



EBOOK

# The RFP dictionary

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A proposal and procurement  
glossary from A-Z

# Introduction

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Every industry has a language of its own and the RFP and procurement world is no different. Procurement professionals, and the proposal professionals who interact with them, use a vocabulary full of abbreviations, acronyms, synonyms and specialized terminology. The industry-specific terms can be difficult to navigate, no matter how many RFxs you've issued or responded to.

Before we jump into the jargon, let's lay the groundwork.



Inside this glossary you'll find terms related to the procurement and proposal process. Because there are so many facets involved, we'll generally refer to them as "Rfx terms".

Rfx is a catch-all term that refers to any document that is a 'request for' something. It represents documents like requests for proposals (RFPs), request for quotations (RFQs) and more. All of these Rfx definitions — and lots of others — are commonly used in proposals and procurement.

# Proposal and procurement glossary: A-B

**Acceptance criteria** — Factors used to determine whether a product or service meets the required standard, frequently used in software procurement.

**Agreement** — A legally binding contract, signed and executed by both the buyer and seller.

**Alternate response** — A substitute response representing a significant, but intentional variation to a provision or clause of a solicitation by a vendor.

**APMP** — The Association of Proposal Management Professionals is an international professional organization that educates and advises procurement professionals.

**Approved supplier list** — A list of suppliers who have been vetted and met the established criteria. This can include financial stability, compliance, insurance, health and safety policies and so on. This supplier list is often managed using vendor profiles.



[\*Download a vendor profile template to start creating your approved supplier list.\*](#)

**APS** — American Purchasing Society. An organization of buyers, purchasing managers, executives, and others interested in the purchasing profession. The organization focuses on providing training and education through certification programs.

**Balanced scorecard** — A tool to measure vendor performance that factors in multiple variables. The variables may be equally important or have weighted degrees of importance. Similar to weighted scoring.

**Benchmarking** — Comparing an element of one business, such as price, quality or service, against another which can be part of vendor selection.

**Best and final offer (BAFO)** — A request for the vendor to make a revised pricing proposal with their best possible price.

**Best value** — The end result of a successful RFP and procurement process. An outcome that perfectly balances price and quality to meet the buyer's needs.

**Bid** — The portion of the proposal that offers a price for goods or services.

**Bid/No-bid discussion** — The RFP bid/no-bid process is a way to consider various factors that will influence the viability and prioritization of a project.



To bid or not to bid,  
that is the question

[\*To explore this topic more, check out this blog: To bid or not to bid, that is the question.\*](#)

**Bidder** — Also known as a tenderer, this is a potential supplier who responds to the RFP with a completed proposal including a bid.

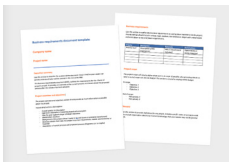
**Boilerplate** — Text and graphic responses that are stored in a knowledge library for repeated use in multiple proposals.

**Business case** — An internal document that presents an argument for purchasing a particular solution. A business case may also be created to support pursuing a particular RFP opportunity and focuses on the expected benefits of potentially winning the bid. The same term may also be used to describe a section of a proposal designed to give the customer justification for accepting the bid and making the purchase.

The business case  
for RFP software:  
7 steps, example  
& template

[Explore how to write a business case and download a template here.](#)

**Business requirements document (BRD)** — A BRD is a formal document that outlines the goals and expectations an organization hopes to achieve by partnering with a vendor to complete a specific project.

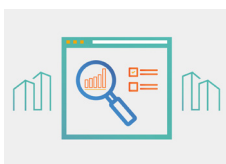


[Download a business requirements document template here.](#)

**Buyer** — The party that intends to buy a service or product and issues an RFP to evaluate their options, also referred to as an issuer.

## Proposal and procurement glossary: C-D

**Capture management** — Also called capture planning, is a process in which vendors gather insight, build connections, develop competitive intelligence and strategize how to win a future request for proposal (RFP) opportunity.



[To explore capture management in more detail, read this blog: Capture management: How to strategize to win your next RFP.](#)

**Closing date** — The due date when all proposal submissions must be completed and returned to the issuer or buyer.

**Competitive bidding** — Used in government, this is a public bid that solicits companies to submit their best proposal to compete for a specific project. Often legally required, competitive bidding is intended to create an open, fair and transparent procurement process.

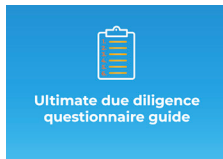
**Compliance checklist** — A list of specific customer requirements. The list is created by splitting complex RFP questions into individual requirements.

