**What is Tender/ Quotation?**

**Answer**

The tender and quotation processes are both the process by which a supplier is asked for a written offer to supply goods and services. The difference between the two processes is a mater of risk and value. The quotation process has less risk and value. A request for a written quotation may be given in writing or verbally. The written quotation is a simple offer detailing the price of the goods or service, the costs for shipping and handling, and the time allotted for the reception of goods or services. A sample of a tender is much more complex and formal, including legal documentation and contracts.

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# Tender & Quote Process

**Introduction**The quotation and tender processes are both used to obtain written offers from suppliers for the supply of goods and services. The quotation process is normally used for relatively low value and low risk purchases. For higher value purchases, which require greater accountability, the more formal tendering process should be adopted. Both processes are described in more detail below.

**Quotation Process**  
In accordance with the University's Financial Regulations and Purchasing Policy, three written quotations are required for any purchases between £5,000 and £25,000. Requests for quotations can be made verbally or in writing. Generally such purchases are characterised by simple specifications.

In seeking written quotations the supplier should be asked to submit details of price, time required for delivery, trade or early payment discounts, any other costs associated with delivery and carriage and, where appropriate, the cost of maintenance. Suppliers should be given a reasonable period to respond to enquiries. It is good practice to ask suppliers to return their offers, particularly over £5,000 in value, in sealed envelopes marked with the appropriate quotation reference. All sealed responses should be opened at the same time after the closing date.

The quotation process can also be used to obtain offers below the £5,000 threshold.

In requesting quotations, care should be taken to ensure that any purchase is subject to the University's own terms and conditions.

**Tender Process**  
Any purchases above £25,000 are subject to the University's competitive tendering procedures. The tender process is more formal than that required for quotations and a standard 'Invitation to Tender' comprising of a Form of Tender, Specification, Schedule of Prices, University Conditions of Contract and other documents. These are issued to tenderers (via the In-Tend e-tendering system) for the supplier to complete and return by an agreed closing date. 

The Specification is the key document because it defines what the purchaser wants to buy and so what the provider must supply.

All invitations to tender for a requirement must be identical. Individual tenderers must not be offered different terms or information. Tenderers must be allowed a reasonable period to prepare and submit their tenders, this will depend on the nature of the requirement.

The number of tenders invited must be appropriate to the nature and size of the contract. This should be a minimum of 3 and ideally 5. However, where it is not possible to secure the minimum number because of the nature of the goods, services or works the written approval of the Purchasing Manager must be obtained to waiver this requirement. Unless tenderers are being selected from a University approved supplier list, tenders should be advertised on the University’s “Current Tender” Web Page, which has public access. The only exception to this is where the goods, services or works are of a sensitive nature or the tender list contains significantly more than the ideal number of 5 tenderers.

All tenders should be opened on the due date and in the presence of at least two members of staff. One of these should be a senior member of staff, who is not responsible for the selection of tenderers nor requires delivery of the goods or services covered by the tender. Members of staff should not be involved in opening, evaluating or awarding tenders from any individual or organisation with whom they have a family, personal or financial relationship.

**Purchase Order**

**Definition:** A written sales contract between buyer and seller detailing the exact merchandise or services to be rendered from a single vendor. It will specify payment terms, delivery dates, item identification, quantities, shipping terms and all other obligations and conditions.

Purchase orders are generally preprinted, numbered documents generated by the retailer's financial management system which shows that purchase details have been recorded and payment will be made.

**Also Known As:** PO

**Examples:**

Every time our retail store places an order with our vendors, we submit a purchase order. This document allows us to track outstanding orders and accounts payable.

This form is a Purchase Order. The purchase order contains categories for: Item, Part Number and Description, UM, Quantity, Price, and Extension.