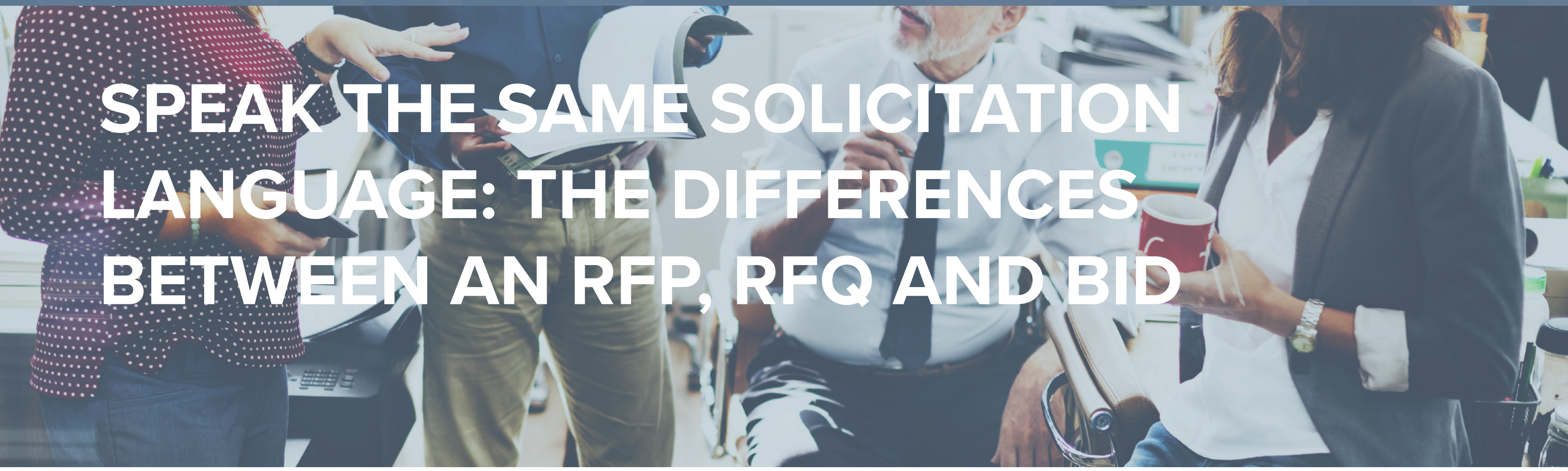
Periscope HOLDINGS INC



SPEAK THE SAME SOLICITATION LANGUAGE: THE DIFFERENCES BETWEEN AN RFP, RFQ AND BID

Government contracting is rife with acronyms and seemingly synonymous terms, such as request for proposals (RFP), request for quotes (RFQ), and request for bids. But these three terms, which all reference a type of solicitation, are not interchangeable. Each has subtle but critical differences that can make or break a company's validity as a qualified vendor.

Whether this is the first time you're pursuing government business or you're a long-time public sector contractor, the last thing you want to do is set yourself up for sudden failure – simply because you aren't speaking the same language as the customer.

KEY TAKEAWAY

Before you respond to any government solicitation, be sure you understand whether the customer has posted an RFP, RFQ or request for bids.

Request for Quotes (RFQ)

