

Case Study 1: Choosing the Most Appropriate Procurement Strategy: RFQ vs. RFP *Standardized lab furniture vs. Advanced research microscope*

Scenario A: Standardized Lab Furniture

Your department (Buying Unit) needs to purchase 100 ErgoTech 3000 lab stools for a new undergraduate teaching lab. The purchase must align with the University's Procurement Policy and ensure timely delivery before the lab opening date. The product is standardized, and multiple authorized distributors offer the same model from the manufacturer Bervco.

Key Specifications:

- Color: Black
- Seat Material: High-grade synthetic leather
- Base: 5-star aluminum base with casters

Budget: \$130,000

Procurement Considerations:

- Product is standardized and well-defined
- Price is the primary factor, but:
 - Warranty periods and minor product features (e.g., caster type, foot ring adjustability, upholstery finish) may vary between distributors.
 - Even with standardized products, it's important for Procurement Services to review quoted items to ensure they align with the specifications outlined in the RFQ or RFP.
 - Lead times are comparable, but the project timeline is critical because the lab must open on schedule.
- The solicitation (RFQ or RFP) was posted publicly on the MERX website. Following the closing date and time, two submissions were received from Proponent A and Proponent B. The following tables summarize key details for each procurement strategy.

RFQ Weight: Pricing: 100%		
	Proponent A	Proponent B
Pricing (100%)	\$ 120,000	\$ 110,000
Warranty	2 years	1 year
Evaluation Final Score	91.67	100
Proponent Ranking	2	1

Notes to explain the financial scoring:

- The lowest bid, which is \$110,000, receives the full score of 100 points.
- The higher bid is calculated using the following formula: $(\text{Lowest bid} \div \text{Higher bid}) \times 100$ points. Therefore, the higher bid of \$120,000 would be scored as $(\$110,000 \div \$120,000) \times 100 = 91.67$ points.
- This method ensures that higher bids receive proportionally lower scores based on how much higher they are than the lowest bid.

RFP Weight: Products Requirement:30%; Warranty: 20%; Delivery:20% Pricing: 30%				
	Proponent A	Score for Proponent A	Proponent B	Score for Proponent B
Products Requirements (30%)	Better than standard product	30	Standard product	20
No Charge Warranty (20%)	2 years	20	1 years	10
Delivery (20%)	4 months	10	2 months	20
Pricing (30%)	\$ 120,000	27.5	\$ 110,000	30
Evaluation Final Score		87.50		80.00
Proponent Ranking		1		2

Scenario A: Team Tasks

Please work in groups to discuss the following points. Record your answers in the table below.

Discussion Point	RFQ	RFP
<p>1. Evaluation Criteria, Weight and Result.</p> <p>Review the two evaluation scorecards and discuss what you notice about the results. What differences stand out between the two approaches and how the scores were calculated? How did that affect the final results?</p>		
<p>2. Procurement / Buying Unit Roles</p> <p>Discuss the roles and responsibilities of Procurement Services and Buying Unit in each approach. Who is responsible for what, and at what stage of the process?</p>		
<p>3. Procurement Process Timelines</p> <p>Evaluate the timelines, resource requirements, and administrative effort involved in RFQ versus RFP. What are the implications for planning?</p>		
<p>4. Trade-Offs</p> <p>Discuss the trade-offs between cost savings, warranty coverage, and timelines in each strategy.</p>		

5. Risk Analysis Identify and assess risks associated with selecting RFQ or RFP.		
6. Compliance Assess compliance of each strategy and select the best approach for this scenario		

Scenario B: Advanced Research Microscope

Your lab (Buying Unit) needs to acquire a high-resolution confocal microscope to support a multi-disciplinary research initiative.

- Budget: \$450,000 (CFI-funded)
- Needs: fluorescence imaging, live cell tracking, software capabilities
- Evaluation must consider technical specs, training, delivery, warranty and pricing
- The solicitation (RFQ or RFP) was posted publicly on the MERX website. Following the closing date and time, two submissions were received from Proponent A and Proponent B. The following tables summarize key details for each procurement strategy.

RFQ	Weight Pricing: 100%	
	Proponent A	Proponent B
Microscope Technical requirement	-	-
Training	-	-
Warranty	-	-
Delivery	-	-
Pricing (100%)	\$ 420,000	\$ 350,000

Evaluation Final Score	83.33	100
Proponent Ranking	2	1

Notes to explain the financial scoring:

- The lowest bid, which is \$350,000, receives the full score of 100 points.
- The higher bid is calculated using the following formula: (Lowest bid ÷ Higher bid) × 100 points. Therefore, the higher bid of \$420,000 would be scored as ($\$350,000 \div \$420,000$) × 100 = 83.83 points.
- This method ensures that higher bids receive proportionally lower scores based on how much higher they are than the lowest bid.

The RFP structure below allows the evaluation team to assess qualitative factors such as optical performance, imaging and live cell tracking capabilities, software capabilities, training services, and warranty support alongside pricing.

RFP Weight: Technical 60%; Training 5%, Warranty 5%; Delivery 5%; Pricing 25%				
	Proponent A	Score for Proponent A	Proponent B	Score for Proponent B
Microscope Technical requirement (60%)		55		40
Training (5%)		5		4
Warranty (5%)		5		5
Delivery (5%)		4		5
Pricing (25%)	\$ 420,000	20.83	\$ 350,000	25.00
Evaluation Final Score		89.83		79.00
Proponent Ranking		1		2

Scenario B: Team Tasks

Please work in groups to discuss the following questions and record your answers in the table below.

Discussion Point	RFQ	RFP
<p>1. Evaluation Criteria, Weight and Result</p> <p>Review the two evaluation scorecards and discuss what you notice about the results. What differences stand out between the two approaches and how the scores were calculated? How did that affect the final results?</p>		
<p>2. Procurement / Buying Unit Roles</p> <p>Discuss the roles and responsibilities of Procurement Services and Buying Unit in each approach. Who is responsible for what, and at what stage of the process?</p>		
<p>3. Procurement Process Timelines</p> <p>Evaluate the timelines, resource requirements, and administrative effort involved in RFQ versus RFP. What are the implications for planning?</p>		
<p>4. Trade-Offs</p> <p>Discuss the trade-offs between cost savings, warranty coverage, and timelines in each strategy.</p>		

<p>5. Risk Analysis</p> <p>Identify and assess risks associated with selecting RFQ or RFP.</p>		
<p>6. Compliance</p> <p>Assess compliance of each strategy and select the best approach for this scenario.</p>		

Key Takeaways

- **Procurement strategy must align** with the complexity, value, and risk profile of the purchase to ensure appropriate process and defensibility.
- **Compliance** is not just about meeting policy, but also about ensuring the product truly meets Buying Unit needs.
- **RFQ is rarely appropriate for complex scientific instruments** because performance specifications are often variable rather than exact. RFP allows evaluators to assess performance and total value rather than just cost.
- **Pricing in RFQ and RFP examples is before the HST.** When comparing against your approved budget, remember to add 3.41% HST to ensure accurate financial planning.
- **Best value is not necessarily the lowest price.** As outlined in the Broader Public Sector Procurement Directive, best value means maximizing the benefit from public funds by considering total lifecycle cost, quality, and service.
- **Misclassification of procurement strategy** can lead to suboptimal outcomes and reputational harm, especially in research intensive environments.
- **Early collaboration with Procurement Services** helps align evaluation criteria with project requirements and ensures a successful procurement process.