each million time the process was run. In either case the subject is generally referred to as an “opportunity.”

#### NOTE:

One Sigma=690,000 per million units  
 Two Sigma=308,000 per million units  
 Three Sigma=66,800 per million units  
 Four Sigma=6,210 per million units  
 Five Sigma=230 per million units  
 Six Sigma=3.4 per million units

### Single Source

When an organization deliberately chooses to use one supplier to provide a product or service, even though there are other suppliers available.

### Six-Sigma

Six Sigma at many organizations simply means a measure of quality that strives for near perfection. Six Sigma is a disciplined, data-driven approach and methodology for eliminating defects (driving toward six standard deviations between the mean and the nearest specification limit) in any process - from manufacturing to transactional and from product to service.

The [statistical representation](#) of Six Sigma describes quantitatively how a process is performing. To achieve Six Sigma, a process must not produce more than 3.4 defects per million opportunities. A Six Sigma defect is defined as anything outside of customer specifications. A Six Sigma opportunity is then the total quantity of chances for a defect. Process sigma can easily be calculated using a Six Sigma calculator.

The fundamental objective of the Six Sigma methodology is the implementation of a measurement-based strategy that focuses on process improvement and variation reduction

**S** (continued)

through the application of [Six Sigma improvement projects](#). This is accomplished through the use of two Six Sigma sub-methodologies: DMAIC and DMADV. The Six Sigma DMAIC process (define, measure, analyze, improve, control) is an improvement system for existing processes falling below specification and looking for incremental improvement. The Six Sigma DMADV process (define, measure, analyze, design, verify) is an improvement system used to develop new processes or products at Six Sigma quality levels. It can also be employed if a current process requires more than just incremental improvement. Both Six Sigma processes are executed by Six Sigma Green Belts and Six Sigma Black Belts, and are overseen by Six Sigma Master Black Belts.

**Six-Sigma Quality**

Six-Sigma is a term coined to stress the continuous reduction in process variation to achieve near-flawless quality. When a Six Sigma rate of improvement has been achieved, defects are limited to 3.4 per million opportunities.

**Small Business**

Means a business, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government or commercial contracts, and qualified as a small business under the criteria and size standards as established by the US Government Small Business Administration.

**Small Business Administration (SBA)**

An independent agency of the United States government that protects the interests of small businesses and ensures that they receive a fair share of government contracts.

**SMEs**

Small and Medium Sized Enterprises are organizations with fewer than 250 employees.

**Social Responsibility**

The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their

families as well as of that of the local community and society at large. It's responsible production, socially responsible labor relations, community involvement, environmental cognizance, and sustainability.

**Sole Source**

When there is only one supplier for a product or service, and no alternate suppliers are available.

**Sourcing Manager**

A Sourcing Manager, identifies, formulates, negotiates, and implements strategic contracts, on a local, regional and international level. In addition, they are responsible for evaluating competitive offerings from contractors and suppliers to establish contractual agreements between the Company and external sources of supply. They often work with department heads on a local and regional level to develop strategies and tactics for major commodity spending.

**Specification**

A concise statement of a set of requirements to be satisfied by a product, material or process that indicates whenever appropriate the procedures to determine whether the requirements are satisfied. As far as practicable, it is desirable that the requirements are expressed numerically in terms of appropriate units, together with their limits. A specification may be a standard, a part of a standard, or independent of the standard.

**Spend**

The amount that a corporation or government entity purchases from a MWBEs; this amount is typically tracked both by individual vendor and in aggregate.

**SRP**

Socially Responsible Procurement

**Stakeholders**

An individual or group who will be impacted in some way by the change. They have an interest (positive or negative) in how a project, initiative, or transformation will resolve itself.

**S** (continued)**Standards**

Governmental or privately-created lists of criteria used to regulate or evaluate the products or behavior or corporations. Standards can play a critical role in stimulating the market and giving companies information to create better products or change corporate behavior. An example is the LEED green building rating system for buildings.

**Standard Industrial Classification (SIC)**

A United States government system for classifying industries by four-digit code. Established in 1937, it is being supplanted by the six-digit North American Industry Classification System which was released in 1997; however certain government departments and agencies, such as the U.S. Securities and Exchange Commission (SEC), still use the SIC codes.

**Statement of Work**

A document that captures and acknowledges mutual agreement on the work activities, deliverables and timeline that a vendor will execute against in performance of work for a customer. Detailed requirements and pricing are usually specified in a Statement of Work, along with various other terms and conditions.