**Cooperative purchasing** — When two or more business or government units combine similar requirements to issue an RFP. The combined entity takes advantage of better terms due to higher volume and/or reduced administrative expenses. See also group purchasing.

**CPO** — Chief procurement officer or chief procurement and supply director. The person responsible for managing overall procurement and supply within an organization.

**CPP** — Certified purchasing professional, a designation bestowed by the American Purchasing Society in recognition of purchasing knowledge, experience and integrity. The CPP is also a prerequisite for the CPPM, Certified Professional Purchasing Manager.

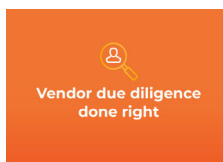
**DDQ** — A due diligence questionnaire is a tool used by buyers to evaluate potential vendors for risk.



[Explore the Ultimate due diligence questionnaire guide for more information.](#)

**Debarment** — When a person or business is no longer allowed to receive RFPs. Most often Issued by government entities after an offense or failure to meet performance expectations, the debarment may be temporary or permanent.

**Due diligence** — An assessment of the risks involved in the supply chain and procurement process. It often takes into account company stability, policies and employee training and is evaluated using a due diligence questionnaire.



[Vendor due diligence is crucial to protect businesses from risk, check out this blog post to explore vendor due diligence best practices.](#)

## Proposal and procurement glossary: E-K

**E-sourcing** — Also known as e-procurement. An online business-to-business procurement process using web-based applications where buyers locate potential suppliers, review products and select products, and complete transactions directly over the internet.

**Elevator pitch** — A concise explanation of the benefits of doing business with a particular vendor.

**Evaluation criteria** — Provided in the introduction of an RFP, the evaluation criteria explains how proposals will be assessed. Section weights and buyer priorities may be shared in the evaluation criteria.

**Evaluation of responses** — An assessment of proposal responses that determines each vendor's responsibility, ability to meet requirements and other factors listed in the RFP.

**Executive summary** — A short summary of the key proposal components that is written for senior-level decision makers in the issuer's organization. Also known as a management summary.



[\*Learn more about executive summaries here: How to develop a stand-out executive summary.\*](#)

**Group purchasing organization** — Also called a GPO, a group purchasing organization brings together the needs of small and medium-sized businesses to increase buying their buying power.

**IFB** — Invitation to bid, also called a sealed bid. Often it is competitive, and the lowest bid will win.

**Imperfect competition** — When many businesses are competing to win an RFP but each is selling a slightly different product, which makes comparisons difficult.

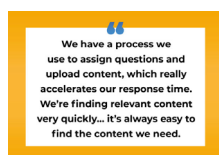
**Issuer** — The business or person that creates and sends an RFP to vendors, soliciting proposals with the intent to buy a product or service.

**Issues** — Concerns of the buyer that must be addressed by the bidder. Issues may or may not be directly stated in the RFP and may be emotional rather than concrete.

**ITT** — Invitation to tender, often used in construction projects with many specifications, performance expectations and requirements for vendors to meet.

**Joint venture** — When two or more businesses partner to deliver a proposal, win the business and deliver the agreed-upon products or services.

**Knowledge base** — Also called a knowledge library or content repository, this is a centralized location where RFP and proposal content is stored, indexed and retrieved. Often to facilitate remote work, the knowledge library is stored on a cloud-based platform.



[\*For more information check out: 5 tips to make proposal content management easy.\*](#)

**Knowledge management** — The practice of regularly updating, organizing, indexing and managing proposal content within a knowledge base. Businesses that issue or respond to many RFPs a year may use a knowledge base built in Excel or a collaborative knowledge base in an RFP software platform.

**KPI** — Key performance indicator, measurable values that can be monitored to determine levels of achievement. Useful for successful vendor evaluations and vendor management.

# Proposal and procurement glossary: L-P

**Life cycle cost** — An evaluation that determines the cost of acquisition, operation, maintenance, and disposal of items. Helpful in determining whether or not to enter into the procurement process or renew existing contracts.

**Lowest responsible vendor** — The lowest-priced vendor with acceptable performance, reputation and financial evaluations.

**Motivators** — Motivators to buy, the fundamental reasons behind the customer's need to make a purchase. Motivators are the underlying reasons an RFP are issued.

**Multiple award** — When a contract is granted to more than one bidder who meets the requirements of an RFP.

**NASPO** — National Association of State Purchasing Officials. A non-profit association that helps state procurement through education, professional development and research. NASPO offers a variety of tools and resources for government procurement professionals.

