Managing Supplier Quotations

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Understand How RFQs and Supplier Offers Move Through Purchasing

An RFQ is the request you prepare when you need commercial pricing and delivery information from a Sub-supplier. It defines what you need to buy: the requested items or services, quantities, required receiving dates, specifications, and delivery destination. The RFQ gives every invited Sub-supplier the same requirement to price.

A Supplier Offers is the Sub-supplier's response to that RFQ. Each response records the commercial terms offered by one Sub-supplier. When you send the same requirement to several Sub-suppliers, keep each response as a separate Supplier Offers linked to the original RFQ. This makes it possible to compare responses without losing the original request or mixing terms from different suppliers.

The purchasing flow normally follows this order:

- Start with the material requirement from the related MRQ. See Managing Material Requisitions for how the requirement is prepared.
- Create an RFQ containing the items, quantities, dates, and requested commercial details.
- Issue the RFQ to one or more Sub-suppliers.
- Record each Supplier Offers as it arrives.
- Compare quoted prices, quantities, delivery commitments, and commercial terms.
- Select the accepted response and use its agreed details for the purchase commitment.

For a fair comparison, capture the same information from every supplier response. Review the Offers at both header and line level.

Information to compare	What it tells you
Unit Price and Quantity	The price offered for each requested item and the quantity the Sub-supplier can supply

Information to compare	What it tells you
Delivery Time and Required Receiving Date	Whether the supplier can meet the project schedule
Validity Period or Offer will be valid till	How long the quoted prices and terms remain available
Payment Terms and Payment Period	When payment is expected and whether the terms are acceptable
Delivery Term and Delivery Destination	Where delivery will take place and the conditions attached to it
Tax (%) and Logistics Costs	Whether the apparent price includes additional charges

[SCREENSHOT: An RFQ with linked Supplier Offers from multiple Sub-suppliers, showing the request-to-selection flow.]

Keep the RFQ as the common reference throughout all conversations. Use the RFQ Number in emails, calls, attachments, and notes so the team can always connect a supplier response to the correct purchasing requirement.

Create an RFQ for Sub-Suppliers

Create the RFQ only after you have checked the required materials, quantities, and dates in the related MRQ. The RFQ should state the complete requirement clearly enough for a Sub-supplier to provide a comparable Offers.

1. Open **Purchasing RFQ** and start a new RFQ. If you are working from an existing requirement, use the related MRQ details as the source for the requested items and quantities.
2. In the RFQ header, complete the reference and request details. Confirm the **RFQ Number**, enter the **RFQ Date**, and set the **Required Receiving Date**. Select the **Purchaser** responsible for the request. Where available, use **Related Inquiry**, **Project**, or **Purchase Job** to connect the RFQ to the correct work.
3. Select the receiving party in the **Sub-supplier** field. Confirm the related **Contact** before you issue the request. Make sure you are requesting pricing from the intended company and that the selected contact is appropriate for purchasing communication.
4. Add each requested item to the RFQ. For every line, enter or verify the **Item** or **Product**, **Description**, **Quantity**, and **Unit**. Use **Required Receiving Date** or the relevant delivery-date field for items that need different delivery commitments.

5. Add the details needed for a meaningful Offers. Include the requested specifications in **Description**, add the **Delivery Destination**, and state the Offers deadline using the available date and note fields. If the requirement concerns a service, identify the **External Service Type** where applicable.

6. Review the RFQ before saving. Check that the requested quantities match the MRQ, every line has a clear description, and the same scope can be issued to all intended Sub-suppliers. Click **Save** or **Save and Close**.

[SCREENSHOT: The Purchasing RFQ form showing RFQ Date, Required Receiving Date, Purchaser, Sub-supplier, and item lines.]

Avoid combining unrelated requirements in one RFQ. A focused RFQ makes supplier responses easier to compare and gives purchasing a clearer basis for selecting the best commercial option.

Send RFQs and Track Supplier Responses

Before issuing an RFQ, review the header and every item line one final time. Each invited Sub-supplier should receive the same requested scope unless you deliberately need a supplier-specific request. Differences in requested quantities, dates, or specifications make later comparison unreliable.

1. Open the saved RFQ and confirm the **Sub-supplier**, **Contact**, **RFQ Date**, **Required Receiving Date**, and **Delivery Destination**. Check every **Item**, **Description**, **Quantity**, and **Unit** against the requirement.

2. Use the RFQ Number as the reference in all communications with the Sub-supplier. Include the RFQ details and any supporting files needed for the supplier to quote. Keep attachments and notes with the RFQ so colleagues can see what was provided.

3. Track the response position for each Sub-supplier. Use the RFQ list and Offers records to identify requests that remain **Unquoted RFQs**, responses that have been entered as **Offers**, and requests shown as **Cancelled RFQs** where applicable.

4. Follow up with Sub-suppliers that have not responded before the Offers deadline. Use the RFQ Number, the required items, and the required delivery date when asking for an update. Record any relevant response details in the RFQ or linked Offers notes.

