Infor LN Procurement User Guide for Requests for Quotation (RFQs)

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About this document

This document provides an introduction to <u>requests for quotation (RFQs)</u> and explains the steps and functions in the RFQ procedure. The process to set up criteria, calculate scores for the criteria, and rank responses are also detailed.

Objectives

This document describes the <u>request for quotation (RFQ)</u> procedure in Procurement.

Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the Infor LN functionality will help you understand this guide.

Document summary

This table shows the chapters of this guide:

Chapter number	Chapter title	Content
Chapter 1	Introduction	Introduction to RFQs and references to the RFQ master data, RFQ procedure, and additional processes
Chapter 2	Procedure	Steps in the RFQ procedure
Chapter 3	Criteria sets	Setup of criteria and criteria sets
Chapter 4	Scores	Calculation of scores for criteria
Chapter 5	Response ranking	Ranking of bidders based on scores
Chapter 6	Additional processes	Additional functionality in the RFQ procedure

References

Use this guide as the primary reference for RFQs. Use the current editions of these related references to research information that is not covered in this guide:

- ***User Guide for Purchase Master Data U9817 US***
  Use this guide to understand the setup of purchase master data.
- ***User Guide for Landed Costs U9675 US***
  Use this guide to understand the setup and use of landed costs.

- ***User Guide for Supplier Stage Payments U9819 US***
  Use this guide to understand the setup and use of supplier stage payments.
- ***User Guide for Project Pegging U9777 US***
  Use this guide to understand the project pegging functionality.
- ***User Guide for Subcontracting U9361 US***
  Use this guide to understand the subcontracting functionality.
- ***User Guide for Budget Control U9655 US***
  Use this guide to understand the budget control functionality.
- ***User Guide for Purchase Requisitions U9820 US***
  Use this guide to understand the purchase requisition procedure.
- ***User Guide for Purchase Orders U9824 US***
  Use this guide to understand the purchase order procedure.
- ***User Guide for Purchase Vendor Rating U9823 US***
  Use this guide to understand the purchase vendor rating procedure.
- ***User Guide for Pricing U9179 US***
  Use this guide to understand the pricing functionality.
- ***User Guide for Material Pricing U9865 US***
  Use this guide to understand the material pricing functionality.

How to read this document

This document was assembled from online Help topics. As a result, references to other sections in the manual are presented as shown in the following example:

For details, refer to *Introduction*. To locate the referred section, please refer to the Table of Contents or use the Index at the end of the document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

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Chapter 1
Introduction

1

Overview of RFQ handling

With the request for quotation (RFQ) procedure, you can send RFQs to bidders for the procurement of goods. On an RFQ, information regarding items, quantities, and required receipt dates can be specified. You can send the RFQ to one or a range of bidders based on the approved source list. After receipt of the RFQ responses, the results can be negotiated, compared, and ranked. An accepted response can be copied to a purchase contract, a purchase order, or a supplier price book.

RFQs can be generated from planned orders, requisitions, or purchase contracts. They can also be manually specified.

RFQ master data

Before you can carry out the RFQ procedure, you must specify the purchase master data.

For more information, refer to:
- Purchase item data
- Purchase organizational data
- General purchase data
- *Specifying criteria and criteria sets for RFQs (p. 13)*

You must also specify the RFQ parameters in the Request for Quotation Parameters (tdpur0100m100) session.

RFQ procedure

The RFQ procedure includes these processes:
- Creating and sending RFQs to bidders
- Receiving, negotiating, comparing, and selecting the bidders' responses.

For more information, refer to *Request for quotation procedure (p. 9)*.

RFQ additional processes

A number of processes do not always occur in the RFQ procedure, but can be applicable in specific situations.

For more information, refer to *RFQs - additional processes (p. 23)*.

Chapter 2
Procedure

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Request for quotation procedure

You can use the request for quotation (RFQ) procedure to request bidders (buy-from business partners) to provide you with an offer for goods and services. You can compare the received RFQ responses (bids) to select the one that best fits your requirements.