**NIGP** — National Institute of Governmental Purchasing: The Institute for Public Procurement is an association that promotes best practices and professional development for government procurement professionals.

**No bid** — The response when a selected vendor does not wish to submit a proposal. The response allows the vendor to prevent potential suspension for failure to submit a response.

**Offer** — An invitation to enter into a legal contract.

**Preference** — An advantage granted to a vendor because of the vendor's location or other business classifications. For instance, small businesses or minority-owned organizations.

**Pricing tables** — A tool that allows buyers to collect, analyze and present vendor pricing data in one clear format to determine which vendor best suits the organization or client's needs.

**Procurement process** — The process of obtaining materials and services. The process includes defining requirements, issuing an RFP, selecting a vendor and contracting. Also includes inventory control, traffic and transportation, receiving, inspection and disposal operations.

**Proposal** — An offer, submitted in response to a request from an organization, that provides a solution to a problem, requirement or objective as outlined in the RFP.

**Proposal development consultant** — A third-party consultant hired to work with the proposal team. They may provide project management, content recommendations, win strategies, industry expertise or simply copy editing.

**Proposal coordinator** — Person responsible for proposal responses including scheduling, coordinating with subject matter experts to create responses, reviews, submission and strategy implementation. Also called a proposal manager.



[\*\*Read more about this role here:\*\*](#)

[\*\*How a proposal coordinator keeps RFPs running smoothly\*\*](#)



**Proposal team** — The group of individuals within the supplier's organization that participate in the creation of an RFP response.



[Explore what makes a proposal team successful.](#)

[Download the ebook \*Winning together: The proposal team.\*](#)

**Public procurement** — Government purchasing funded or supported through taxation.

## Proposal and procurement glossary: Q-R

**Qualified bid** — A proposal where the potential supplier has exempted themselves from one or more of the requirements of the RFP. The proposal should state exactly why it does not meet the requirements.

**Qualified vendor** — Also known as a responsible vendor. A vendor that meets minimum requirements in business competence, reputation, financial ability and product quality and has earned placement on the vendor list.

**Request for partner** — An approach to procurement pioneered by the University of Tennessee, Knoxville that focuses on buyer/vendor partnership and collective problem solving.

**Responder** — Also referred to as the respondent, the person or business that submits a response to an RFP. A vendor or supplier.

**Response** — The offer received from a vendor in response to an issued RFP. Commonly referred to as an offer, bid, quote or proposal.

**Responsive bidder** — A bidder whose proposal meets the exact specifications and terms set out in the invitation for bids.

**RFA** — Request for application, an announcement that grant funding is available. An RFA informs researchers and organizations that they may present grant proposals.

**RFB** — Request for bid. The same as an RFP, request for proposal. Responses are not generally subject to negotiation.


**RFI** — Request for information, a document used to collect information about suppliers, often before a formal procurement process. May be used as a part of the vendor selection process.



[Create your own RFI with these RFI templates and examples.](#)



**RFP** — Request for proposal, a document that requests a proposal from selected vendors. Price is generally a factor in determining the vendor of choice, but not the only consideration. Also known as an RFT, request for tender in Europe.



What does  
it mean to RFP?

[\*Explore the basics of RFPs in this blog post: What does it mean to RFP.\*](#)

**RFP cover letter** — A one-page document introducing your proposal to the buyer.



6 easy tips to  
write a killer  
RFP cover letter

[\*Learn more about how to write a memorable cover letter.\*](#)

**RFP data** — Information that can be extracted, aggregated and analyzed from an RFP. For example, date issued, due date, selection criteria, win/loss reason.

**RFP lite** — An abbreviated or simplified RFP, often preceded by an RFI, RFQ or vendor profile which enables background information gathering. An RFP lite is designed to save time by focusing specifically on a challenge to be solved

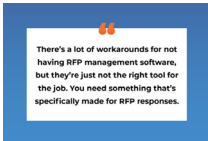
**RFP process** — Also referred to as the proposal process. A systematic series of actions and steps designed to help businesses win bids.



[\*To explore the RFP process in more detail, download this ebook: RFP process guide\*](#)

**RFP technology** — RFP software, often a cloud-based program that offers a centralized, digital RFP management experience.

- For issuers, technology includes the ability to store RFx templates, send requests, communicate with vendors, automate scoring and compare responses.
- For respondents, proposal software includes a knowledge library, workflow and task management, collaboration and response automation.



There's a lot of workarounds for not  
having RFP management software,  
but they're just not the right tool for  
the job. You need something that's  
specifically made for RFP responses.

