Prepared for the Minnesota District Export Council’s website www.exportassistance.com. This document is intended to be modified by your firm prior to use or application.

Formal Quote

A quotation is one of the first steps in an export transaction. It is a response to an inquiry received from a potential buyer (or a U.S. representative of the foreign entity) or a proactive marketing step of a U.S. based company.

If a quotation is sent to a foreign company that is not familiar with the company or products, the description should be very specific and detailed, more so than if the buyer were domestic. Along with the description, there are other items that should be included, such as:

 1. Seller’s name and address

 2. Potential buyer’s name and address

 3. Buyer’s reference – inquiry number if noted

 4. Prices of items: per unit and extended

 5. Weights and dimensions of quoted products

 6. Discounts, if applicable

 7. Terms of sale or Incoterms used (include geographical delivery point)

 8. Terms of payment

 9. Validity of quotation

10. Estimated shipping date

11. Estimated date of arrival

When quoting a price, it is beneficial to give a potential buyer some options of trade terms selection. Incoterms are very effective when presenting pricing options to the potential buyer. For some very large foreign companies, it is more convenient and cost-effective to negotiate their own freight rates and organize their own shipments, so they may prefer EXW or F-terms. On the other hand, there may be other buyers that would prefer the seller to organize the movement, thereby preferring the C-terms or even the D-terms.

# EXAMPLE

**MEDICAL IMAGING MINNESOTA, INC** Medical Imaging Minnesota, Inc.

|  |  |  |
| --- | --- | --- |
|  | 100 North Sixth StreetMinneapolis, MN 55403 USA |  |

 Quotation number: BT10102

 Dated: December 21, Year

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**FORMAL QUOTATION**

Mendez Equipo Médico S.A.

Col. Roma

Mexico D.F., C.P. 06760

Attn: Carlos Mendez

Subject: Your request for quote for medically used Ultrasound Imaging Machines.

 Our Reference No.: BT10102

**Model No. Description Quantity Unit Price Extended Price**

BT002043 Ultrasound Imaging Machine 4 units 80,000.00 USD 320,000.00

 Tariff Classification 9018.12

 Export Packing/Crating 800.00

 Inland Freight: Minneapolis to Houston 300.00

 **Total FCA Yellow Freight: Houston, Texas USD 321,100.00**

 Ocean Freight charges & other fees to Veracruz, Mexico 6,300.00

 **Total CPT Veracruz, Mexico USD 327,400.00**

Insurance to Veracruz, Mexico 3,420.42

 **Total CIP Ocean Port Veracruz, Mexico USD 330,820.42**

**Terms and Conditions of Sale:**

Payment Terms: Payable in U.S. Dollars by wire transfer of funds prior to shipment of order or by an ***acceptable*** letter of credit. Instructions are attached for opening a letter of credit.

Terms of Sale: Buyers may choose any of the above trade terms (Incoterms® 2010) that are in bold print, then submit a purchase order with your selection. When submitting a purchase order, please state the appropriate Incoterms® Rule indicating the “named place” and followed by the words: “... *per Incoterms® 2010.”*

Transfer of Title: Occurs at Medical Imaging Minnesota, Inc. Minneapolis, Minnesota 55403 USA.

Validity of offer: 60 calendar days from date of quote.

Shipment Date: 3-4 weeks after receipt of payment or acceptable letter of credit.

Export Control: Please be advised, this order may be subject to an export license.

**Medical Imaging Minnesota, Inc.**  Quotation number: BT10102

 Dated: December 21, Year

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**Shipping Information:**

*(Estimate only; may vary at time of shipment)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ITEM** | **PART NUMBER** | **QUANTITY****(PIECES)** | **INVENTORY****AVAILABILITY** | **GROSS WEIGHT (LBS) EACH** | **TOTAL GROSS WEIGHT (LBS)** | **CUBIC FEET****(PER PIECE)** | **TOTAL CUBIC FEET** |
| 1 | BT002043 | 4 | YES | 500 | 2000 | 45 | 180 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **TOTALS** |  | **4** |  | **500** | **2000** | **45** | **180** |
|  |  |  |  |  |  |  |  |

**Total chargeable weight for ocean shipping:** 5.1 cubic meters freight rate of US$120 Weight or Measure plus surcharges valid at time of shipment

**Recommended mode of shipment:**

For this quote, the carrier/forwarder Yellow Freight was selected. The rates quoted are for shipment Door to Port via ocean transportation. The ocean transit time is 3 days plus 2 days for on-carriage to Mexico City, D.F. Vessels are scheduled on a weekly basis. Any other freight forwarder may be selected among Medical Imaging Minnesota, Inc.’s preferred list for Incoterms® Rules CPT and CIP. For FCA terms, a forwarder of your preference may be selected.