**Strategic Alliance**

Business relationship in which two or more independent organizations cooperate and willingly modify their business objectives and practices to help achieve long-term goals and objectives.

**Strategic Partner**

Party with which a long-term agreement is reached for sharing of physical and/or intellectual resources in achievement of defined common objective.

**Strategic Partnership**

Strategic partner is a formal alliance between two commercial enterprises, usually formalized by one or more business contracts but falls short of forming a legal partnership or agency or corporate affiliate relationship.

**Strategic Planning**

Looking one to five years into the future and designing a logistical system (or systems) to meet the needs of the various businesses in which a company is involved.

**Strategic Profit Model**

Visualization of an organization's finances to provide the ability to understand and analyze financial performance and return on investment (ROI).

**Strategic Sourcing:**

The process of determining long-term supply requirements, finding sources to fulfill those needs, selecting suppliers to provide the services, negotiating the purchase agreements and managing the supplier's performance. Focuses on developing the most effective relationships with the right suppliers, to ensure that the right price is paid and that lifetime product costs are minimized. It also assesses whether services or processes would provide better value if they were outsourced to specialist organizations.

The result of changing purchasing from a transaction-orientated process, (i.e., three bids and a buy) to an integrated supply chain management process. Strategic sourcing stresses integrated procurement planning, sourcing, and management. Cross-functional sourcing teams are used to select suppliers for key products and services that determine the optimal supply chain structure that provides the lowest total cost of ownership. Supplier diversity is part of the strategic sourcing process.

**Strategic Variables**

The variables that effect change in the environment and logistics strategy. The major strategic variables include economics, population, energy and government.

**Strategy**

A specific action to achieve an objective.

## **S** (continued)

### **Sub-Tier Supplier**

A successive supplier who provides a product or service to a direct supplier who ultimately provides that product or service to the customer.

### **Subcontract**

Any agreement or arrangement between a contractor and any party or person (in which the parties do not have an employer/employee relationship): **(A)** For the furnishing of products or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts: or **(B)** Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.

### **Subcontracting**

Sending work outside the enterprise to a third party. This typically involves specialized operations related to production.

### **Supplier**

An individual or an organization who supplies goods or services to the company. This is also sometimes referred to as a "vendor."

A provider of goods and services that typically is incorporated, bills on an invoice and has multiple transactions with the company.

### **Supplier Capacity Analysis**

An assessment of a supplier's available capacity and whether the available capacity will meet the investigating organization's requirements.

### **Supplier Certification**

A process for ensuring that a supplier meets certain requirements. Requirements many consist of elements such as cost, quality, delivery, ethnicity and environmental standards.

### **Supplier Council**

A council that develops and supports businesses by facilitating important connections between corporations and suppliers.

### **Supplier Development**

Any effort by a buying firm with a supplier to increase the performance and/or capabilities of a supplier and to meet the buying firm's short- and/or long-term supply needs. Supplier development activities may range from an informal supplier evaluation and a request for improved performance to extensive efforts such as training of the supplier's personnel and, perhaps, investment in the supplier's operations.

### **Supplier Diversity**

A proactive business process that seeks to provide suppliers owned by minorities, women and other identified diverse firms equal access to purchasing opportunities. It promotes supplier participation that reflects the demographics of the consumer marketplace as a means of encouraging economic development.

### **Supplier Management Program**

A defined policy regarding how suppliers are governed with respect to overall material planning, planning procurement staff, supplier negotiation and qualification, etc.

### **Supplier Portal**

The purpose of a supplier portal is to significantly improve collaboration between suppliers and internal company businesses by establishing a secure, efficient and consistent means of accessing and exchanging information. This allows a company to deliver a positive customer experience and drive value to their shareholders. The supplier portal is a password protected website that provides a secure access point to organizations.

### **Supplier Scorecards**

Assessment of suppliers based on performance benchmarks in several key area. Some examples are manufacturing Critical path time (MCT), on time delivery, quality parts per million, cost of poor quality, inventory turns, and productivity gains. A supplier's rank can then be established and the data used to measure the relative performance of a supplier with the supply base and track improvement in supplier's quality over time.

**S** (continued)**Supplier Service Level**

A metric which helps measure the overall performance of a supplier. It measures the ability of the business suppliers to provide their goods at the agreed times, quantity and quality.

**Supply Chain**

The identification, acquisition, access, positioning and management of resources the organization needs or potentially needs in the attainment of its strategic objectives.

