

# BIDS, QUOTATIONS, PROPOSALS

POLICY No.: **P-030**

SUPERSEDES No.:

EFFECTIVE DATE: **JANUARY 23, 2007**

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## I. PURPOSE

To give a brief description of the three most used forms of procurement by the Town.

## II. SCOPE

This applies to specific forms of procurement.

## III. GENERAL

The purpose of obtaining bids, quotations, or proposals is to obtain the quality of materials and/or services consistent with the Town's needs, in a timely manner, and at the best value.

The process will involve communications between the using department and Purchasing Division, other Town administrative personnel, vendors and consultants.

Potential vendors will be given an opportunity to provide bids, quotations, or proposals and will be treated fairly in the process of doing so.

## IV. TYPES OF SOLICITATIONS

### Competitive Formal Bid or Invitation for Bid:

An Invitation for Bid (IFB) is the solicitation of competitive, written, sealed bids based on specifications of the required equipment, material, and/or service. These are sometimes called "Competitive Formal Bids" because bids are usually submitted to the Town Purchasing Agent where they are held until there is a public opening of the bids, and because bids are reported to the Town of Collierville Board of Mayor of Aldermen for award at a Board meeting.

This method of solicitation is used when the cost of the goods, materials, and/or services will be \$10,000 or greater.

### Written Requests for Quotation:

A Request for Quotation (RFQ) is the solicitation of three written offers and/or pricing based on specifications of the required equipment, material, and /or general service. These are sometimes called "informal bids" because there is usually not a public opening, and the award is generally not made by the Town Board of Mayor and Aldermen.

This method of solicitation is used when the cost of the goods, materials, and/or services will be between \$4,001 and \$9,999.99.

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## Verbal Quotations:

Sometimes referred to as “phone quotes”, these are verbal requests for pricing. This type of price solicitation is usually used for readily available parts, supplies, and/or general services of a nontechnical nature for which no written record of the quotation is deemed necessary.

This method of solicitation is used when the cost of the goods, materials, and/or services will be \$4,000.00 or less.

## Requests for Proposals (RFP):

This is the solicitation of proposals to furnish equipment or services. Proposals are requested based on general requirements and/or guidelines and those persons or companies submitting proposals may offer the equipment or services they have determined to be best suited to the general requirements stated in the RFP. Proposals will usually differ in the details of what is offered by those submitting proposals; the details and/or pricing of proposals are usually subject to negotiation.

An RFP may also be used for the purchase of equipment that is designed and built for a specific project, or if more than one type of equipment will suit the intended purpose and “results” along with “performance” is the emphasis of the specification.

Proposals may also be used for general services when the companies who are expected to respond will offer different levels of service or have a range of qualifications that are to be considered in addition to price.

## Request for Statement of Qualifications (RFSOQ)

This method is usually used to procure professional services when it has been determined by the Purchasing Agent that the use of competitive sealed bidding is not practicable or not advantageous to the Town. (**Note:** If the proposed consultant has previously performed related work on the system for which services are being contracted, and contracting with another professional would cause additional expense to the Town in order for the consultant to become familiar with the system, an exception may be requested.)

The basis for selection is qualifications of the prospective professional not price bidding.