5. When requirements change, revise the RFQ before relying on any existing Offers. Update affected **Quantity**, **Description**, **Required Receiving Date**, **Delivery Destination**, or deadline details. Save the revised request and notify every affected Sub-supplier of the same change.

6. Keep revised and earlier supplier responses separate. If a Sub-supplier returns updated pricing after a change, record the newer response as the Offers used for comparison and retain the supplier’s reference and validity details.

[SCREENSHOT: A Purchasing RFQ list filtered to show Unquoted RFQs, with RFQ Number, Sub-supplier, Required Receiving Date, and status columns.]

Do not treat a verbal indication as a final Offers. Record the quoted values, delivery commitment, and terms in the Supplier Offers before comparing it with competing responses.

Record Quoted Prices and Commercial Terms

When a Sub-supplier returns an offer, create or update the linked Supplier Offers promptly. Enter the response as it was received so the purchasing team can compare actual supplier commitments rather than estimates or informal notes.

1. Open the RFQ and create or open the related Supplier Offers. Confirm that the **Sub-supplier**, **RFQ Number**, and related purchasing requirement match the supplier’s response before entering any prices.

2. Complete the Offers header using the supplier’s document. Enter the supplier Offers reference in the available reference field, then record the **Offer Date**, **Validity Period**, or **Offer will be valid till** date. Add the stated **Payment Method**, **Payment Period**, **Delivery Term**, and **Delivery Time**.

3. Enter the quoted item values line by line. For each requested item, record the **Item**, **Description**, quoted **Quantity**, **Unit**, and **Unit Price**. Check that the supplier’s item description clearly identifies the product or service being offered.

4. Record all commercial charges consistently. Enter **Tax (%)**, **Discount (%)**, **Logistics Costs**, and any other stated charges where the Offers provides them. Use the Offers’s **Total Price** only after checking that the item prices and quantities are correct.

5. Capture delivery commitments. Enter the quoted **Delivery Date**, **Forecasted Receiving Date**, or **Delivery Time** as stated by the Sub-supplier. Compare this

with the RFQ's **Required Receiving Date** and make any difference visible in the notes.

6. Use **Commercial Notes** or **Note** to record conditions that do not fit the standard fields. Include minimum order quantities, packaging requirements, partial delivery terms, substitute products, exclusions, or required approvals. Attach the supplier's Offers document when it is available.

[SCREENSHOT: A Supplier Offers showing item lines with Quantity, Unit Price, Tax (%), Total Price, Delivery Time, and Validity Period.]

Do not overwrite one supplier's prices with another supplier's values. Each Supplier Offers must remain tied to the Sub-supplier that issued it, with its own commercial terms and Offers reference.

Compare Offers and Select a Sub-Supplier

Compare Supplier Offers against the original RFQ, not only against each other. The lowest **Unit Price** may not be the best choice if the supplier cannot meet the required receiving date, offers only a partial quantity, or applies less suitable payment or delivery terms.

1. Open the RFQ and review the linked Supplier Offers. Confirm that every Offers relates to the same requested **Item**, **Quantity**, **Unit**, and **Delivery Destination**. Identify responses that quote alternative or incomplete requirements before comparing totals.

2. Compare each Offers line with the RFQ line. Check the **Unit Price**, quoted **Quantity**, **Unit**, and **Description**. Highlight differences such as a substitute item, changed unit of measure, partial quantity, or minimum order quantity.

3. Review the total commercial position for each Sub-supplier. Consider **Total Price**, **Tax (%)**, **Discount (%)**, **Logistics Costs**, **Payment Period**, **Delivery Term**, and **Delivery Time** together. A lower product price may result in a higher overall cost once charges and delivery conditions are included.

4. Check the timing and validity of the offer. Compare the supplier's delivery commitment with the **Required Receiving Date**. Confirm that the **Validity Period** or **Offer will be valid till** date has not expired before making a selection.

5. Confirm that the selected Offers meets the requested specification. Review the **Description**, **Technical Notes**, and **Commercial Notes** for exclusions, substitutions, or conditions that could affect the project requirement.

6. Mark the accepted Supplier Offers as **Selected** or **Accepted** according to your purchasing process. Record competing responses as not selected, rejected, or declined only after the accepted Offers has been confirmed internally.
7. Retain the accepted Offers's quantities, prices, delivery terms, and payment terms as the basis for the purchase commitment. These values should remain available when you move to the purchase order stage.

[SCREENSHOT: A Offers comparison view showing multiple Sub-suppliers with Unit Price, Total Price, Delivery Time, Payment Period, and Offers validity.]

Selection should reflect the full requirement: compliant item, usable quantity, achievable delivery date, and commercially acceptable cost and terms.

Resolve RFQ and Offers Issues

Resolve gaps and inconsistencies before you select a Supplier Offers. A Offers can look complete at the total level while still missing a delivery commitment, excluding a requested item, or using a different quantity or unit from the RFQ.