**Supply Chain Council**

A non-profit organization dedicated to improving the supply chain efficiency of its members. The Supply-Chain Council's membership consists primarily practitioners representing a broad cross section of industries, including manufacturers, services, distributors and retailers. It is the organization responsible for the Supply Chain Operations Reference Model (SCOR) standards.

**Supply Chain Integration (SCI)**

Likely to become a key competitive advantage of selected e-marketplaces. Similar concept to the Back-End Integration but with greater emphasis on the moving of goods and services.

**Supply Chain Management (SCM)**

Supply chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across companies.

**Supply Chain Management –  
Boundaries and Relationships**

Supply chain management is an integrating function with primary responsibility for linking major business functions and business processes within the across companies into a cohesive and high-performing business model. It includes all of the logistics management activities noted above, as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design, finance, and information technology.

**Supply Chain Operations Reference  
Model (SCOR)**

This is the model developed by the Supply-Chain Council (SCC) and is built around six major processes; plan, source, make, deliver, return and enable. The aim of the SCOR is to provide a standardized method of measuring supply chain performance and to use a common set of metrics to benchmark against other organizations.

**Supply Chain Related Activities**

Any activity whether directly or indirectly related to organizational plan, source, procure, move, and pay processes. It includes everything, starting from research, scoping and defining needs by end-users until the final payment.

**Supply Chain Sustainability**

The management of environmental, social and economic impacts and the encourage of good governance practices, throughout the lifecycles of goods and services.

**Supply Management**

The identification, acquisition, access, positioning and management of resources the organization needs or potentially needs in the attainment of its strategic objectives. Other key components of supply management are disposition, distribution, inventory control, logistics, materials management, packaging, product or service development, procurement, quality management, receiving, transportation, shipping and warehousing.

**S** (continued)**Supply Planning**

The process of identifying, prioritizing and aggregating as a whole with constituents parts, all sources of supply that are required and add value in the supply chain of a product or service at the appropriate level, horizon and interval.

**Sustainability**

Corporate sustainability refers to efforts a company makes related to conducting business in a socially and environmentally responsible manner. It includes elements including sustainable development, corporate social responsibility (CSR), stakeholder concerns and corporate accountability.

**Sustaining Activity**

An activity that benefits an organizational unit as a whole but not any specific cost objective.

**T****Terms and Conditions (T&Cs)**

A phrase generally applied to the rules under which all bids must be submitted and the stipulations included in most purchase contracts; often published by the purchasing group for the information of all potential vendors.

**The Sustainability Consortium**

The Sustainability Consortium is an independent organization of diverse global participation who work collaboratively to build a scientific foundation that drives innovation to improve consumer product sustainability through all stages of a product's life cycle.

**Tier 1/Tier I**

Direct supplier to a customer; contractor; also referred to as Prime supplier.

**Tier2/Tier II**

Second-level contractor; subcontractor; also referred to as Tier II supplier. A Tier II supplier is a Diverse Supplier that is used by a Prime (or Tier I) supplier to a company in support of its core business.

**Total Quality Management (TQM)**

A management approach in which managers constantly communicate with organizational stakeholders to emphasize the importance of continuous quality improvement.

**Transparency**

A foundational objective of the Procurement Policies and Procedures (PPP).

**Travel agent**

A firm that provides passenger travel information; air, rail and steamship ticketing and hotel reservations. The travel agent is paid a commission by the carrier and hotel.

**U****U.S. Small Business Administration (SBA)**

The SBA, an independent federal government agency, helps Americans start, build and grow businesses. The SBA provides programs, services and certifications that support the development of small business concerns.

**Utilities**

Actual electricity, telephone, etc., costs directly incurred by a business.

**V****Value Added**

Increased or improved value, worth, functionality or usefulness.

**Value Added Service**

Any product offering that extends beyond simple buy-and-sell capabilities. This includes logistics, collaborative design, payment, verification and settlement.

**Vendor**

A reactive source that delivers specified goods on time. Although this term is still widely used, it is preferable to use the term "supplier" to refer to a source that proactively suggests savings opportunities and improvement ideas.

**Vendor Code**

A unique identifier, usually a number and sometimes the company's DUNS number assigned by a Customer for the Vendor it buys from. Example: a Grocery Store Chain buys Oreo's from Nabisco. The Grocery Store Chain, for accounting purposes, identifies Nabisco as Vendor #99920. One company can have multiple vendor codes. Example: Welch's Foods sells many different products. Frozen grape juice concentrate, chilled grape juice, bottled grape juice and grape jelly. Because each of these items is a different type of product, frozen food, chilled food, beverages, dry food, they may have a different buyer at the Grocery Store Chain, requiring a different vendor code for each product line.

