

Illustrative quality/price assessment and recording methodology

- 1 Quality/Price: Example Overall Summary** [see page 20](#)
Illustrates final scores for three candidates for a hypothetical tender exercise
- 2 Quality Evaluation: Example Summary Score Sheet** [see page 21](#)
Provides a summary breakdown of how total quality scores, included within Appendix 10.1 above, have been compiled.
- 3 Quality Criterion: Example Summary Score Sheet** [see page 22](#)
Indicates how the total score in respect of quality criterion number six, included within Appendix 10.2 above, has been compiled.
- 4 Quality Criterion: Illustrative Assessment Model** [see page 23](#)
Produced before tenders were invited, describes the methodology to be used to compile Appendix 10.3 above.
- 5 Quality Criterion: Illustrative Scoring Model** [see page 24](#)
Produced before tenders were invited, this provides a framework for scoring submissions and to be used to compile Appendix 10.3 above.
- 6 Quality Evaluation: Example Individual Score Sheet** [see page 27](#)
Using the scores awarded by one assessor in respect of one of the candidates, (within Appendix 10.3 above) this demonstrates how scores should be recorded.
- 7 Illustrative Calculation of Price** [see page 28](#)
An illustration of how price has been calculated within the content of Appendix 10.1 above.
- 8 Illustrative Pricing Document** [see page 29](#)
Provides an example of the document provided to candidates for compilation of their prices (used for the calculations at Appendix 10.7 above).
- 9 Alternative Price Assessment Methodology** [see page 30](#)
Not connected with the above appendices, this provides an alternate method of assessing price.

Quality/price: example overall summary

	Candidate A	Candidate B	Candidate C
Quality scores			
Quality Score	80.82	75.66	69.09
Quality Points (highest score awarded 100 points)	100.00	93.62	85.49
Price scores			
Price	£318,040	£303,921	£281,961
Price Points (lowest price awarded 100 points)	87.21	92.22	100.00
Overall scores			
Quality weighting (80%) x quality points	80.00	74.90	68.39
Project price weighting (20%) x price points	17.44	18.44	20.00
Overall scores	97.44	93.34	88.39
Order of tenders	1	2	3

Quality evaluation: example summary score sheet

Quality criteria			Candidate A		Candidate B		Candidate C	
	Weighting	Average score	Weighted score	Average score	Weighted score	Average score	Weighted score	
1	Capacity to Deliver	25%	85.30	21.33	83.00	20.75	63.90	15.98
2	Technical Capability	20%	75.06	15.01	72.00	14.40	74.26	14.85
3	Potential for establishing and managing an effective supply chain	15%	86.00	12.90	83.00	12.45	60.00	9.00
4	Ability to control and manage sites	15%	77.97	11.70	79.22	11.88	83.17	12.48
5	Quality of key personnel that will be devoted to the project	15%	77.50	11.63	60.10	9.02	75.50	11.33
6	Potential for effectively controlling programme, costs and risks	10%	82.60	8.26	71.60	7.16	54.60	5.46
Total		100%	80.82		75.66		69.09	
Percentage difference from best quality submission			0.00		6.38		14.51	
Quality points score			100.00		93.62		85.49	

Quality criterion: example summary score sheet

Quality criterion number 6: pre-interview scores

			Candidate A		Candidate B		Candidate C	
Issue	Weighting %	Assessor	Score	Weighted score	Score	Weighted score	Score	Weighted score
1.1	30%	FD	5		4		3	
		PC	5		4		3	
		TR	-		-		-	
		DD	-		-		-	
		Average	5.00	1.50	4.00	1.20	3.00	0.90
1.2	20%	FD	4		3		3	
		PC	4		3		3	
		TR	-		-		-	
		DD	-		-		-	
		Average	4.00	0.80	3.00	0.60	3.00	0.60
1.3	10%	FD	4		4		4	
		PC	4		4		4	
		TR	-		-		-	
		DD	-		-		-	
		Average	4.00	0.40	4.00	0.40	4.00	0.40
2.1	15%	FD	-		-		-	
		PC	-		-		-	
		TR	4		3		2	
		DD	4		3		2	
		Average	4.00	0.60	3.00	0.45	2.00	0.30
2.2	15%	FD	-		-		-	
		PC	-		-		-	
		TR	4		4		3	
		DD	3		3		2	
		Average	3.50	0.53	3.50	0.53	2.50	0.38
3.1	10%	FD	3		4		2	
		PC	-		-		-	
		TR	-		-		-	
		DD	3		4		1	
		Average	3.00	0.30	4.00	0.40	1.50	0.15
Total				4.13		3.58		2.73
Percentage score				82.6%		71.6%		54.6%