1. Open the RFQ and compare each requested line with the corresponding Offers lines. Check that every item has a quoted **Quantity**, **Unit Price**, and delivery commitment. Follow up with the Sub-supplier when any of these details are missing.
2. Review the Offers's **Validity Period** or **Offer will be valid till** date. If the price has expired, do not use it as the final basis for selection. Request a revised Supplier Offers with a current validity date and record the new commercial terms.
3. Investigate unmatched lines carefully. Compare the RFQ's **Item**, **Description**, **Quantity**, and **Unit** with the supplier's response. A mismatch may indicate an alternative product, a substituted unit of measure, a minimum order quantity, or a partial offer.
4. Record all exceptions in **Commercial Notes** or **Note**. State exactly what differs from the RFQ, such as a changed delivery date, excluded accessory, partial quantity, or additional charge. This keeps the decision visible to the Purchaser and any colleague reviewing the purchase commitment.
5. Standardize the comparison values before choosing a Sub-supplier. Enter **Tax (%)**, **Discount (%)**, **Logistics Costs**, **Payment Period**, **Delivery Term**, and delivery dates for all Offers where the supplier provided them. Do not compare one supplier's total including freight with another supplier's product-only price.

6. If the requirement itself has changed, update the RFQ and communicate the revision to all affected Sub-suppliers. Do not select an earlier response that prices a different scope unless the difference is recorded and accepted as part of the purchasing decision.

[SCREENSHOT: An RFQ and Supplier Offers side by side, highlighting a quantity difference, an alternative item, and an expired validity date.]

Keep **Cancelled RFQs**, **Rejected Offers**, and revised responses visible in the purchasing record where they apply. This preserves the commercial history behind the final Sub-supplier selection.

Overview

Pams connects Supplier Offers to the purchasing requirement that created them. The process begins with the material requirement, usually prepared through an MRQ, and continues through an RFQ, one or more Supplier Offers, Sub-supplier selection, and a purchase commitment.

Use **Purchasing RFQ** to define what must be purchased and who should quote. The RFQ provides the shared request details: **RFQ Number**, **RFQ Date**, requested items, **Quantity**, **Unit**, **Required Receiving Date**, and **Delivery Destination**. Where several Sub-suppliers can provide the same material or service, issue the same requirement to each relevant Sub-supplier.

Use the Supplier Offers records to capture what each Sub-supplier actually offers. The important comparison details are not limited to the **Unit Price**. Review:

- **Total Price**, including **Tax (%)**, **Discount (%)**, and **Logistics Costs**
- Quoted **Quantity** and any minimum order quantity
- **Delivery Time**, **Delivery Date**, and ability to meet the **Required Receiving Date**
- **Validity Period** or **Offer will be valid till**
- **Payment Method**, **Payment Period**, and **Delivery Term**
- Alternative items, exclusions, and special conditions recorded in **Commercial Notes**

The RFQ and Supplier Offers records provide a clear purchasing history. They show what was requested, which Sub-suppliers were invited, what each supplier offered, and why one response was selected. This is especially useful when a project needs quick commercial review, when delivery dates are tight, or when prices must be justified before creating a PO.

[SCREENSHOT: The complete purchasing Offers workflow from MRQ to Purchasing RFQ, Supplier Offers, selected Offers, and PO.]

After you select the suitable Sub-supplier and confirm the agreed terms, continue with Creating Purchase Orders to record the purchase commitment.

Prerequisites

Before creating an RFQ or recording a Supplier Offers, make sure the purchasing requirement is clear and complete. Incomplete requirements lead to incomplete Offers and make comparisons unreliable.

Have the related MRQ available before starting the RFQ. The MRQ should identify the requested materials or services, required quantities, and the project or purchasing context. If the quantity, specification, or required date is still uncertain, correct the requirement first through Managing Material Requisitions.

Confirm that the Sub-supplier is available in Pams and that the correct **Contact** can be selected. The RFQ should be issued to the company that is expected to quote, using a contact who handles commercial or purchasing communication.

Prepare the information that needs to appear consistently on each RFQ:

- The required **Item** or service and a clear **Description**
- Requested **Quantity** and **Unit**
- **Required Receiving Date** or target delivery date
- **Delivery Destination**
- Required specifications or technical details in **Technical Notes**
- Commercial requirements or conditions in **Commercial Notes**
- The deadline by which the Sub-supplier should return the Offers

Before entering a Offers, obtain the supplier’s response details. At minimum, you need the quoted items, quantities, unit prices, delivery commitment, and Offers validity. Also collect any stated **Tax (%)**, **Discount (%)**, **Logistics Costs**, **Payment Period**, and **Delivery Term** so the Offers can be compared fairly with other responses.

Use the same item descriptions and units across RFQs wherever possible. If a Sub-supplier uses a different description or unit, record the difference clearly rather than changing the original requirement. This preserves a reliable comparison between the RFQ and each Supplier Offers.