

A-Z of Procurement Abbreviations

To make the procurement process more straightforward, here's some useful decoded abbreviations you might come across in the tendering process.

1PL
2PL
3PL
4PL
5PL

First Party Logistics
Second Party Logistics
Third Party Logistics
Fourth Party Logistics
Fifth Party Logistics

A

ACH
ADR
ARR

Automatic Clearing House
Alternative Dispute Resolution
Average Rate of Return or
Accounting Rate of Return

B

BAFO
BATNA

Best and Final Offer
Best Alternative to a Negotiated
Agreement

BAU
BOOM

Business as Usual
Contract Builds, Owns, Operates and
Maintains Contract

BOOT

Contract Builds, Owns, Operates and
Transfers Contract

BPO

Business Process Outsourcing

C

CAPEX
CBA
CCA
CFR
CIF
CIP
CIPS

Capital Expenditure
Cost Benefit Analysis
Competition and Consumer Act 2010
Cost and Freight
Cost, Insurance and Freight
Carriage and Insurance Paid
Chartered Institute of Procurement
and Supply

CIPSA

Chartered Institute of Procurement
and Supply

CLAN
CO
COGS

Centre Led Action Network
Certificate of Origin
Cost of Goods Sold

CPO
CPT
CPV
CSR

Chief Procurement Officer
Carriage Paid To
Common Procurement Vocabulary
Corporate Social Responsibility

D

DAP
DAT
DDP
DIFOT
DMAIC

Delivered at Place
Delivered at Terminal
Delivered Duty Paid
Delivery In Full and On Time
Define Measure Analyse Improve
Control

E

EAN
EBIT
ECR
EDI
EOI
EOQ
EPC
EPCM

European Article Number or
International Article Number
Earnings Before Interest and Tax
Efficient Consumer Response
Electronic Data Interchange
Expression of Interest
Economic Order Quantity
Engineer Procure and Construct
Engineering Procurement and
Construction Management
Engineer Procure Install and
Commission
Engineer Procure Install Commission
Operate and Maintain
Enterprise Resource Planning
Ex Works

EPIC

EPICOM

ERP
EXW

F

FAS
FCA
FCL
FIFO
FMEA
FOB

Free Alongside Ship
Free Carrier
Full Container Load
First in, First Out Costing
Failure Mode and Effects Analysis
Free on Board

A-Z of Procurement Abbreviations (Cont.)

G		P	
GHG	Greenhouse Gases	PCard	Procurement Card
H		PEST	Analysis Political, Economic, Social and Technological Environments Analysis
HAZCHEM	Hazardous Chemical Alert	PO	Purchase Order
I		PPCA	Profit, Price and Cost Analysis
IMF	Intermodal Freight Containers	PPP	Public Private Partnership
INCOTERMS	International Commercial Terms	R	
IP	Intellectual Property	RFI	Request for Information
ITO	Invitation to Offer	RFID	Radio-Frequency Identification
K		RFP	Request for Proposal
KPI	Key Performance Indicator	RFQ	Request for Quotation
L		RFT	Request for Tender
LC	Letter of Credit	ROCE	Return on Capital Employed
LCCS	Low Cost Country Sourcing	ROI	Return on Investment
LCL	Less than Container Load	RONA	Return on Net Assets
LIFO	Last In First Out	S	
LOI	Letter of Intent	SBR	Supply Base Reduction
M		SLA	Service Level Agreement
MRO	Maintenance Routine Operating Categories or Maintenance, Repair and Overhaul	SME	Small and Medium Sized Enterprises or Subject Matter Expert
MRP	Materials Requirements Planning	SRM	Supplier Relationship Management
MRP II	Manufacturing Resource Planning	T	
MSDS	Materials Safety Data Sheet	TPS	Toyota Production System
MTBF	Mean Time Before Failure	U	
MTBUR	Mean Time Before Unscheduled Removal	UNSPSC	United Nations Standard Products and Services Code
MTO	Make to Order	W	
MTS	Make to Stock	WACC	Weighted Average Cost of Capital
N			
NPV	Net Present Value		