These RFQ procedures are available:

- **Manual RFQ procedure**
  Use this procedure to manually create RFQs and send them to bidders. You can select the bidders to whom you want to send an RFQ manually, or based on the approved supplier list.
- **Generate RFQ procedure**
  Use this procedure to automatically generate RFQs and send them to bidders. The creation of RFQs and the assignment to bidders is performed in one of the generate sessions.

Use the manual RFQ procedure to create an RFQ for one item. If you want to create an RFQ for several items and/or several item groups, the generate RFQ procedure is more suitable.

The request for quotation (RFQ) procedure includes these phases:

1. Creating and sending RFQs to bidders
2. Receiving, negotiating, comparing, and selecting the bidders' responses

Note

On a request for quotation (RFQ) line, the item code can be blank. Therefore, the requester can request to bid for a new item. When the status of a response line that is linked to the RFQ line is **Accepted**, the item code becomes mandatory.

Creating and sending RFQs

Step 1: Request for Quotation (tdpur1600m000)

Use the Request for Quotation (tdpur1600m000) session to:

- Create RFQs in the manual RFQ procedure

- View RFQs in the generate RFQ procedure
  RFQ generation occurs in one of these sessions:
    - **Generate Requests for Quotation (tdpur1220m000)**
      Generates RFQs for a range of items or item groups and enables you to select the bidders to send the RFQs to.
    - **Convert Purchase Requisitions (tdpur2201m000)**
      Converts purchase requisition lines to an RFQ.
    - **Generate RFQs from Contracts (tdpur3201m000)**
      Copies purchase contract lines to RFQs and enables you to link the bidders to whom to send the RFQs.
    - **Transfer Order Planning (cppat1210m000)**
      Transfers the planned purchase orders from Order Planning to Procurement. If LN cannot find a buy-from business partner for the item, the planned purchase order can be transferred to an RFQ.

Step 2: RFQ Bidders (tdpur1505m000)/ Add Bidders to RFQ (tdpur1221m000)

This step only applies to the manual RFQ procedure. In the generate RFQ procedure, the generated RFQs are directly linked to the selected bidders.

In the manual RFQ procedure, you can link bidders to RFQs as follows:

- Manually in the RFQ Bidders (tdpur1505m000) session
- Automatically in the Add Bidders to RFQ (tdpur1221m000) session, and optionally, based on an approved supplier list

On the Bidders tab in the Request for Quotation (tdpur1600m000) session, you can view which bidders are linked to the RFQ.

Step 3: Print Requests for Quotation (tdpur1401m000)

After the RFQ is created and bidders are linked, you must print the RFQ in the Print Requests for Quotation (tdpur1401m000) session to send it to the bidders.

Receiving, negotiating, comparing, and selecting RFQ responses

Step 1: RFQ Responses (tdpur1506m000)

RFQ responses received from a bidder can be specified in the RFQ Responses (tdpur1506m000) session. An RFQ response includes one or more response lines.

Step 2: RFQ Negotiations (tdpur1606m000)

Optionally, you can negotiate the bidder's responses and specify your counter proposals in the RFQ Negotiations (tdpur1606m000) session.

The latest negotiation response information, which includes prices, discounts, and dates is synchronized to the RFQ Responses (tdpur1506m000) session. Counter proposal information is not synchronized.

Step 3: RFQ Compare Responses (tdpur1600m100)

You can compare and rank the RFQ responses using the RFQ line, RFQ bidder, and RFQ response sessions.

In the RFQ Compare Responses (tdpur1600m100) session, the response lines with the status **Responded**, **Negotiating**, or **Accepted** can be compared and ranked. This session helps you select the best responses for conversion. You can perform an analysis for a single line or all the lines of the RFQ.

The response lines are compared and ranked based on:

- Objective and subjective criteria, if a criteria set is specified for the RFQ.
- Prices and amounts. Prices and amounts can also include landed costs (bidder and third party).

Note: Although no criteria set is required for a comparison based on prices and amounts, you can also specify prices as criteria in a criteria set.

