



25 Must **HAVE** **POINTS FOR** **QUOTATION**

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1. Price & Price Condition

Specify price & base.
Such as, Drawing Number,
Packing Standard, Design
Standard etc.

Also mention about
different manufacturing
processes considered.

2. Volume based Pricing

A table containing different slabs for prices based on volume off-take, makes the offer lucrative to buyer.



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3. Raw Material Specification

While proposing equivalent grade Raw Material, we also need to make sure that customer should be in a position to verify. So please send the weblink or standard referred.

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4. Quality Confirmation Plan

It is important to mention the details about "how supplier will certify the product quality before dispatching" to customer

5. Quality Documents

Kindly mention the documents that seller will be submitting to buyer and frequency of the those document submission.



6. Marking, Traceability etc...

If there is no traceability, and 2 suppliers are supplying for the same project. It may happen that defect is caused by supplier-1 and customer is asking supplier - 2 to make the countermeasure.



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7. Rejection Handling

This is better to clarify in quotation that in case of any rejection, how supplier is going to respond, what actions both parties, jointly can take? Etc...



8. Timeline

Vaguely defined timeline may lead to future problem.

"We will give samples in 2 weeks".

Here seller fails to mention when will he start counting week zero?



9. Trigger Point for each Step

Seller is expecting advance payment from buyer and buyer is thinking the work will start.

After few weeks when they discuss the status, they find that because of confusion both have lost precious time.

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10. Exchange Rate Definition

Customer want to follow xe.com but seller want to follow his country's federal bank rate.

All this needs to be explained and taught to the buyer, by seller.

11. Incoterms

Do you know correct representation of incoterm?

Example:

- CIF- *this is not clear.*
- The correct & clear representation is CIF, [Port Name], e.g. CIF, Le Havre.



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12. Price Revision Condition

Buyer is not ready with a cheque to write, (whenever there is a price revision upward), But he is part of an organization. It is always smart and beneficial to mention price revision conditions.

13. Price Revision Frequency

With this the buyer will be in a position to budget the expense and take prior approval from management. This helps not only the buyer but helps seller in faster settlement of price revision requests (if upward).

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14. Payment Terms

Multiple options for payment terms, would help buyer in taking decision, faster.



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15. Language

Language is important when either the drawing or standard or RFQ is in one language and both parties are working on a translated version. It is better to reach an agreement on the translated version prior to start.

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16. Responsibility

This needs to be very clearly defined.
In other words, utmost care should be taken in defining this or what is the meaning by this [Responsibility and title transfer]?

17. Refundable Costs

If seller can define what costs are refundable in case the project comes to a halt due to any reason. If there is nothing refundable, then also seller should not forget to define this point in the quotation.

18. Warranty / Guarantee

Mentioning about this gives buyer a confidence or predictability about what he is going to receive. If there is no warranty/ guarantee offered by seller, Buyer may ask for additional check points to avoid future's bad surprises.

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19. Packaging Conditions

If a packaging proposal is made with details, with pictures and specifications, it is very appreciated.

If buyer is responsible for transportation, he can plan the shipment accordingly.

20. Certificate of Origin (COO)

The import duty is also defined based on certificate of origin and conditions mentioned therein. If seller inform COO conditions, in advance, this will help buyer in calculating correct landed cost and taking right decision.

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21. Shipping Document List

Clarifying the list of document and numbers (original & copy) will help the buyer in many ways:
Organizing custom clearance in his country,
Helping shipping company and Transporter etc.

22. Data Retention

It is also a good procedure to mention to customer for how long the data and what data will be preserved by the seller.

This data can be helpful in investigating any desired info about past lots / shipments.

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23. Delay

In practical life there are delays because of several un-planned factors. If buyer is aware, what is the remedy in case supplier is unable to provide OTIF 100% (On-Time, in Full), this gives him the predictability.

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24. Dispute Resolution


None wants this but clarifying this makes the quotation look professional.

There is difference between governing laws (or applicable laws) and place of jurisdiction.

25. Place of Jurisdiction

Place of jurisdiction is where the hearing will be held. If place of jurisdiction is buyer's country, this can be very costly for seller to go and appear for hearing. So its better to specify this and make clear to customer.

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