**[PROJECT TITLE]**

**[YOUR COMPANY NAME]**

**PROPOSALS DUE BY: [DATE PROPOSALS WILL BE ACCEPTED UNTIL]**

**Company Background**

In 1-3 sentences, briefly describe your company core capabilities, target market, and industries in which you operate.

**Project Overview**

In 1-2 paragraphs, provide a summary of the project so the prospective service provider may get a better understanding of the scope. Additionally, in this space describe what information you need from the provider in their response, including the proposal guidelines, and requirements. You may choose to include the following in your request for proposal (RFP):

* Non-disclosure agreement (NDA)
* Responsibility of providers’ costs and expenses
* Rules of preparations
* Timeline for RFP submissions, as well as on-boarding and implementation
* Requirements for all prospective clients
  + Electronic Data Interchange (EDI) needs
  + Locations specifications
  + ISO certifications
* Your company’s fiscal calendar and any seasonality trends.
* Reservation of rights to:
  + Adjust RFP
  + Cancel, suspend, withdraw, or terminate RFP
  + Accept or reject proposals
  + Negotiate with respondents

**Project Goals**

Clearly state the purpose of the RFP and your company’s expectations in choosing a prospective provider who demonstrates the capability and superior experience in providing an effective kitting and packaging service. The results of this RFP are intended to make the process of implementation smoother.

Your company’s objectives need to include:

* Achieving excellence in operation and management
* Ensuring requirements and excellent quality
* Utilizing technology and innovation
* Increasing productivity
* Reducing costs and material waste
* Maximizing value and profit

At the end of this section, restate for the reader that the overall purpose of the RFP is to help the prospective providers in understanding the benefits, costs and risks associated with the possible solutions. In addition, including your expecting growth rate for the program year-over-year is helpful in obtaining accurate bids.

**Scope of Work**

To get the most straightforward and accurate responses from the potential providers, as well as to help you find the right provider, you need to provide the details of your project as specific as possible. Instead of using vague questions, spend time detailing your project scope with a cross-departmental internal team so there are no surprises. The following are suggestions for what information you should prepare and include in your detailed scope of work:

***Procurement Details***

1. Number of SKUs:  \_\_\_\_\_\_
2. Provide a complete list of SKUs, including:

* Bill of Material (BOM)
* Country of Origin (COO)
* EAU (Estimated Annual Usage) by SKU
* Minimum order quantities (MOQs)
* Lead times
* Contract pricing
* Part weight

1. Will the provider be expected to complete cycle counts on the inventory? If so, how often and how will that be communicated?
2. Will your company send representatives to the provider’s facility for year-end inventory audits?
3. Do you expect the provider to be sourcing any material? If so, you will need to provide prints for each item.
4. Do you have a letter of authorization (LOA) stating the provider may use your contract pricing and purchase on your behalf on file with each supplier?

***Warehouse and Operations***

1. Based on your knowledge of your business, estimate the warehouse space needed for your RFP.

* Are there any storage specifications? If so, what are they?
* What percentage will be racked vs floor space?

1. Will packaging be done at receipt? Or shipment?
2. Do any parts need to be assembled?

* Will any tools or machines be provided for assembly purposes?
* If testing is required for any assembly, will the equipment and training be provided?

1. If you are doing this in house right now, how many employees are you utilizing? What machines, tables, layout, etc.
2. How will items be sent to the provider’s warehouse? (i.e., bulk pack, already packaged, parcel, LTL, etc)
3. What is the average amount of receipts per day?
4. List the average lines and quantity per shipment the service provider should assume when quoting.
5. What information is required during the receiving process? (i.e., weight count, etc)
6. What is the average amount of shipments per day?
7. What is the average line and quantity for each shipment?
8. What is the urgency of shipments (i.e., orders must be fulfilled same day, arrive next day at destination, ship within established lead time, etc)
9. What percent of shipment will go LTL? Parcel?
10. Will the provider be distributing to a parts distribution center (PDC), distributors/dealers, or direct to the customer?
11. Number of distribution points: \_\_\_\_\_\_\_\_\_\_\_\_\_
12. Will orders require a separate purchase order (PO) by part number?
13. Will the supplier need to distribute material outside the US? If so, who is responsible for export requirements, commercial invoices, etc?
14. Provide shipping guidelines, including freight accounts on which to ship, shipping methods, classes, label specifications, etc.
15. Who is responsible for scheduling shipments?