Quality criterion: illustrative assessment model

Quality Criterion No.6: Likelihood that candidate will effectively monitor and control programme, costs and risks

Issue / tender invitation questions	Assessment methodology	Weighting
1 The extent to which the candidate is likely to adequately manage and control costs.	Assessors: F Davies (FD) and P Carr (PC)	
1.1 Describe in no more than 800 words, together with examples from previous projects, how you would intend to measure and control project costs and what cost information would be reported to the Project Manager each month.	The extent to which the candidate is likely to adequately manage and control costs (measure and control project costs and the cost information that would be available).	30%
1.2 Describe in no more than 800 words, together with examples from previous projects, how you would intend to demonstrate the accuracy and robustness of the target cost during its development throughout the design Development Period.	The extent to which the candidate is likely to adequately manage and control costs (accuracy and robustness of target cost during its development throughout the design Development period)	20%
1.3 Describe in no more than 800 words, together with examples from previous projects, how you would intend to identify and notify early warnings and compensation events to the Project Manager and how the cost and programme impact of such events would be assessed and agreed.	The extent to which the candidate is likely to adequately manage and control costs (notification of early warnings and compensation events and how cost impact of such events would be assessed).	10%
2 The extent to which the candidate is likely to adequately manage and control progress.	Assessors: T Reynolds (TR) and D Doherty (DD)	
2.1 Describe in no more than 800 words, together with examples from previous projects, the procedures you would intend to measure progress throughout the duration of the project and what progress information would be reported to the Project Manager each month.	The extent to which the candidate is likely to adequately manage and control progress (measuring progress)	15%
2.2 Describe in no more than 400 words, together with examples from previous projects, how you would intend to ensure that this project is completed on or before the completion date.		15%
3 The extent to which the candidate is likely to adequately manage and control risks.	Assessors: F Davies (FD) and D Doherty (DD)	
3.1 Describe in no more than 800 words the procedures you would intend to establish to identify and mitigate project risks throughout the duration of the project.	The extent to which the candidate is likely to adequately manage and control risks	10%

Quality criterion: illustrative scoring model

Quality Criterion No.6: Likelihood that candidate will effectively monitor and control programme, costs and risks

Issue	points	Point scoring guide
<p>1.1 The extent to which the candidate is likely to adequately manage and control costs (measure and control project costs and the cost information that would be available.</p>	5	Exceptional response that exceeds expectations. Candidate has demonstrated a full appreciation of what needs to be monitored, how this should be reported and is fully supported by several good examples of where their methodology has been applied on past projects.
	4	Very good response. Candidate has demonstrated a very good appreciation of what needs to be monitored, and how this should be reported and which is well supported with good examples.
	3	Satisfactory response. Candidate has demonstrated a satisfactory appreciation of what needs to be monitored and how this should be reported. At least one good example provided of where this has been applied on previous projects.
	2	Less than satisfactory response. Candidate has demonstrated an appreciation of some of the factors that need to be monitored and how they should be reported. Poor examples provided.
	1	Inadequate response. Candidate has demonstrated little appreciation of the factors that need to be monitored and how they should be reported. Poor examples provided.
	0	Very poor response. Candidate has failed to demonstrate their appreciation of the factors that need to be monitored and how they should be reported. Considered that the candidate will not be likely to adequately manage and control costs.
<p>1.2 The extent to which the candidate is likely to adequately manage and control costs (accuracy and robustness of target cost during its development throughout the design Development period</p>	5	Fully detailed response, the candidate demonstrates a full appreciation of the development of target cost throughout the design development period that is exceptionally well supported with examples.
	4	Fully detailed response, the candidate demonstrates a full appreciation of the development of the target cost that is well supported with examples.
	3	Satisfactory response, the candidate demonstrates an acceptable appreciation of the development of the target cost, adequately supported with examples.
	2	Adequate response, candidate demonstrates some appreciation of the development of target cost, supported with limited examples.
	1	Limited response, the candidate demonstrates some appreciation of the development of target cost but provides inadequate examples.
	0	Response lacks sufficient detail, and/or it is considered that the candidate will not be likely to adequately manage and control costs.