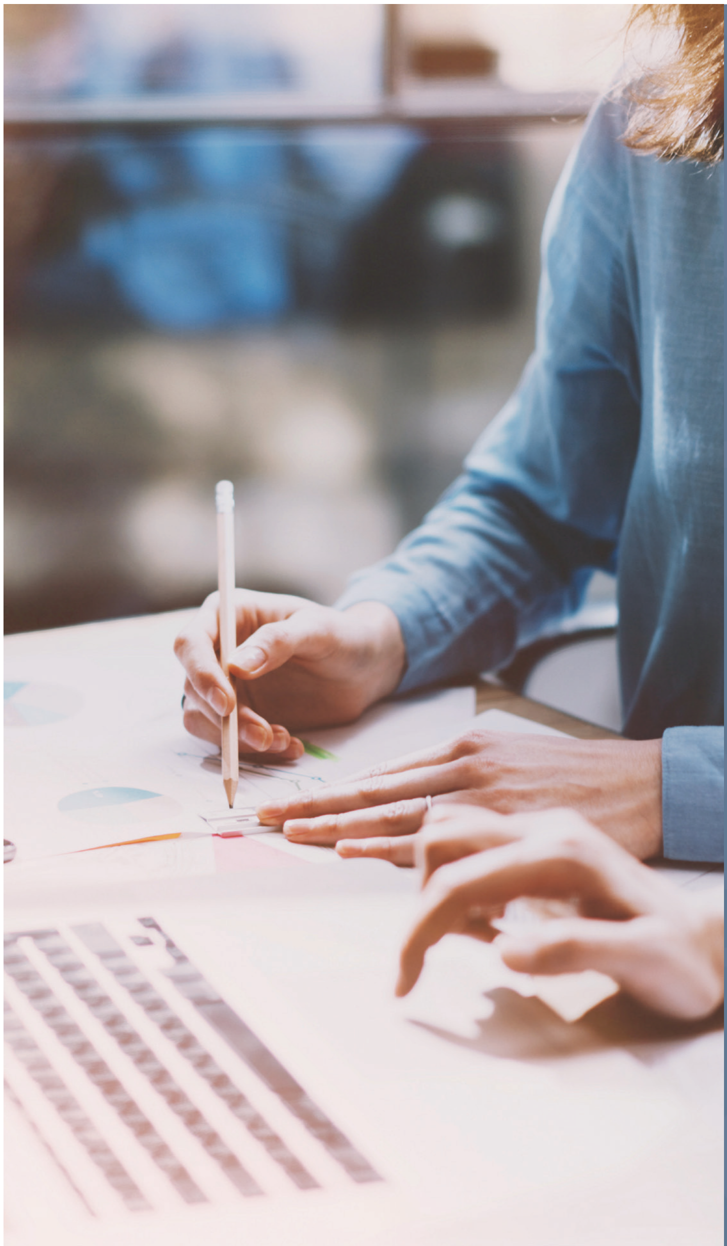
If you provide a “quote” to a public-sector agency, the pricing, timeline, and other related information you propose in that quote is non-binding – and you can back out – up until the moment the first good or service is provided. (Assuming you’re ultimately selected for the contract.) Therefore, submitting a quote is fairly low risk if you want to throw your name in the running, even if you’re not confident you have the right resources locked in quite yet to fulfill the eventual contractual obligations.

KEY TAKEAWAY

It doesn’t hurt to respond to an RFQ. If you can’t follow through, you won’t be punished for withdrawing prior to the first delivery.

Request for Proposals (RFP)

A proposal is binding once the submission closing date has passed. Meaning, if you say you can deliver XX service at YY price in your response, the agency can – and often will hold you liable for performance failure (or a similar breach of contract) if you're ultimately selected as the supplier but can't deliver. And, yes, you can still be held accountable if you notify the customer of delivery timeline or cost discrepancies before the ink technically dries on the formal contract.



KEY TAKEAWAY

Make sure you have secured all resources required to fulfill your contractual obligations on time and on budget before you spend time preparing a response. Once the submission period closes, there's no backing out. if there's an error prior to the closing date and before negotiations begin, you'll want to contact the procurement officer to request either a withdrawal or adjustment to your proposal terms. That's the only time you'll have an opportunity to correct course.

Request for Bids

When you submit a bid – which is typically a closed envelope submission – you technically have up until the second they open those bids (i.e. the closing date/time) to withdraw without repercussion. Now, once the bids are opened and you're determined to be the lowest price vendor – which is done in a public forum, often with all submitting vendors present – then the price you provided in that bid must be upheld.

KEY TAKEAWAY

Do your market research before preparing a response. If you're confident you can be competitive on price without cutting into your profitability or overextending your resources at a loss, submit your lowest price before the deadline. Just be sure you've secured the inventory before that first envelope is opened, and withdraw your bid prior to the closing date and time if changes do occur in your ability to deliver at the terms you submitted.

The More You Know

There's a fourth (somewhat rare) type of solicitation called an Oral Solicitation. In these cases, procurement officers can call known suppliers for a particular good or service and ask them to provide a verbal quote and set of terms based on what the agency needs for a certain contract. These solicitations are never posted publicly, and – at the federal level – they can only be used when the total contract value will be less than $15K. Fortunately, nothing you tell an inquiring procurement official in these situations is binding until a formal contract is in place. If you do receive a call for such an opportunity, do your due diligence, put your best offer forward (with realistic terms) and follow through if selected.

KEY TAKEAWAY

Though this sourcing method is not as commonly utilized, it's a great example of what we always preach. It pays to build relationships with procurement officials, especially as a new market entrant. It also proves that, if you maintain a strong reputation in both public & private sector industries as a quality and highly responsive supplier, doors can open at any time within the government market.

BidSync Links provides users free access to view and respond to relevant government bids from over 1000 public sector agencies in one easy to use portal. Stop searching and start winning more business.

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