***Safety***

1. Any Safety Data Sheet (SDS) requirements for material being handled?  If so, let the potential provider know where they may obtain the SDS sheets and part details.
2. Provide manuals for all equipment

***Quality Metrics***

1. Provide labeling, packaging guidelines, as well as logo usage guidelines and logos in vector format
2. If assembling - Will the required torque specs be on the prints or BOMs the provider receives?
3. List how changes in BOMs communicated.
4. List the packaging approval process.
5. If work instructions are already in use, provide a sample within the RFP to aid bidders with pricing calculations.
6. List out any inspections required for any process.
7. If you have already established returns processing, non-conforming material handling, and customer complaints, consider adding this information to your RFP.
8. Do you have service level agreements (SLAs) with your customers? If so, provide specifics.
9. Are there any key performance indicators you follow or would like the provider to follow? If so, provide the types of KPI’s, as well as your target metrics.

***Information Technology***

1. Provide your primary point of contact for all IT interactions
2. What are the hardware and software needs? Who supplies it? Who is responsible for maintaining?
3. EDI processes and details
4. Integration requirements
5. Reporting requirements and cadence

***Transition***

1. How much inventory will you plan to position at the supplier to start?
2. What is the expected timeline to transition?
3. Are the provider’s employees required to help on site at your location to assist with transition?

**Target Deliverable Schedule**

Having a target deliverable schedule included in your RFP is important so potential providers can properly gauge resources and bandwidth to complete the job on time.

Items to Include in your Timeline Details

* Official release of the RFP
* Submission of questions
* Question and answer session
* First submission of RFP
* First cut of applicants
* Panel interviews
* Second submission of adjusted RFP
* Second cut of applicants
* Schedule on-site tours
* Final presentations

Occassionally, timelines need to be adjusted to match business needs. If this is the case for your company, communicate your adjusted timeline, as well as your reasoning for shifting the schedule.

**Existing Roadblocks or Technical Issues**

A successful RFP is clear about any technical issues or possible roadblocks that will affect both the proposal and the project. By explaining these up front, potential providers will be more knowledgeable and prepared. This is also a way to easily weed out providers who do not have the abilities needed while connecting you with companies that know how to work around these types of roadblocks with skill and finesse.

Remember, it’s far better to find this out now versus after you have accepted the bid and started work. The following are some suggestions of what you should include in your RFP.

**Budget Constraints**

It is very important to include your budget detailed information in your RFP to eliminate any surprises when all parties are involved. In this section, you should include the following information:

***Budget Assumption and Instructions:***

Include cost details and specific instructions on format for submitting pricing and/or provide your own pricing submission format. In addition, you should also provide details like billing terms, assumptions to be applied to pricing, and instructions on documenting provider’s assumptions.

***Budget Structure and Scenarios:***

Provide your company pricing structure based on what the provider requests, along with any costing scenarios the provider is interested in receiving such as a 5-year agreement.

**Evaluation Metrics**

List all criteria for Evaluation Metrics that you will evaluate and consider when choosing a provider that you will work with. The following are recommended to include in your Evaluation Metrics:

* Previous experience/past performance history
* Samples and/or case studies from previous or similar projects
* Projected costs
* Experience and technical expertise
* Responsiveness and answers to questions in the next sections

**Questions Bidders Must Answer to be Considered**

Create a list of questions related to the project such as what issues a provider sees up front or how the costs will break down so you can properly assess potential providers. The provider must answer these questions to be considered.

**Submission Requirements**

Aside from required questions to answer and evaluation metrics, it would make it easier for your company to review different providers’ bids if you request them to adhere to specific guidelines to be considered. For example:

* Only bidders who meet all 5 metrics in the evaluation section should submit a proposal.
* Proposals must be sent in by [INSERT DATE]. Providers who are interested in submitting a proposal should inform [POC NAME + EMAIL] no later than [INSERT DEADLINE].
* Include samples and references with your proposal.
* Proposals should not be more than [ENTER NUMBER] pages. Failure to comply with this guideline will result in an automatic rejection.
* A proposed schedule must also be included and clearly expressed.

You also can create a suggested outline for providers to follow when they create and submit their proposal.

**What You are Looking for in Potential Vendors**

Provide an explanation of your ideal provider to reduce or eliminate surprises on your RFP. You could also use this time to become a little more colloquial and explain what kind of communication or work ethic you expect from the contractor.

**Contact Information**

*Wrap things up with the best way to contact the RFP drafter and which email to submit the RFP to.*

For questions or concerns connected to this RFP, we can be reached at:

[POC NAME]

[POC EMAIL]

[POC PHONE]

Please provide an Organization Chart, including key contacts for this program.