You can use the following sessions to view the ranked response lines, which are displayed as tabs in the RFQ Compare Responses (tdpur1600m100) session:

- RFQ Compare Responses Based on Criteria Set (tdpur1511m000)
- RFQ Compare Responses Based on Prices (tdpur1511m100)
- RFQ Compare Responses Based on Criteria Set Grouped by Bidder (tdpur1511m200)
- RFQ Compare Responses Based on Amounts Grouped by Bidder (tdpur1511m300)

For more information, refer to:

- *Specifying criteria and criteria sets for RFQs (p. 13)*.
- *Calculating total scores for criteria (p. 15)*
- *Ranking RFQ responses (p. 21)*

Step 4: Convert RFQs (tdpur1202m000)

After accepting a response line, for which you set the status to **Accepted**, you can use the Convert RFQs (tdpur1202m000) session to convert the response line to a purchase order, purchase contract, or price book.

For a selected response line, you can start this session as follows:

- By clicking **Convert RFQs** on the appropriate menu of the RFQ Responses (tdpur1506m000) session. This command is enabled only if the **Conversion Action** field is set to **Convert** and the **Conversion Type** field is specified in the RFQ Responses (tdpur1506m000) session.
- By clicking **Convert** and then **Convert to Order**, **Convert to Contract**, or **Convert to Price Book** on the appropriate menu of the RFQ Compare Responses Based on Criteria Set (tdpur1511m000), RFQ Compare Responses Based on Prices (tdpur1511m100), RFQ Compare

Responses Based on Criteria Set Grouped by Bidder (tdpur1511m200), or RFQ Compare Responses Based on Amounts Grouped by Bidder (tdpur1511m300) sessions.

Step 5: Delete Requests for Quotation (tdpur1205m000)/ Process Non-Converted RFQ Responses (tdpur1223m000)

Use the Delete Requests for Quotation (tdpur1205m000) session to delete RFQs that are expired, have no response returned, or were never linked to a bidder.

Use the Process Non-Converted RFQ Responses (tdpur1223m000) session to process response lines for which the **Conversion Action** is **Ignore**, or delete response lines for which the **Conversion Action** is **Delete**.

Chapter 3
Criteria sets

3

Specifying criteria and criteria sets for RFQs

You can compare and rank <u>response lines</u> based on the objective and subjective criteria specified for the <u>criteria set</u> that is linked to the RFQ.

Objective criteria are tracked by Infor LN, whereas subjective criteria are user-defined. When comparing response lines, Infor LN considers all the objective and subjective criteria for the RFQ, including the user specified weightings, to calculate a total score for the response lines. Consequently, the response lines can be ranked.

To use criteria to evaluate responses:

1. Specify criteria sets in the RFQ Criteria Sets (tdpur1190m000) session. A criteria set is a list of RFQ criterions that can be linked to an RFQ header. The responses are evaluated based on these criteria.

2. Specify the RFQ subjective criteria in the RFQ Subjective Criteria (tdpur1191m000) session. You must only specify the subjective RFQ criteria, because the objective criteria are predefined in Infor LN.

3. Define a criteria set (by linking the required criteria to a set) in the RFQ Criteria by Criteria Set (tdpur1192m000) session. You must also indicate the significance of the various criteria by assigning <u>weightings</u> to the same.

4. For the criterion types **Quantity**, **Delivery Time**, and **Subjective**, specify the values and assign scores to the values in the RFQ Criterion Scoring Schemes (tdpur1193m000) session. If you do not specify a scoring scheme for the objective criteria, Infor LN uses predefined system values.

5. After receiving a bidder's response, link <u>subjective values</u> to the response in the RFQ Response - Subjective Criterion Scores (tdpur1195m000) session. LN calculates the objective criteria.

Notes

■   You can also use the RFQ Criteria Set (tdpur1690m000) session to specify a criteria set with linked criteria and a scoring scheme.

■   For comparisons based on prices and amounts, a criteria set is not required. However, you can also specify prices as criteria in the criteria set.

■   If the concerned bidder is selected for <u>vendor rating</u>, Infor LN also considers vendor rating when comparing responses.

Calculating total scores for criteria

After sending requests for quotation (RFQs) to bidders, you can rank the RFQ responses that you receive from the bidders. The total score must be calculated for each response line before LN can rank the response lines.

