The bid and proposal processes that are used during supply chain procurement activities involve the methods used to solicit bids and proposals from prospective suppliers. Prior to getting to these stages in the procurement plan, organizational stakeholders should have determined the organizational needs (the materials or services to be purchased) and possibly discussed the potential suppliers that could submit bids and proposals.

Bids and proposals are part of the same set of processes. Organizations may choose to use only a bid process, only a proposal process, or a combination of the two. Bids use invitation for bid (IFB), while proposals include a request for proposal (RFP) and a request for quotation (RFQ). Some authors, however, contend that the RFQ is part of a formal competitive bid process that is used in governmental procurement activities.

The bidding process is usually found in governmental procurement. The proposal process can be found in both governmental and commercial procurement. Proposals include the requests for proposals (RFPs) and the requests for quotations (RFQs). Requests for information (RFIs) are related and are used to obtain information from potential suppliers.

**Request for Information (RFI)**

This is a document that is provided to potential suppliers that contains a solicitation to provide the buying organization with a product or service. According to Borwick (2014), RFIs are used when organizations are not sure if they want to purchase products or services or if they may not know exactly what they want in terms of products or services (Borwick, 2014). For example, an organization may be considering the replacement of laptops for its salesforce. The organization could send out RFIs to computer wholesalers and retailers to find out what types of laptops are available for sale. The RFIs may provide information on a variety of laptops and similar computing devices such as PC and Mac laptops, and laptop or tablet hybrids. Based on the information contained in the completed RFIs, organizations may decide to move to a different laptop style than what is currently used, or they may opt to wait for upcoming models.

**Request for Proposal (RFP)**

This document is more specific than an RFI in that it defines the requirements for a product or service, and it solicits responses from potential suppliers on how they would meet the requirements (Borwick, 2014). Organizations that
send out RFPs are usually ready to purchase the designated product or service. The completed RFPs from potential suppliers would describe the ways in which the respective suppliers could meet the requirements for the organization. The actual product or service may vary by supplier, but it should meet the needs of the purchasing organization. RFPs are used in situations where the product or service is defined and several suppliers offer the product or service. Reasons to use RFPs include the following (Purchasing & Procurement Center, n.d):

- The organization intends to purchase certain products or services and is notifying potential suppliers.
- The organization obtains formal submissions from selected suppliers to compare proposals.
- The organization wants to exhibit a fair and formal process that does not favor any certain supplier.

**Request for Quotation or Quote (RFQ)**

An RFQ is a document that is similar to an RFP, but the material or service to be procured is well defined (Borwick, 2014; Purchasing & Procurement Center, n.d.). The information that would be discussed in detail in an RFP is not needed for an RFQ. An RFQ should include technical specifications and any organizational requirements. RFQs can follow RFPs, or they can be used in conjunction with RFIs.

**Invitation to Bid (ITB) or Invitation for Bid (IFB)**

An ITB or IFB is a solicitation for bidding on contract awards for products and services. These are sometimes called *sealed bids*, and the invitations are normally placed in a public forum to invite prospective suppliers to place their bids for the chosen product or service (Florida International University, n.d.).

**References**


Florida International University. (n.d.). *Invitation to bid (ITB)*. Retrieved from
http://finance.fiu.edu/purchasing/PDFs/ITB.pdf