

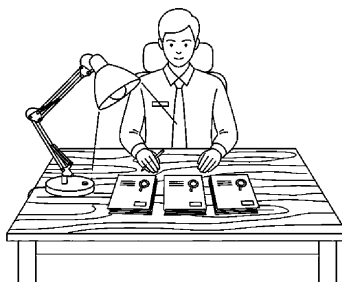
SPECIFIC-CASE

WORKSHEET 8 OF 9

# Lowest Bidder Fails Technical Review — Selecting Between Remaining Qualified Vendors

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*Scenario: three vendors responded to your RFQ for a production component. The lowest quote is 22% below the next bidder. During technical review against your specification, the lowest bidder's proposed product fails two of the six acceptance criteria. The other two bidders meet all criteria but their prices differ by 9%. Fill this worksheet in for your specific evaluation.*



Complementary worksheet for  
*Procurement Best Practices*  
by Ibrahim Anwar

## What This Is For

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The hardest procurement decision is not choosing between three technically equal vendors. It is disqualifying the cheapest vendor on technical grounds and then choosing between two vendors who both qualify but price differently. The temptation is to second-guess the disqualification when the price gap is large. This worksheet exists to hold that disqualification firmly in place by documenting the technical basis before the price comparison is completed, and then to structure the remaining evaluation so the final selection is defensible on its own merits.

The trigger for this worksheet is a completed RFQ evaluation where the technical review found that the lowest-priced vendor cannot meet the specification, and someone in the room is suggesting the specification might be flexible. Work through this evaluation in sequence, completing the technical review before the price comparison is discussed. The order is deliberate.

## Benefits

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What you get when you actually run this worksheet on a real situation:

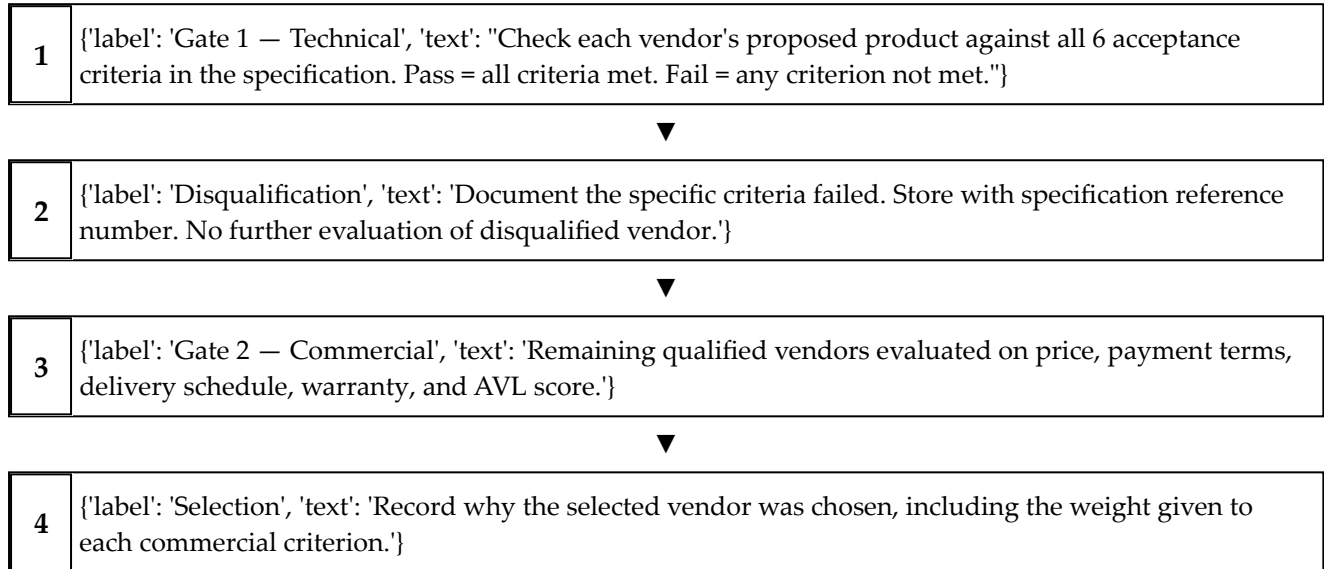
- Separates technical evaluation from price evaluation so that a large price gap does not influence the technical disqualification decision.
- Documents the disqualification in specification-specific terms before the price comparison is finalized, which is the only basis that survives a vendor dispute or an audit.
- Structures the remaining two-vendor comparison across all relevant criteria, not only price, producing a selection that is both better and more defensible.
- Creates the evaluation record that becomes the basis for any future RFQ in the same category: these were the criteria used, this was how vendors were scored.
- Protects the buyer from the hindsight problem: if the disqualified vendor later claims they would have modified their product to meet the specification, the documented pre-selection evaluation shows the decision was made on the information available at the time.

