**DEFINITIONS**

**Purchase Requisition (PR)**
A purchase requisition is a statement of organizational need for procurement. The information contained in a purchase requisition will be used to create a purchasing document.

**Purchase Order ( PO)**
A purchase order is a legally binding document and is used as an independent purchasing document to obtain commodities, or as an “ordering” document used against an existing contract (e.g. state contract).

**Service Purchase Contract (SPC)**
A service purchase contract is a legally binding document and is generally used to obtain straightforward purchases of services. Services that involve many detailed terms and conditions are procured using a blue-back contract.

**Blue-Back Contract**
A blue-back contract is a legally binding document and is used to obtain services where the contract amount is in excess of $19,100 and where the terms are too detailed or complex to fit on the face of a SPC.

**Service Bid Contract (SBC)**
A service bid contract is a legally binding document and is used as a bidding document to obtain services where the contract amount is in excess of $19,100. The SBC serves as both a bidding document and a contract document.

**Memorandum of Understanding (MOU)**
Agreements between Commonwealth agencies are generally exempt from Attorney General review, but not from PASSHE legal counsel's review. Agreements with independent Commonwealth agencies are subject to Attorney General review. Bidding is not required.

**Agreements within the Pennsylvania State System of Higher Education**
Agreements between PASSHE universities are not contracts. The entire arrangement should be treated as an internal transaction. Bidding is not required. The parties should formalize their expectations in a written agreement between the authorized employees at the appropriate levels of authority.

**Invitation for Bid (IFB)**
An IFB also known as a competitive sealed bid allows interested vendors to submit written bids defining the cost at which they are willing to provide a commodity. In this process, assuming compliance with the specifications, cost is the only basis for selection. In general an IFB is issued as a service bid contract form (SBC).

**Request for Proposals (RFP)**
An RFP is used when a department is seeking a vendor's solution for providing a commodity and believes that giving vendors flexibility in proposing the solution will be to the department’s advantage. In response to a vendor's proposal, terms of performance will be negotiated with the vendor who was selected on the basis of the quality of their proposal – considering not just cost but also technical merit.

**Request for Quotes (RFQ)**
An RFQ is generally used to solicit quotes against state contract or from qualified vendors who are part of an existing ITQ solicitation.