Quality Criterion No.6: Likelihood that candidate will effectively monitor and control programme, costs and risks

Issue	points	Point scoring guide
<p>1.3 The extent to which the candidate is likely to adequately manage and control costs (notification of early warnings and compensation events and how cost impact of such events would be assessed).</p>	5	Exceptional response that exceeds expectations. Candidate has submitted exceptionally robust proposals for identifying early warning notices and compensation events, and for assessing their impact on programme and cost. Fully supported by several good examples of where their methodology has been applied on past projects.
	4	Very good response. Candidate has submitted good proposals for identifying early warning notices and compensation events, and for assessing their impact on programme and cost. Fully supported by several good examples of where their methodology has been applied on past projects.
	3	Satisfactory response. Candidate has submitted satisfactory proposals for identifying early warning notices and compensation events, and for assessing their impact on programme and cost. At least one good example provided of where their methodology has been applied on past projects.
	2	Less than satisfactory response. Candidate has submitted less than satisfactory proposals for identifying early warning notices and compensation events, and for assessing their impact on programme and cost. Poor examples provided.
	1	Inadequate response. Candidate’s proposals considered impractical. Poor examples provided.
	0	Very poor response. Candidate’s proposals inadequately detailed indicating little appreciation of requirements.
<p>2 The extent to which the candidate is likely to adequately manage and control progress (measuring progress)</p>	5	Fully detailed response, the candidate has provided excellent proposals for measuring the progress of the project, will more than meet the minimum requirements of the EEC contract, and has provided detailed examples of progress reports for both this and previous projects.
	4	Fully detailed response, the candidate has provided good proposals for measuring the progress of the project, will meet the minimum requirements of the EEC contract, and has provided detailed examples of progress reports for both this and previous projects.
	3	Fully detailed response, the candidate has provided adequate proposals for measuring the progress of the project, will meet the minimum requirements of the EEC contract, and has provided examples of progress reports for both this and previous projects.
	2	Adequate response, the candidate has provided limited proposals for measuring the progress of the project, further negotiation to meet the minimum requirements of the EEC contract, and has provided examples of progress reports for both this and previous projects.
	1	Minimal response, the candidate has provided few proposals for measuring the progress of the project, significant negotiation to meet the minimum requirements of the EEC contract, and has provided limited examples of progress reports for both this and previous projects.
	0	Response lacks sufficient detail, and/or it is considered that the candidate will not be likely to adequately monitor the progress of the project.

Quality Criterion No.6: Likelihood that candidate will effectively monitor and control programme, costs and risks

Issue	points	Point scoring guide
3 The extent to which the candidate is likely to adequately manage and control risks	5	Exceptional response. The candidate demonstrates a full appreciation of the issues, exceptionally well supported with examples.
	4	Good, fully detailed response. The candidate demonstrates a good appreciation the issues, which is adequately supported with examples.
	3	Adequate detailed response. The candidate demonstrates an adequate appreciation of the issues, which is well supported with examples.
	2	Less than adequate response. The candidate demonstrates some appreciation of the issues, supported with limited examples.
	1	Limited response, the candidate demonstrates some appreciation of the issues but provides no examples.
	0	Response lacks sufficient detail, and/or it is considered that the candidate will not be likely to adequately manage and control costs.

