



PREPA'S REQUEST FOR TENDER (RFT)- FORMAL BID DEFINITION

A Request for Tender, tender offer or Formal Bid commonly abbreviated to RFT is a structured invitation to suppliers for the supply of products and/or services. An RFT or Formal Bid is an open invitation for suppliers to respond to a defined need as opposed to a request being sent to potential suppliers (RFP's). The RFT usually requests information required from a RFI. This will usually cover not only product and service offerings, but will also include information about the suitability of the business.

An RFT advertises the opportunities likely to be available to suppliers. In PREPA, it is required that every business opportunity based on these definition be advertised through an RFT. Also, any business transaction that exceeds 200,000 US dollars (USD) is required to have an RFT, except for those define as an RFP or Direct Negotiation for a unique source or manufacturer.

The Request for Tender or Formal Bid outlines what is required, the contractual requirements and how you should respond. The Request for Tender is usually comprised of:

1. Conditions of Tender which may include:
 - a) An explanation of the evaluation criteria to be used to evaluate tenders;
 - b) Information on any relevant corporate policies or local and federal laws;
 - c) Closing time, date and place of lodgement;
 - d) The Conditions for Participation (mandatory requirements);
 - e) The point in the purchasing cycle when a debriefing interview will be available;
 - f) Guidance on the formal purchasing complaint process.

2. A specification that describes the product, service or works required. The specification should be clear, accurate and complete. Also, they shall not include any particular

information that not affect operations, technical or administration requirements. All specifications not associated to general market compliance must be ommitted.

3. Conditions of Contract.
4. Evaluation, analysis and selection of tenders will be developed by external committes to Material Management Division. Those committes are: "Comité Permanente de Subastas B" and "Comité de Subastas A".

IMPORTANT: These processes or Request for Tender (RFT) must comply with all requirements in the document entitled "Reglamento de Subastas- Auction Rules".