1) **Request for Information** – This is a very informal and noncommittal "probing" of your vendor base, asking them (and anyone else, for that matter) about a certain product or service you may be interested in. You would use an RFI in circumstances where there isn't any/much activity in the market place about the product/service in question. So for example, you would NOT send out and RFI with respect to washing machines because they are very common in the market place and they all pretty much do the same thing, which is wash clothes. On the other hand, you may send out an RFI on establishing a Just-In-Time inventory relationship with your supplier base, because they may know more than you about that particular management tactic. The objective of an RFI is NOT a contract. You are merely asking questions and hoping that your suppliers will know some or all of the answer and give it to you. If you get enough information to work with as a result of you RFI, you may then decide to issue a Request for Proposal (RFP) because you now know how to specify the service or product more accurately and completely to the extent a supplier could give you a competent response.

2) **Request for Quote** – Here, the product or service is well-defined and generally traded in the market place, and you are simply asking your suppliers as to the price and/or availability. Based on the response, you may or may not decide to order. Since it's a quote, your supplier understands that he/she may not get a resulting order. The objective may or may not be an order or contract.

3) **Request for Proposal** – RFPs typically deal with services more than products, for example, consulting. You know what you want and you describe it in a Statement of Work. You specify what results you want, and then in responding to your RFP your suppliers let you know whether they can deliver, and if so, the approach they intend to take. Typically, you do NOT tell you suppliers HOW you want the work done, but the end result of the work to be done. The objective of an RFP is usually a contract (which distinguishes it from an RFI and an RFQ). Suppliers know that when you issue an RFP, you are pretty sure about what you want and that you're in the mood to sign a contract to get it done. Price is NOT usually the overriding consideration. RFP's are not usually "sealed", meaning that after you receive and open your suppliers' responses, you may still want to negotiate with one or more suppliers that you judge to be the most responsive. You are NOT

obligated to accept their price, but may still want to dicker on that, and on other particulars as well. Accordingly, at opening, you do not usually disclose the particulars of each supplier's proposal.

4) **Invitation to Bid (ITB)** – The objective of an ITB is usually a contract and order. The product or service is very well defined in the market place. ITBs usually apply to products, but may also apply to some services that are fairly straightforward such as janitorial or window cleaning. You specify exactly what you want and your suppliers give you bids. Since the product or service is very well defined, price usually IS the main consideration. Most ITBs are what we call "sealed," meaning that you will accept the lowest price bid, and that none of your suppliers know what the others are bidding BEFORE the bid opening. But AFTER the bid opening, all suppliers' bids become public knowledge. Typically, there is no further negotiation. You accept the low offer and award a contract. (Although, I've heard of some contracting officers going back to the low bidder, after selected and notified, and negotiating to see if they can get an even lower price).