Note

Scores are calculated for each criterion specified in the criteria set, which is linked to the RFQ. If a criteria set is not specified for the RFQ, scores are not calculated. The response lines can still be compared and ranked (based on prices and amounts), but the scores are not calculated.

To determine the scores of the criterion types **Quantity**, **Delivery Time**, and **Subjective**, the RFQ Criterion Scoring Schemes (tdpur1193m000) is used. **Net Purchase Price**, **Net Bidder Price**, **Net Price**, and **Vendor Rating** scores are not specified in the scoring schemes session. Price related scores are based on the response line with the lowest price and with a valid status.

For **Subjective** criteria, after receiving a bidder's response, you must manually link subjective values to the response in the RFQ Response - Subjective Criterion Scores (tdpur1195m000) session.

When calculating the total score for a response line, Infor LN also considers the weightings. You can use the RFQ Criteria by Criteria Set (tdpur1192m000) session to assign weightings to the criteria in the criteria set.

Delivery time

A total score for the criterion type **Delivery Time** is calculated based on the delivery time difference between the RFQ line and the response line.

The methods to calculate the delivery time difference:

- RFQ planned receipt date - response planned receipt date
- RFQ lead time - response lead time
- (RFQ start date - response start date) + (RFQ end date - response end date)

LN retrieves the values and scores for the time difference from the RFQ Criterion Scoring Schemes (tdpur1193m000) session.

Negative values imply that the bidder expects to deliver later than the requested time specified in the RFQ line, implying a low score. High values indicate that the bidder expects to deliver earlier than the requested time for the RFQ line.

The total delivery time score calculated method:

```
DW * retrieved score for the delivery time difference / 100
```

Quantity

A total score for the criterion type **Quantity** is calculated based on the deviation in quantity between the RFQ line and the response line.

The quantity deviation calculation method:

```
(RFQ line quantity - response line quantity) * 100
```

LN retrieves the values and scores for the quantity deviation from the RFQ Criterion Scoring Schemes (tdpur1193m000) session.

High values indicate that the response line quantity is less than the requested quantity, implying a low score. Negative values indicate that the response line quantity is higher than the RFQ line quantity.

The total quantity score calculation method:

```
QW * retrieved score for the quantity deviation / 100
```

Vendor rating

A total score for the criterion type **Vendor Rating** is calculated based on vendor rating.

LN retrieves the vendor rating percentage from the Vendor Ratings by Period (tdpur8102m000) and the Vendor Ratings by Criterion (tdpur8102m100) sessions.

The total vendor rating score calculation method:

```
VW * vendor rating percentage / 100
```

Subjective criterion

A total score for the criterion type **Subjective** is calculated based on the subjective criterion.

You can specify subjective values and scores for the criterion in the RFQ Criterion Scoring Schemes (tdpur1193m000) session.

When the status of a response line is set to **Responded**, LN creates the subjective criteria of the RFQ criteria set in the RFQ Response - Subjective Criterion Scores (tdpur1195m000) session. You must manually link a subjective value to the subjective criterion for the response line.

The total score calculation method:

```
SW * retrieved score for the subjective value / 100
```

Net purchase price

The total score for the criterion type **Net Purchase Price** is calculated based on the offered net purchase price.

LN retrieves the lowest response net **Purchase Price** and the current response net **Purchase Price** from the RFQ Responses (tdpur1506m000) session. The lowest response price is the lowest submitted price of all the selected bidders of an RFQ. The current response price is the price of the specific bidder.

The total score calculation method:

```
NPPW * ((lowest response net purchase price / current response net purchase
 price) * 100) / 100
```

Net bidder price

The total score for the criterion type **Net Bidder Price** is calculated based on the offered net bidder price, which includes bidder landed costs and excludes third party landed costs.

LN retrieves the lowest response **Net Bidder Price** and the current response **Net Bidder Price** from the RFQ Responses (tdpur1506m000) session. The lowest response price is the lowest submitted price of all the selected bidders of an RFQ. The current response price is the price of the specific bidder.