Quality evaluation: example individual score sheet

Candidate: A

Assessor: Daniel Doherty

Quality criteria	Comment	Score
3 3.2 Demonstrating understanding of need to partner their supply chain	<i>Demonstrated a full understanding of the need to partner their supply chain. Would like to test this in more depth at interview.</i>	5
6 2.1 Procedures for measuring progress throughout the duration of the project and what progress information would be reported to the Project Manager each month.	<i>Examples of recent projects contained within their tender submission provided several examples of their proven success on projects of this type.</i>	4
6 2.2 Procedures for ensuring that this project is completed on or before the completion date	<i>Good response, which provides adequate proposals and will meet the minimum requirements of the EEC contract. Some good examples provided.</i>	3
6 3.1 Procedures intended to identify and mitigate project risks throughout the duration of the project.	<i>Tender demonstrates an adequate appreciation of the issues and well supported with examples.</i>	3
Signed D Doherty		Date 17 May 2004

Illustrative calculation of price

Candidate A		
Fee Cost		£
Estimated net cost of project	£2,750,000	
Fee bid by candidate	5.5%	
Calculated fee cost		£151,250
Management and supervisory staff		
Estimated duration of project	65 weeks	
Weekly cost bid by candidate	£2,566	
Calculated weekly costs		£166,790
Total price		£318,040

Explanation

The fee will be calculated by multiplying the percentage fee bid by each candidate, by the total net estimated cost of the project which is £2,750,000.

The cost of management and supervisory staff, not included in the percentage fee, will be calculated by multiplying the total weekly cost bid by each candidate, by the assumed contract period of 65 weeks.

Illustrative pricing document

Overhead and profit percentage				
Section ref				Percentage
9.9.1	Percentage overhead and profit, to be included in the main contract as the fee percentage.			5.5%
Breakdown of overhead and profit percentage				
9.9.2	Included in the above percentage are charges for: Costs incurred during development of design; Visiting staff i.e. building manager and managing quantity surveyor; Director, Senior Departmental Managers, Regional Planner; Estimating and buying; Accounts and clerical administration; Health and Safety; Quality Assurance; Regional office; Temporary work design; Contract Insurances.			4.0%
	Profit Margin			1.5%
Schedule of weekly rates for management and supervisory staff				
(i.e. not included within general overheads and profit fee)				
Section ref	Job title	Weekly rate	% charged to project	Weekly amount charged to project
9.10.1	Contracts Manager	£840	40%	£336
	Project Manager	£750	100%	£750
	General Foreman	£550	100%	£550
	Engineer	£630	40%	£252
	Quantity Surveyor	£530	100%	£530
	M&E Co-ordinator	£740	20%	£148
	Total weekly cost			£2,566

NB. Any items not included in the above, or within the Schedule of Cost Components, will be deemed to be included within the general overheads and profit fee.

Alternative price assessment methodology

Price can be evaluated by simply awarding the lowest price tender 100 points, and all other tenders 100 less the percentage by which their tender exceeded that of the lowest. This methodology has been used for the purposes of Appendix 10.1.

However, if there is a wide spread of tenders, say more than 100% between the lowest and highest, the methodology could be flawed as negative price scores would be produced. This could favour a candidate who submits an unexpectedly low bid, as it would be extremely difficult, if not impossible, for other candidates to make up the difference in their quality submissions.

In order to remove this flaw, price could be scored on the extent to which the submitted prices differ from the estimated cost, in accordance with a range of likely outcomes. The following is an example, based on a contract for which the estimated cost is £235,000.

Price submission	Price (estimated cost = £235,000)	Price score
Under estimated cost by:		
more than 20%	under £188,000	100
15%	£199,750	95
10%	£211,500	90
5%	£223,250	85
At estimated cost	£235,000	80
Over estimated cost by:		
10%	£258,500	75
15%	£270,250	70
20%	£282,000	65
25%	£293,750	60
40%	£329,000	50
60%	£376,000	40
80%	£423,000	30
100%	£470,000	20
150%	£587,500	10
more than 200%	over £705,000	0

A sliding scale could be used to differentiate between bids. For example a bid that is 40% over estimated cost could be allocated 50 points; a bid 50% over 45 points; and a bid 55% over 42.5 points.

As it is likely that prices will fall within the range of +40% to -10% of the estimated cost; then the likely price score will fall within the range of 50 to 85 which is comparable with the range of likely quality scores.