**Export Information:**

Origin of Goods: USA

Schedule B No.: 9018.12

The receipt of your purchase order will signify acceptance with the terms and conditions of this quotation. Please use Medical Imaging Minnesota, Inc. quotation number when placing your order.

If changes to this offer are needed, please request a revised quote.

Destination Control Statement:

These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited.

For Medical Imaging Minnesota, Inc.

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A. George,

**IMPORTANT!**

In compliance with United States federal law, the Destination Control Statement ***must*** be entered on the invoice, the bill of lading, air waybill, or other export control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad. The person responsible for preparation of those documents is responsible for entry of the DCS.

Export Manager

**Medical Imaging Minnesota, Inc.**  Quotation number: BT10102

 Date: December 21, Year

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**LETTER OF CREDIT REQUIREMENTS**

Mendez Equipo Médico S.A.

Col. Roma

Mexico D.F., C.P. 06760

Attn: Carlos Mendez

Subject: Your request for quote ultrasound machine

 Our Reference number: BT10102

If a letter of credit is issued, below are the terms and conditions acceptable to Medical Imaging Minnesota, Inc. If any of these requirements are unacceptable, please contact Ms. George with alterations so an agreement can be reached. This will eliminate unnecessary costs and delays later due to amendments on the letter of credit.

1. Please open the letter of credit by SWIFT; opening letters of credit by mail may delay the order process by 2-4 weeks.
2. The credit shall be drawn in irrevocable form and subject to “Uniform Customs and Practice for Documentary Credits” International Chamber of Commerce Publication Number 600.
3. The letter of credit is to be advised and confirmed by any U.S. owned bank, preferably in Minnesota. Medical Imaging Minnesota, Inc.'s bank may be the advising/confirming if the customer does not already have a bank for this purpose. Banking information for letters of credit are as follows:

Minnesota Generic Bank, Inc.

123 Generic Bank Plaza

 Minneapolis, MN 55480 USA

 Acct. # 875-02345-638 USBA # 749376

 Attn: International Department

1. The credit shall be payable at the counters of any U.S. Bank.

|  |
| --- |
|  **Medical Imaging Minnesota, Inc.** Quotation number: BT10102  Date: December 21, Year  Page 4 of 5  |

1. The letter of credit shall show as The Beneficiary:

 **Medical Imaging Minnesota, Inc.**

**100 North Sixth Street**

 **Minneapolis, MN 55403 USA**

1. The letter of credit shall be payable in U.S. Dollars at sight of draft and documents and in the amount specified in the order.
2. The following documents will be provided for this transaction. Please avoid the requirement for any other documents without prior agreement by us.
3. Commercial Invoice totaled to FCA, CPT, or CIP designated location as per the agreed order (per Incoterms® 2010). 1 original.
4. Packing List in quadruplicate.
5. The transport document as follows:

 **For Air Freight:**

Clean Air Waybill consigned to the issuing bank designating "notify applicant".

 - Air consolidator’s air waybills shall be allowed.

 - Marked freight collect or prepaid, as agreed in the order.

 **For Ocean Freight:**

Clean on Board Multimodal Ocean Bill of Lading consigned “to order” of shipper.

- NVOCC bills of lading shall be allowed.

 - Marked freight collect or prepaid, as agreed in the order.

1. The port of export (for air or for ocean) shall be specified as “any USA port/airport” and designate the arrival port at destination.
2. Transshipment allowed.
3. Partial shipments shall be allowed, if agreed upon in the order.

 **Medical Imaging Minnesota, Inc.** Quotation number: BT10102

 Dated: December 21, Year

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1. The expiration date on the letter of credit shall not be less than 30 days after the issuance of the transport document (air or ocean bill of lading).
2. The letter of credit shall not be transferable.
3. ***All*** banking charges incurred inside and outside the beneficiary’s country are for the account of the applicant (customer). **Note**: this includes all charges related to amending the letter of credit as well as confirmation fees (must be specified in writing within the credit).
4. Description of the goods on the letter of credit shall be as simple as possible. Please identify product as follows: **Ultrasound Imaging Machine.**
5. Letter of credit must be in English.
6. No boycott, restrictive trade practices, or discriminatory provisions will be allowed in the letter of credit.

**TIPS:**

1. If possible, always use multi-modal Incoterms (FCA, CPT, CIP) in case the method of transportation changes.
2. Specify “transport document” rather than ocean bill of lading or air waybill, in case the method of transportation changes.