The total score calculation method:

```
NBPW * ((lowest response net bidder price / current response net bidder price)
 * 100) / 100
```

Net price

The total score for the criterion type **Net Price** is calculated based on the offered net bidder price, which includes all landed costs (bidder and third party).

LN retrieves the lowest response **Net Price** and the current response **Net Price** from the RFQ Responses (tdpur1506m000) session. The lowest response price is the lowest submitted price of all the selected bidders of an RFQ. The current response price is the price of the specific bidder.

The total score calculation method:

```
NPW * ((lowest response net price / current response net price) * 100) / 100
```

Legend

DW	Weighting for the delivery time difference
QW	Weighting for the quantity difference
VW	Weighting for the vendor rating
SW	Weighting for the subjective criterion
NPPW	Weighting for the net purchase price
NBPW	Weighting for the net bidder price
NPW	Weighting for the net price

Example

The following criteria, values, scores, and weightings are specified for the criteria set linked to the RFQ:

Criterion type: Delivery Time		**Criterion type: Subjective**	
Weighting: 10		**Weighting: 45**	
Delivery time	**Score**	**Colour**	**Score**
In time	100	Red	25
One day early	75	Yellow	20

One day late	75	Blue	15
Other	25	Green	3

Response lines

- **Response 1 for Bidder A**
  Delivery time: in time
- Color: green
- **Response 2 for Bidder B**
  Delivery time: one day late
- Color: yellow

The total score for the response lines is calculated as follows:

- **Response 1 for Bidder A**
  100 * 10 / 100 = 10
- 3 * 45 / 100 = 1
- Total score = 11
- **Response 2 for Bidder B**
  70 * 10 / 100 = 7
- 20 * 45 / 100 = 9
- Total score = 16

Consequently, response line 2 ranks higher than response line 1.

> **Note**
>
> After the total scores are calculated, you can rank the responses. For more information, refer to *Ranking RFQ responses (p. 21)*.

Chapter 5
Response ranking

5

Ranking RFQ responses

RFQ response lines are ranked based on the total (citeria) score, and based on the price of the lines.

Note

Ranking based on prices and amounts is always performed. Ranking based on criteria set and the calculation of criteria scores is performed only if a criteria set is specified for the RFQ.

Ranking based on criteria set

If a criteria set is specified for the RFQ, scores are calculated for each criterion specified in the criteria set. You can view the ranking based on the total score for response lines, or bidders in these sessions:

- **RFQ Compare Responses Based on Criteria Set (tdpur1511m000)**
  For each response line that is compared, the score is displayed by criteria set. The ranking of the lines is based on the total score for each line.
- **RFQ Compare Responses Based on Criteria Set Grouped by Bidder (tdpur1511m200)**
  For each bidder, the score is displayed by criteria set. The ranking of the lines is based on the total score for each bidder. If the **All lines included** check box is selected, the bidder responded to all requested items. Bidders who responded to all items are ranked higher.

The higher the score, the higher the ranking.

Ranking based on prices

Response lines are always compared and ranked based on prices and amounts. You can view the ranking based on the total price for response lines, or the total amount for bidders, in these sessions:

- **RFQ Compare Responses Based on Prices (tdpur1511m100)**
  For each response line that is compared, the **Net Price**, **Net Bidder Price**, and **Net Purchase Price** are displayed. By default, the ranking of the lines is based on the net price, but this can be modified.

■ **RFQ Compare Responses Based on Amounts Grouped by Bidder (tdpur1511m300)**
For each bidder, the sum of the prices converted to amounts is displayed. Because different RFQ lines can have different units, the responses are compared based on amounts. By default, the ranking of the lines is based on the net amount, but this can be modified. If the **All lines included** check box is selected, a bidder responded to all requested items. Bidders who responded to all items are ranked higher.

The lower the prices, the higher the ranking.

Note

These sessions are displayed as tabs in the RFQ Compare Responses (tdpur1600m100) session.

Chapter 6
Additional processes

6

RFQs - additional processes

A number of processes do not always occur in the RFQ procedure, but can be used depending on specific situations.

