SUPPLIER QUOTE COMPARISON TOOL / ILLUSTRATIVE CASE

Which supplier quote costs less when all charges are included?

The management decision

Agree one quantity, unit and delivery basis for every offer. Use the tool to expose missing charges or different pack sizes while the buyer still has time to ask suppliers for clarification.

A low unit price can disappear behind freight, minimum pack sizes or a charge left blank. Procurement teams often rebuild the same comparison for each request, which makes errors harder to spot and earlier decisions hard to explain. A small comparison tool gives buyers one repeatable calculation and a record of what each supplier included.

Worked example

For 100 identical items, supplier A quotes £11.80 each plus £160 freight, giving £1,340. Supplier B quotes £12.50 each including delivery, giving £1,250. The apparent £70 unit-price advantage reverses to a £90 total-cost advantage for B. The comparison assumes equivalent specifications and quotes stated on the same tax basis.

Example figure	What it represents
£1,340	Supplier A delivered
£1,250	Supplier B delivered
£90	Difference

What changes the answer

If supplier A confirms freight of £40, its total falls to £1,220 and it is £30 lower than B. The break-even freight charge is £70. Until freight is confirmed, the buyer should keep the ranking open.

Supplier quote comparison tool

What to commission

Build a comparison workbook or web tool for one purchasing category and an agreed quotation format.

We agree how to treat packs, units, freight, minimum orders and missing charges. We then build the agreed workbook or web tool and test it on a supplied example and a disputed case. The first version can use manual entry where suppliers quote in different layouts. Any automatic connection to a procurement platform would need its own scope.

How to judge the result

A buyer can enter sample bids, reproduce the landed totals and see every missing charge or conflicting assumption before ranking the offers.

Compare purchasing and review time before and after the pilot. Record buying decisions changed by a verified difference in total cost separately from time saved preparing the comparison.

Decision worksheet

Project detail	Starting point for your team
Decision owner	Procurement operations manager. Name the person who will approve the next step.
Records to gather	Sample quotes, the requested quantity and the rules your buyers use to compare costs.
Agreed output	A working comparison tool, sample bids, calculation checks and a short buyer guide.
Decision date	Record the deadline, any unresolved assumption and who will confirm it.

Discuss this case

Describe a purchase where two quotes were hard to compare. Mention which charges most often need clarification, who approves the comparison and whether the team prefers a workbook or a browser tool. We can agree a first version using one representative purchase.

Email info@oxetc.co.uk and mention DEV-13. All figures in the worked example are illustrative.