

PART 1

DEFINITIONS

Certain terms appear frequently throughout this and other University purchasing policy issuances and have the following meanings:

Asian-Pacific Americans - United States citizens whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands, (Republic of Palau), the Northern Mariana Islands, Laos, Kampuchea (Cambodia), Taiwan, Burma, Thailand, Maylasia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, the Federated States of Micronesia, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru.

Commodity Agreements - primary source agreements designated for supply goods or services to the University established as a result of competitive quotations for indefinite quantities during a period of time at firm prices or with an established basis for price changes.

Commodity Manager - the campus Materiel Manager assigned responsibility on a Universitywide basis for coordinating standards and specification development covering specific commodities, or groups of commodities, commonly used by two or more campuses, and for developing, negotiating, and monitoring pool purchases, commodity agreements, and price schedules for assigned commodities.

Common Goods and Services - standard commercial equipment, materials, supplies, and services readily obtainable through conventional commercial marketing channels.

Competitive Quotation - responsive price quotations from a minimum of three qualified suppliers submitted in accordance with a solicitation from the Materiel Manager.

Conditional Sales Contract - a written contract, executed by the University and the seller, containing the essential terms and conditions under which the University gets possession and the right to use the personal property, though the seller retains title to the property as its security until total payment is made, at which time title passes to the University.

Construction - the act, art, or business of moving, demolishing, installing, or building a structure, facility, or system according to a plan or by a definite process. Construction consists of the application of any of these techniques to physical plant facilities such as structures, utilities, excavations, landscaping, site improvements, drainage systems, and roads; and additions, deletions, or modifications of such facilities. Exterior and interior painting of new structures are forms of construction.

Director--Materiel Management - Office of the President representative with facilitative, consultative, and coordinative responsibility for the Materiel Management function of the

University and administrative responsibility for the Planned Purchasing and Classification and Coding programs.

Disabled Veteran - a veteran of the military, naval, or air service of the United States with a service connected disability who is a resident of the State of California. To qualify as a veteran with a service connected disability, the person must be currently declared by the United States Veterans Administration to be 10 percent (10%) or more disabled as a result of service in the armed forces. (California Military and Veterans Code, Article 6, Section 999 et seq)

Disabled Veteran Business Enterprise (DVBE) - a business that is at least fifty-one percent (51%) owned by one or more disabled veterans or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by such individuals: and whose management and daily business operations are controlled by one or more of such individuals.

Disadvantaged Business Enterprise (DBE) - a business concern which is at least fifty-one percent (51%) owned by one or more socially and economically disadvantaged individuals or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by such individuals and whose management and daily business operations are controlled by one or more of such individuals.

Business owners who certify that they are members of named groups (Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent-Asian Americans) are to be considered socially and economically disadvantaged.

Economically Disadvantaged Individuals - socially disadvantaged individuals whose ability to compete in the free private enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

External Financial Loan - funds borrowed from external sources, such as banks, for the purpose of financing the purchase of personal property.

Federal Contracts and Grants - extramural agreements which fund selected campus activities, and prime contracts governing Laboratory operations.

Independent Contractor - an independent contractor relationship exists when the University has the right to control only the result of the service, not the manner of performance.

Independent Consultant - an independent consultant relationship exists when the University does not control either the manner of performance or the result of the service. Independent consultants are individuals not employed by the University, or organizations not a part of the University, with proven professional or technical competence who provide primarily professional or technical advice.

Laboratory - Ernest Orlando Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Scientific Laboratory.

Lease Line - a lease line is a general line of credit or guaranteed credit available for lease purchase transactions.

Lease with Purchase Option - the terms are those of a straight lease (contain an express agreement by the lessee to pay a specified rental for the use of the property during the term of the contract) and, in addition, give the lessee the option to purchase the property, either during the term of the lease or at its expiration. This definition applies to any lease in which all or a portion of the payments may be applied to the purchase of the property under lease.

Maintenance - the upkeep of property, machinery, and facilities, including buildings, building and utility systems, roads, and grounds. Maintenance usually is characterized by its routine or recurring nature, the purpose of which is to keep facilities and systems in good working order. It consists of the preservation of buildings and grounds, other real property improvements and their components such as elevators, boilers, refrigerators, air conditioners, and other equipment which is a fixed part of a structure or a grounds installation (including coverings of floors, walls, and windows). It may include replacement of components and equipment if replacement is required on a routine or recurring basis.. Maintenance does not include the erection, construction, alteration, repair, or improvement of any University of California structure, building, road, or other improvement.

Materiel Manager - campus or Laboratory official responsible for Materiel Management functions, which generally include purchasing, receiving, storehouse operations, and equipment management. As used in this Bulletin, the term includes designees of a Materiel Manager.

Native Americans - American Indians, Eskimos, Aleuts, and native Hawaiians.

Personal Property - any movable item subject to ownership; material, but not real property.

Personal Services - infrequent, technical, or unique functions performed by an independent contractor. Personal services contracts almost always run to individuals rather than partnerships, firms, or corporations, and the services performed frequently are not the full-time occupation of the contractor. Example of personal services contracts include translation, technical editing, technical appraisal.