# Framework To Use

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## — Two-Gate Evaluation Sequence

*Technical qualification is Gate 1. Commercial comparison is Gate 2. A vendor that does not pass Gate 1 does not enter Gate 2, regardless of price.*



## How To Use

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Follow these steps in order. Each one builds on the previous.

- 1 Before opening any quotes: confirm that the technical evaluation criteria are documented in the specification. Criteria used for disqualification must come from the specification, not from post-quote preferences.
- 2 Evaluate each vendor's proposed product against each specification criterion individually. Mark Pass or Fail per criterion per vendor. Do this before looking at the price column.
- 3 For any vendor with one or more Fail marks: document the specific criterion failed, referencing the specification by its reference number. Write one sentence per failed criterion explaining what the vendor's product offered versus what the specification required.
- 4 Mark that vendor as technically disqualified. Remove them from the commercial evaluation table. Do not enter their price in the commercial comparison.
- 5 For the remaining qualified vendors: complete the commercial evaluation. Record unit price, total price including delivery, payment terms, requested delivery date conformance, warranty period, and current AVL score if applicable.
- 6 Select the vendor based on the full commercial picture, not only price. Record in one paragraph why the selected vendor was chosen, naming the criteria that were decisive.
- 7 File the complete evaluation — technical gate, disqualification record, commercial comparison, and selection rationale — alongside the PO.

## Example Use

*A fabrication shop sends an RFQ for 200 units of a coated aluminum profile. Specification requires: 6063-T5 alloy, 2mm wall thickness ( $\pm 0.1$ mm tolerance), Qualicoat-certified powder coating, length 3m ( $\pm 5$ mm), no surface defects visible at 0.5m, 3-year corrosion warranty. Three vendors respond.*

Technical Gate — Vendor A (lowest, \$4.20/unit, total \$840):

Alloy: 6063-T6 (different temper from specification). FAIL — spec requires T5.

Wall thickness: 2.2mm, outside  $\pm 0.1$ mm tolerance. FAIL — spec requires 2.0mm  $\pm 0.1$ mm.

Coating: Not Qualicoat certified. FAIL — spec requires Qualicoat.

Length, surface, warranty: all pass.

Result: 3 criteria failed. Disqualified. Reference: SP-2026-04-012, criteria 1, 2, 4.

Technical Gate — Vendor B (\$5.20/unit, total \$1,040):

All 6 criteria: Pass.

Result: Qualified — proceed to commercial evaluation.

Technical Gate — Vendor C (\$5.65/unit, total \$1,130):

All 6 criteria: Pass.

Result: Qualified — proceed to commercial evaluation.

Commercial evaluation (Vendor B vs. Vendor C):

Price: B \$1,040, C \$1,130 (9% gap)

Payment terms: B Net 30 (requested), C Net 15 (not as favorable)

Delivery: B 14 days (meets spec requirement), C 10 days (faster than required)

Warranty: B 3 years, C 5 years

AVL score: B 4.2 (from previous quarter), C first order (no score yet)

Selection rationale: Vendor B selected. Price advantage of \$90. Payment terms match request. AVL score verifies 3 quarters of reliable performance. Vendor C's longer warranty and faster delivery do not justify the \$90 premium and the unknown performance history. Decision recorded in evaluation file.

Note on Vendor A: the vendor later contacts the buyer asking why they were not selected. The buyer provides the written disqualification record referencing SP-2026-04-012. No further dispute.



## Reflection Prompts

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*After filling in the worksheet on the previous page, work through these.*

1. Document the technical disqualification before any price comparison is finalized. The reason for disqualification must reference specific acceptance criteria from the specification document, not general language like 'quality concerns.' A disqualification that cannot be explained in specification terms is not defensible in a vendor dispute or an audit.
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2. Between the two qualified bidders: complete the evaluation on all commercial criteria (payment terms, delivery schedule, warranty, AVL score). Price is one criterion, not the only one. Record in writing why you selected the vendor you selected, naming the criteria that were decisive and the weight you gave to non-price factors.
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# Tips and Traps

