

Differences between an RFI, RFQ and RFP

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We are repeatedly asked what the difference is between a Request for Information (RFI), a Request for Proposal (RFP) and a Request for Quote (RFQ).

“RFX” is a term used, to refer to all ‘Request For...’ documents used to solicit responses, of various types, from suppliers. The three common documents are:

- Request for Information (RFI)
- Request for Proposal (RFP)
- Request for Quote (RFQ)

According to the Government’s eTenders portal (<http://www.etenders.gov.za>) the differences between RFQ’s, RFI’s and RFP’s are as follows:

Request for Information (RFI)

An RFI is used when the solution to a business problem is not immediately evident or clearly defined. The RFI is used to gather information, NOT to select or an award.

The Supply Chain Management Unit collaborates with the Customer to:

- Clearly describe the problem;
- Solicit external expertise regarding how to solve the problem;
- Study proposed solutions.

Request for Proposal (RFP)

An RFQ is used when the Customer understands the business problem and what is needed to solve it, including specifications and procedures. Price is usually not the determining factor in the evaluation of an RFP. Factors such as quality, service, and reputation are also taken into consideration.

Request for Quote (RFQ)

An RFQ is used to obtain pricing, delivery information, terms, and conditions from suppliers. In this case, requestors have a clear understanding of what they need, including requirements and specifications. To procure the exact product or service needed, the Customer provides the Supply Chain Management Unit with as much information as possible, including complete specifications, quantities, and delivery schedule.

The common thread between all three types of “RFX” documents is that the Customer/Government Entity is not obliged to appoint a service provider on the results from issuing any of these requests. The best way to know that a tender award will be made is when you respond to a formal quotation or a competitive bid. Normally a formal quotation will be for goods or services with a value of between R30,000-00 and R200,000-00 and a competitive bid will be for goods or services with a value exceeding R200,000-00.

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Contact us at estelle@howtotender.co.za should you require more information.

You can also purchase a Tender Manual (Handbook) on our website <https://howtotender.co.za/> which is a step by step guide how to respond to a South African Tender. It includes examples of completed SBD forms.