**Vendor Debriefing**

A practice of informing a supplier as to why their bid was not selected upon completion of the contract award process.

**Vendor File**

A file maintained that list vendors. The file should contain all information pertinent to the vendor, i.e., application information, commodities supplied and performance record.

**Vendor List**

A list of names and addresses of suppliers from whom bids, proposals and quotations might be expected. The list is usually maintained by the procurement organization, should include all suppliers who have expressed interest in doing business with a business organization.

**Vendor-of-Record (VOR) Arrangement**

A procurement arrangement that authorizes organizations to select from one or more pre-qualified vendors(s), typically by way of a formal second stage process, for a defined period on terms and conditions, including pricing, as set out in the particular VOR agreement. Vendors-of-record arrangements are used to reduce costs to the organization by establishing strategic relationships with a small group of suppliers.

**Vision**

The vision of the business is a statement which reflects the aspiration of its management and specifies its intended direction or future destination.

**Volatile Organic Compounds (VOC)**

Compounds that evaporate from many housekeeping, maintenance and building products made with organic chemicals. In sufficient quantities, VOCs can cause irritation and some are suspected of causing or exacerbating acute and chronic diseases.

**W****Waste-To-Energy**

The burning of waste in a controlled-environment incinerator to generate steam, heat or electricity.

**Weather**

The state of the atmosphere with regard to temperature, cloudiness, rainfall, wind and other meteorological conditions. It is not the same as climate which is the average weather over a much longer period.

**Women's Business Enterprise National Council (WBENC)**

The Women's Business Enterprise National Council is the nation's leading advocate of women-owned businesses as suppliers to America's corporations. As the largest third-party certifier of businesses owned and operated by women in the United States, the WBENC works with representatives of corporations to encourage the utilization and expansion of supplier through corporate diversity initiatives. (Source: WBENC website)

**Woman-owned Business Enterprise (WBE)**

A WBE is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories and owned, operated and controlled by a woman or women. Ownership by women means the business must be at least 51 percent owned by a woman or women, who control the management and daily operations of the business.

## References

The terms used within this document are from the following sources which covers, accounting, business, procurement, supply chain and sustainability:

American Purchasing Society

<http://www.american-purchasing.com>

Bplans

<http://articles.bplans.com/business-term-glossary>

Business for Social Responsibility (BSR)

<http://www.bsr.org/>

Efficient Purchasing

<http://www.efficientpurchasing.com>

Interface Global

<http://www.interfaceglobal.com/Sustainability/What-is-Sustainability-/Glossary.aspx>

National Minority Supplier Development Council (NMSDC)

<http://www.nmsdc.org/nmsdc/>

NYC Agency Procurement Indicators-Fiscal Year 2010

[http://home2.nyc.gov/html/sbs/downloads/pdf/procurement\\_indicators\\_2010.pdf](http://home2.nyc.gov/html/sbs/downloads/pdf/procurement_indicators_2010.pdf)

Small Business Administration (SBA)

<http://www.sbaonline.sba.gov/contractingopportunities/owners/glossary/index.html>

TRAIN4CSR

CSR/Sustainability Glossary of terms

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<http://cscmp.org/digital/glossary/document.pdf>

## Appendices

### Appendix A: **NYC Procurement Policy and Governance**

PDF provides an example of Procurement Policies and Governance.

### Appendix B: **Accenture Procurement BPO Services** (BPO stands for Business Process Outsourcing)

PDF of Accenture report on how the key factors and drives that help senior level Supplier Diversity Professionals achieve mastery over the Procurement Process.

### Appendix C: **Supplier Connect Web-Site and Supplier Application**

PDF of the Supplier Questionnaire M/WBE are asked to complete to register their businesses through the Supplier Diversity portal hosted by IBM. This portal functions as a repository for 8 other Corporation.

### Appendix D: **Accenture BPO Outsourcing and Procurement Mastery**

PDF of Accenture report on how well Corporation have mastered the Procurement Process and the impact that Outsourcing strategic components of its process has had in improving their bottom-line. This document also contains a very interesting section on how Corporations determine whether to Make or Buy particular products or services.

### Appendix E: **Waldner's Capabilities Statement**

PDF of Walder's Business Environments, Inc Capabilities Statement. Permission has been received from M/WBE to share the Capabilities Statement as a Best Practice example for other M/WBE to use as a guide, if they so desire.



## **Corporate Alliance Program**

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