Pool Purchase - a purchase transaction involving two or more campuses or Laboratories which provides that definite or guaranteed minimum quantities of specified items be purchased at fixed prices during a stated period. Pool purchases normally are made on a regularly scheduled basis one or more times a year.

Price Schedules - agreements designated as optional for supply of goods or services to the University. Such agreements are not used in lieu of securing competition.

Professional Services - infrequent, technical, and/or unique functions performed by independent contractors whose occupation is the rendering of such services. While not limited to licentiates, the services are considered "professional," and the contract may run to partnerships, firms, or corporations as well as individuals. Examples of professional services include medicine and the medical arts, architectural and engineering services, management and systems consultation, research, and the performing arts.

Project - the erection, construction, alteration, repair, or improvement of any University of California structure, building, road, or other improvement that will exceed in cost, including labor and materials, a total of fifty thousand dollars (\$50,000).

Proprietary Products and Services - a product or service made and marketed by a supplier having the exclusive right to manufacture and sell.

Purchase Contract - a written agreement between the University and a supplier containing the essential terms and conditions under which items of personal property or services are to be furnished to the University.

Purchase Order - a purchase contract written on a University purchase order form which becomes a contract either through execution by both parties or, when so provided, upon execution by the University and performance by the supplier.

Real Property - land and/or improvements including affixed structures and any other building space or variant of these such as prefabricated structures, mobile or portable, or light tension structures. This definition includes temporary or permanent structures and improvements.

Reasonable Price - a price that does not exceed that which would be incurred by a prudent person in the conduct of a competitive business. Reasonable price can be established by market test, price or cost analysis, or the experience and judgment of the Materiel Manager. Such judgment considers total value to the University. There is value to the University in purchases which meet the University's needs, such as those involving quality, quantity, delivery and service. A reasonable price need not be the lowest price available, but is one which offers the highest total value to the University.

For transactions above \$50,000, reasonable price is established through competition sufficient to ensure an adequate market test, or set by applicable law or regulation, or supported by an appropriate price or cost analysis.

Rebate - incentives offered by a supplier to provide additional consideration or compensation to encourage the purchase of goods and/or services from that supplier. Rebates include, but are not limited to: Gifts, whether monetary or free goods or services; cash or credits based on total purchases; and any other value-added goods or services offered at no charge or at a substantially reduced cost to the University including provisions for research grants or fellows.

Responsive Quotation - a quotation determined by the Materiel Manager to be in substantial conformance with the specifications, delivery requirements, and conditions prescribed in the request for quotation, free of material mistakes or errors.

Responsible Officer or Coordinator - designee of the Chancellor or Laboratory Director responsible for administering a campus or Laboratory program developed pursuant to University policies and requirements. (This may be more than one person serving as a coordinator or an administrator as particular program requirements and available resources of the campus or Laboratory permit.)

Responsible Quoter - a quoter who has the capability in all respects to fully perform the contract requirements and whose integrity and reliability will assure good faith performance. Factors considered in evaluating responsibility may include: financial resources, past performance, delivery capability, experience, organization, personnel, technical skills, operations controls, equipment, and facilities.

Service - labor performed for another; useful labor that may or may not produce a tangible commodity. Service includes, but is not limited to: bookstore operation; use of security guards; transportation; computer programming; clothing rental and cleaning; laundry; tests and analysis; film processing; janitorial work; window washing; rubbish and waste removal; and service and repairs to office equipment, transportation equipment, laboratory and medical equipment, and musical instruments. (See also, Personal and Professional Services).

Small Business Enterprise (SBE) - an independently owned and operated concern certified, or certifiable, as a small business by the Federal Small Business Administration (SBA). (A general rule of thumb is that a concern with not more than 500 employees may be considered a small business. Size standards by Standard Industrial Classification codes may be found in the Federal Acquisition Regulations, Section 19.102. The University may rely on written representation by the vendors regarding their status.)

Socially Disadvantaged Individuals - those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group without regard to their individual qualities.

Sole Source - the only supplier capable of meeting University requirements within the time available, including emergency and other situations which preclude conventional planning and processing.

Straight Lease - a written contract, executed by the University (lessee) and another party (lessor), containing the essential terms and conditions under which the use and possession of personal property are to be furnished to the University in exchange for the payment of rent during the term of the contract. At the end of the contract term, the property must be returned to the lessor at the place agreed to by the parties.

Subagreement - a purchase contract issued by the University under an extramural prime award to implement a portion of the scope of work; perform scholarly or professional instruction; or perform public service programs relating to research or to scholarly or professional instruction.

Subcontinent Asian Americans - United States citizens whose origins are in India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal.

Subcontract - a purchase contract issued by the University under a prime extramural contract which contains special flow-down provisions.

Unique Products and Services - a product or service the characteristics and functions of which are such that only a single product or service will properly satisfy the University's needs and all other products or services will be unacceptable for such needs.

Women-Owned Business Enterprise (WBE) - a business that is at least fifty-one percent (51%) owned by a woman or women who also control and operate it. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management.

\$50,000 Annually - any single purchase contract or purchase order involving an estimated campus or Laboratory expenditure of \$50,000 or more annually for goods or services.