

## **Sponsored transactions >\$250K**

### **Request for Quotation (RFQ)**

The RFQ is designed to obtain a QUOTE from potential suppliers, so the requirements must be fully described and sufficient to enable submission of quotes. RFQ's require more time in preparation and administration, and have mandatory advertising requirements. When evaluating responses to RFQ's, the award generally goes to the lowest responsive and responsible bidder. Unless a low bidder is rejected for not complying with the requirements of the RFQ or some other compelling and documented issues is provided and agreed upon, award must be to the low bidder; therefore, it is important to develop comprehensive specifications and requirements before going out to bid. It is also required that each bidder is equally advantaged.

Contact Purchasing early, as developing an RFQ can be time consuming. We will work closely with you to ensure we have adequate specifications and other pertinent information. This will help us in helping you meet your procurement goals.

When submitting a request to issue an RFQ to Purchasing you will need to do the following:

- As soon as you have the budget and approval to move forward with soliciting for a purchase or contract, contact the appropriate Purchasing Contract Officer via email to notify us that the request is under development. In some cases Purchasing can obtain sample RFQ's or specifications from colleagues or other universities' procurement staff. We can provide you with an RFQ template so you can get a clearer understanding of what the document includes and what the process entails.
- Include a comprehensive description of the goods or services you are seeking, any required specifications, and a list of your mandatory requirements and desirable evaluation criteria. Purchasing will work with you to develop additional specifications or evaluation criteria if needed. Often, we will need to meet with you in person to review these items.
- If you would like Purchasing to obtain quotes from specific vendors be sure to attach their complete contact information, including an email address. Purchasing must obtain quotes from a minimum of three suppliers. If you do not know three suppliers, list your preferred suppliers and Purchasing will search for others. Purchasing will advertise the RFQ in/on <http://finance.columbia.edu/procurement-rfps>.

### **Request for Proposal (RFP)**

The Request for Proposal (RFP) process is the most complex of the procurement processes. An RFP is issued when we want the vendors to propose a solution with technical details and pricing which we will evaluate for award, or when we have characteristics or issues other than price which we want to consider in the decision to award. An RFP must also be advertised publicly to provide an open and competitive environment for suppliers.

The time it takes to prepare and issue an RFP is substantially longer than an RFQ because of the need for extra care and detail in developing the selection criteria, specifications, requirements, scope of work and terms of the RFP. An RFP process allows more flexibility in the evaluation of criteria for award; however, it also requires more diligence and effort to produce a document that clearly identifies your wants, needs and process for award. An evaluation team, possibly cross-functional depending on if it is more than one department/group, must be created and organized which adds time to the process as well.

An RFP is used when we are unsure exact item or service we want, or are if want to do some "shopping" between brands or types. Procurement will work with you to develop an RFP which will result in obtaining an optimal solution as defined by your needs.

An RFP typically has 3 main categories to be evaluated:

1. The first category that must be evaluated is the required specifications. These can be seen as the functional "needs" of the University. If any proposal does not clearly meet all of the required specifications, it will be immediately rejected; therefore, it is important that we work diligently up front to identify the required specifications correctly. The required specifications will also be evaluated based on how well they meet the specifications.
2. Second, there are the "preferred specifications" or "wants" of the University. The proposer's responses to these specifications described in the RFP are evaluated and points are awarded accordingly.
3. The last category evaluated in an RFP process is cost. The points awarded for cost may be equal to, greater-than, or less-than the point value of all the required or preferred specifications in the RFP.

Supplier capability also must be confirmed. Particularly in larger projects, the supplier's technical capabilities, financial resources, and experience should be verified.

The evaluation process can be lengthy as it may require presentations, testing, best and final offers, or other evaluation processes.

The award of an RFP takes more time than RFQ's. The extra time is to allow the proposers time to submit protests of award, and the subsequent disposition of any such protests.

Although it takes extra time and effort developing, administering and awarding an RFP, the result is a product or service that is specifically suited to the department's need at a competitive price.

When submitting a request to issue an RFP to Purchasing you will need to do the following:

- As soon as you have the budget and approval to move forward with soliciting for a purchase or contract, contact the appropriate Purchasing Contract Officer via email to notify us that the request is under development. In some cases Purchasing can obtain sample RFP's or specifications from colleagues or other universities' procurement staff.

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