SEEDMATCHGROUP

Commercial Agriculture Glossary

Projects, finance & RFQ

Request for Quotation (RFQ)

A formal document a buyer sends to multiple suppliers describing exactly what is needed so each can submit a comparable price and delivery offer. A well-structured RFQ reduces back-and-forth and makes bids easier to evaluate side by side.

Request for Information (RFI)

An early-stage inquiry a buyer sends to understand what solutions, capabilities, or equipment categories exist before committing to a detailed RFQ. It helps narrow the market and refine project requirements.

Request for Proposal (RFP)

A document used when a buyer needs suppliers to propose an approach or design, not just a price, because the project involves engineering choices or alternative methods. Evaluation typically weighs technical merit alongside commercial terms.

Scope of Work (SOW)

A section of the procurement document that defines exactly what is included and excluded — equipment, installation, training, or services — so suppliers price the same responsibilities. Gaps in scope are a common cause of disputes during execution.

Technical Specification

The detailed statement of materials, performance characteristics, standards, and construction requirements that equipment or structures must meet, attached to or referenced in an RFQ. Clear specifications let suppliers quote functionally equivalent alternatives rather than guessing intent.

Incoterms

A set of internationally recognised trade terms (such as FOB or DAP) that define where risk, cost, and responsibility for shipping transfer from seller to buyer. Specifying the correct Incoterm in an RFQ avoids disputes over who pays for freight, insurance, or customs clearance.

CAPEX (Capital Expenditure)

The upfront investment required to build or acquire a project's physical assets, such as structures, equipment, and installation, as distinct from ongoing running costs. Buyers use CAPEX estimates from RFQ responses to plan financing before construction begins.

OPEX (Operating Expenditure)

The recurring costs of running a project after commissioning — labour, energy, maintenance, and consumables — separate from the initial capital investment. Comparing OPEX implications, not just purchase price, is essential when evaluating supplier proposals.

Payback Period

The length of time a project is expected to take for its cumulative returns to offset the initial investment, used as a simple screening measure before more detailed financial analysis. It does not account for the time value of money, unlike IRR or net present value.

Internal Rate of Return (IRR)

A financial metric used in feasibility analysis that represents the discount rate at which a project's projected cash flows break even in present-value terms. Lenders and investors often compare IRR across projects to prioritise capital allocation.

Feasibility Study

A structured assessment of whether a proposed project is technically achievable and financially viable, typically covering site conditions, market demand, costs, and risks before an RFQ is issued. Lenders and investors often require one as a condition of financing.

EPC (Engineering, Procurement, Construction)

A contracting model in which a single contractor is responsible for designing the project, procuring the equipment, and completing construction under one agreement. Buyers choose EPC when they want a single point of accountability instead of managing multiple suppliers directly.

Turnkey Project

A project delivery approach where the contractor hands over a fully completed, ready-to-operate facility to the buyer, bundling design, equipment, installation, and commissioning. Buyers trade direct control over individual components for a single delivery commitment.

Letter of Credit (LC)

A bank-issued instrument guaranteeing payment to a supplier once agreed shipping or delivery conditions are met, commonly used in cross-border equipment purchases to reduce payment risk for both parties. Buyers typically arrange an LC through their bank before the contracted shipment date.

Blended Finance

A funding structure that combines concessional funds from development institutions with commercial capital to make agricultural projects bankable for private lenders. It is typically used when a project's development impact justifies below-market terms on part of the funding stack.

Commissioning

The structured process of testing, calibrating, and verifying that installed equipment or a completed facility performs as specified before the buyer accepts handover. Commissioning requirements are typically written into the RFQ so contractors know what acceptance testing will involve.

Human-Reviewed RFQ Allocation
The practice of having experienced staff review each RFQ before it is routed to suppliers, checking completeness and fit rather than relying on automated matching alone. This review step is grounded in the platform's published terms governing how procurement requests are handled.

A sourcing specialist reviews every brief by hand. Commercial projects generally start from USD 250,000. — seedmatchgroup.com/rfq-builder