These are the following processes:

- Landed costs on RFQs
- Material prices on RFQs
- Printing RFQ reminders
- Printing letters for unsuccessful bidders
- Project pegging
- Specifying supplier stage payments
- Subcontracted items on RFQs
- Viewing, printing, and deleting RFQ history

Landed costs on RFQs

To have a proper insight in all procurement costs, not only the purchase price, but also <u>landed costs</u> can be linked to an RFQ. These landed costs can be taken into account when comparing the RFQ responses.

Material prices on RFQs

If the **Material Pricing in Procurement** check box is selected in the Material Price Parameters (tcmpr0100m000) session, after setting up the material pricing master data, LN can retrieve material price information and calculate <u>material prices</u> for a <u>response line</u>.

Linked material price information can be viewed in the Material Price Information (tcmpr1600m000) session.

Printing RFQ reminders

If no response is received from a bidder before the response date, you can send the bidder a reminder, which you can print in the Print RFQ Reminders (tdpur1402m000) session.

Note that to print a reminder in the Print RFQ Reminders (tdpur1402m000) session, the **Reminder Status** must be **Remind** in the RFQ Bidders (tdpur1505m000) session.

Printing letters for unsuccessful bidders

You can use the Print Letter for Unsuccessful Bidders (tdpur1410m000) session to communicate to bidders that their RFQ response is not accepted.

Note

You can print letters for bidders only if the **Thank You for Bidding Letter** check box is selected in the RFQ Bidders (tdpur1505m000) session.

Project pegging

Project pegging in Procurement includes the pegging of project costs for purchase requisitions, requests for quotation, and purchase orders. If the item on the requisition, request for quotation or purchase order requires a peg, a peg distribution must be linked to these purchase objects. In a peg distribution, the required quantity of the parent business object is distributed across distribution lines for combinations of project/budget, project element and/or project activity. For example, if a distribution is used to peg the ordered quantity on a purchase order line, the goods are purchased for and the costs are booked to these projects, elements, and activities.

Specifying supplier stage payments

Supplier stage payments enable customers to pay suppliers before or after the ordered goods are actually received for a purchase order. The payments are spread over a period of time and the amounts must be paid to the supplier on specific dates. The purchase order item's invoice flow is separated from its goods flow.

Supplier stage payments can be useful for items with characteristics such as long lead, high value, much engineering, and a fixed price. The stage payments can include the dates and events for which the supplier must complete specific tasks before receipt of any goods, such as providing design documents or test results. On the RFQ response, you can specify the stage payment lines in the Supplier Stage Payments (tdpur5120m000) session, which can be copied to the purchase order line during conversion.

Subcontracted items on RFQs

In case of operation subcontracting, requests for quotation (RFQs) can include subcontracted service items, or **Purchased** or **Manufactured** items with linked material supply information. These RFQs can

be generated from a purchase requisition with a linked <u>routing operation</u> or <u>production order</u>. Subcontracted services can also be manually specified on an RFQ.

In case of <u>service subcontracting</u>, RFQs can include **Cost** or **Service** items, or **Purchased** or **Manufactured** items with linked material supply information. These RFQs can be generated from a purchase requisition with a linked <u>work order</u> or <u>service order</u>.

Viewing, printing, and deleting RFQ history

If the **Log RFQ History** check box is selected in the Request for Quotation Parameters (tdpur0100m100) session, you can review RFQ history information in sessions such as the following:

- RFQ History (tdpur1550m000)
- RFQ Line History (tdpur1551m000)
- RFQ Bidder History (tdpur1555m000)
- RFQ Response History (tdpur1556m000)

You can print RFQ history in the Print RFQ History (tdpur1450m000) session.

If historical information is no longer required, you can use the Delete Request for Quotation History (tdpur1204m000) session to delete the historical data.

Appendix A
Glossary

A

appropriate menu

Commands are distributed across the **Views**, **References**, and **Actions** menus, or displayed as buttons. In previous LN and Web UI releases, these commands are located in the *Specific* menu.

approved supplier list

A list of buy-from business partners approved to deliver a specific item.

landed costs

The total of all costs that are associated with the procurement of an item until delivery and receipt in a warehouse. Landed costs typically include freight costs, insurance costs, customs duties, and handling costs.