## TIPS

- Complete the technical gate before opening the price column for any vendor. If price is visible during the technical evaluation, it creates unconscious pressure to interpret borderline results in the direction of the lower-priced vendor.
- If a disqualified vendor calls to ask why they were not selected: share the specification criteria they failed, not a general assessment. A factual, specification-referenced disqualification is not a rejection that damages the relationship. It is information that tells the vendor what to fix if they want to quote again.
- For the commercial comparison between two qualified vendors: if one has an AVL track record and the other does not, that asymmetry is a real criterion. A vendor without a performance history is not equivalent to a vendor with four quarters of scorecard data, even at a lower price.
- If the price difference between two qualified vendors is below 5%: make the selection primarily on non-price criteria and document that decision. A 3% price difference is within the range of normal variance, and systematically choosing the lower price in that band ignores more meaningful criteria.

## TRAPS

- Revisiting the technical disqualification after the price comparison is visible. The standard for disqualification does not change based on how large the price gap turns out to be.
- Asking the disqualified vendor if they can modify their product to meet the specification. Once the RFQ deadline has passed, accepting a modified offer from a disqualified vendor while other vendors were held to a hard deadline is not a fair process.
- Writing 'price' as the only reason for selecting the winning vendor. Price is a criterion, but 'cheapest of the qualified vendors' is not a complete record of how the decision was made. The commercial evaluation across all criteria is what gets filed.

# Appendixes

## Appendix A – Technical Evaluation Grid

SPECIFICATION REFERENCE: SP-[year]-[month]-[seq]

| CRITERION            | SPEC REQUIREMENT | VENDOR A      | VENDOR B      | VENDOR C      |
|----------------------|------------------|---------------|---------------|---------------|
| 1. [Criterion 1]     | [Required value] | [Offered/P/F] | [Offered/P/F] | [Offered/P/F] |
| 2. [Criterion 2]     | [Required value] | [Offered/P/F] | [Offered/P/F] | [Offered/P/F] |
| 3. [Criterion 3]     | [Required value] | [Offered/P/F] | [Offered/P/F] | [Offered/P/F] |
| 4. [Criterion 4]     | [Required value] | [Offered/P/F] | [Offered/P/F] | [Offered/P/F] |
| 5. [Criterion 5]     | [Required value] | [Offered/P/F] | [Offered/P/F] | [Offered/P/F] |
| 6. [Criterion 6]     | [Required value] | [Offered/P/F] | [Offered/P/F] | [Offered/P/F] |
| <b>GATE 1 RESULT</b> | –                | Pass/Disqual  | Pass/Disqual  | Pass/Disqual  |

Disqualification record (complete for each failed criterion):

Vendor: \_\_\_ Criterion [N]: spec required \_\_\_, vendor offered \_\_\_. Fail.

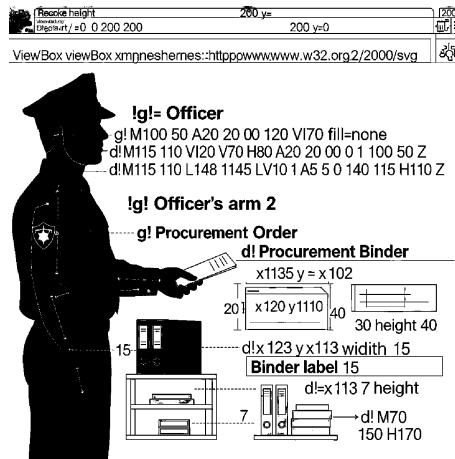
## Appendix B – Commercial Evaluation Grid

Complete only for vendors that passed Gate 1.

| CRITERION             | WEIGHT | VENDOR B     | VENDOR C      | NOTES |
|-----------------------|--------|--------------|---------------|-------|
| Total price (\$)      | 40%    | \$___        | \$___         |       |
| Payment terms         | 20%    | [terms]      | [terms]       |       |
| Delivery date match   | 20%    | Y/N / [days] | Y/N / [days]  |       |
| Warranty period       | 10%    | [period]     | [period]      |       |
| AVL score (current Q) | 10%    | [score]      | [score / N/A] |       |
| <b>WEIGHTED SCORE</b> |        | ___          | ___           |       |

Selected vendor: \_\_\_

Selection rationale (required):



WHERE THIS WORKSHEET COMES FROM

## Procurement Best Practices

*Every Rupiah Paid to a Vendor Starts With a Decision Before Signing*

by Ibrahim Anwar

This worksheet is one of nine in the *Procurement Best Practices* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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