[\*Use this quick guide to explore RFP technology: How to Find the Best RFP Management Software\*](#)

**RFP timeline** — The RFP and proposal process plotted from beginning to end for the purpose of project management.

**RFQ** — A request for qualifications, is a formal request for vendors to provide details about their experience, background and past projects.



[Learn more about how to use a request for qualifications, check out this blog: The other RFQ](#)

**RFQ** — A request for quotation, is a request for vendors to submit a quote for a particular service.



[Discover more about what an RFQ is, when to use it and how to write one with this blog: RFQ templates and examples.](#)

**RFx** — Collective term that all references to Request for Information (RFI), Request for Proposal (RFP), Request for Quote (RFQ), Request for Bid (RFB) and more.



[Learn more about each type of request in this blog: RFI vs RFQ vs RFP: Which Should It Be?](#)

**ROI** — Return on investment is a way to evaluate the effectiveness of an investment. ROI tries to quantify the return on a particular investment, relative to the investment's cost.

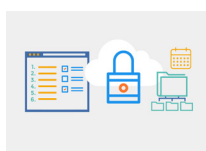


[Calculate your ROI with this ebook: Measuring the value of RFP software.](#)

## Proposal and procurement glossary: S-Z

**Security questionnaire** — Part of the procurement process to evaluate risk with questions about security controls, business continuity and security policies.

**SIG questionnaire** — SIG stands for standardized information gathering and is a single document that is used to collect information from third parties and vendors. The questions cover data security, privacy, risk management policies, regulatory compliance and more.



[Learn more about SIG questionnaires here: Responding to a SIG questionnaire: Everything you need to know.](#)

**Solicitation** — The process of communicating procurement requirements and requesting responses or bids from interested vendors. Also called a request for bid and request for proposal.

**Spend analysis** — Spend analysis is the practice of collecting, classifying and analyzing data to decrease procurement costs, improve efficiency and monitor compliance.

**Strategic sourcing** — A procurement process that uses ongoing evaluation of the purchasing activities of a company to reduce cost and improve quality. Strategic sourcing is a key part of any vendor management initiative.



[\*Discover everything you need to know about strategic sourcing here: Your Ultimate Guide to Strategic Sourcing.\*](#)

**Tender** — The process that allows governments and financial institutions to solicit bids for large projects. Each tender has a specific deadline for submission. Used commonly in Europe, referred to as a proposal in North America.

**Unsuccessful vendor** — An unselected vendor. The proposal may be declined due to price, quality, failure to comply with specifications and so on.

**Vendor** — Also known as a seller, responder or bidder. The person or vendor responding to the RFP with the goal of providing a service or product.

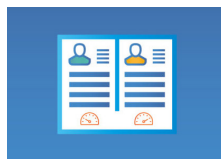
**Vendor management** — Also known as supplier relationship management, the practice of improving a vendor's impact on the buyer's business by working collaboratively and developing new processes.

**Vendor evaluation** — A part of vendor management. The periodic process of evaluating and approving new and old suppliers based on how well they meet the business's needs. To properly evaluate a vendor, you must establish KPIs and determine the vendor's value and quality.



[\*Explore more about vendor evaluation: Evaluate your vendors' performance: Tips, tools and resources to get the best for your business.\*](#)

**Weighted scoring** — The practice of setting weights or point values for sections in an RFP.

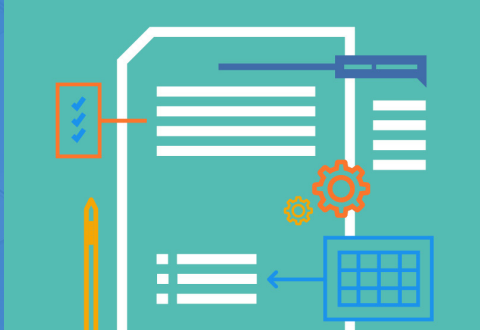


[\*To learn more about weighted scoring check out this blog: The easy way to do weighted scoring.\*](#)

**Zero-sum game** — An interaction where every gain is offset by an equal loss, so the net gain is zero. The result of an unsuccessful procurement project. Also, a word to include in your A-Z guide so you have a Z.

# RFX definition we missed?

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The terminology and definitions used in proposals and procurement are always changing, evolving and expanding as time goes on. While it's nearly impossible to cover every relevant and related term in this RFP glossary, this is a good start.

However, if we missed a key term or omitted some nuance in these RFX definitions, please reach out and let us know. We'd all be thrilled to hear from you on [Twitter](#) or [LinkedIn](#).

Visit [rfp360.com](http://rfp360.com) to learn more about RFP technology.