In LN, landed costs can be part of multiple landed costs sets.

material price

The price of a material, which can be the following:

- The material base price, if material actual prices are not applicable (yet)
- The sum of these components: material base price + material price surcharge+ material price surcharge costs, if material actual prices are applicable

operation

One of a series of steps in a routing that are carried out successively to produce an item.

The following data is collected during a routing operation:
- The task. For example, sawing.
- The machine used to carry out the task (optional). For example, sawing machine.
- The place where the task is carried out (work center). For example, woodwork.
- The number of employees required to carry out the task.

This data is used to compute order lead times, to plan production orders and to calculate cost prices.

operation subcontracting

The work on one or more operations in an item's production process is outsourced to a subcontractor.

peg

A combination of project/budget, element and/or activity, which is used to identify costs, demand, and supply for a project.

production order

An order to produce a specified quantity of an item on a specified delivery date.

purchase contract line

The agreement with a supplier about a certain item. A purchase contract line contains both commercial and logistic conditions related to the supply of one item, during a period of time.

In case of a corporate purchase contract, the purchase contract line is a **Total** line, because it has linked purchase contract line details.

request for quotation (RFQ)

A purchasing document that is used as a request to bidders to submit their terms, such as price, discount, delivery time, and payment terms for delivering a (quantity of a) product.

You can send the RFQ to several bidders. A bidder can submit an RFQ response for the specified items.

You can record the responses, negotiate, and compare the prices and discounts that are offered by different bidders.

An accepted response can be copied to a contract, an order, or a price book.

request for quotation (RFQ) lines

The lines that include the item details in a request for quotation (RFQ), such as required quantity, time to be delivered, delivery warehouse and so on.

The item lines are sent to the bidder. The bidder can respond to each item individually and also offer alternatives for the required item.

response date

The last date on which the bidder can submit an RFQ response on the request for quotation.

response line

A response to a request for quotation line, which includes a bidder's bid for the RFQ line. A bid offers goods or services for a certain price and terms of sale and can be considered as an offer to sell.

RFQ bidder

A request to a bidder (buy-from business partner) to provide you with an offer for goods and services.

RFQ criteria set

Includes request for quotation (RFQ) criteria and can be linked to an RFQ header. Response lines are compared and ranked based on the objective and subjective criteria in the criteria set.

RFQ response

A response to a request for quotation, which includes one or more response lines with bids. A bid offers goods or services for a certain price and terms of sale and can be considered as an offer to sell.

service order

Orders that are used to plan, carry out, and control all repair and maintenance on configurations as present on customer sites or as present with the company.

service subcontracting

Allot the service related work of an item to another company. The entire maintenance or repair process, or only a part of the same, can be allotted. Service subcontracting can be used with or without material flow support.

SSP

See: *supplier stage payments (p. 30)*

subcontracted service

The auxiliary item code for recording subcontracting operations. Items of this type also belong to the administrative items. These items are non-physical items which are used to record the subcontracting costs.

subjective criterion

A criterion whose score and rating are calculated based on user judgements (subjective values) assigned to the criterion.

Subjective criteria are taken into account in vendor rating.

subjective value

Subjective values are used to provide the user with an easy to use rating scale on a vendor rating questionnaire and the ranking of RFQ responses. You can assign scores and weightings to the subjective values.

supplier price book

A standard purchase price book that is used to store the following:

- The default purchase price of an item by buy-from business partner, ship-from business partner, or both
- The prices copied from RFQ responses
- The default prices of items

supplier stage payments

Spread payments that are made by customers to suppliers over a period of time. With stage payments, customers can make payments for an item before or after the item is actually received. An item's invoice flow is separated from its goods flow.

Abbreviation: SSP

vendor rating

A classification of a supplier based on certain criteria. These criteria can be based on deliveries (on time, sufficient quality) and on other factors.

weighting

The proportional contribution of a criterion type to a comparison score. It represents the importance of a criterion relative to the other criteria in the criteria set.

work order

Orders that are used to plan, carry out, and control all maintenance on items in a maintenance shop or in a repair shop. A work order consists of at least one work order header, and can have a number of activities that must be carried out on a repairable service item.

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