



Crown
Commercial
Service

Invitation to Tender

Attachment 3 Pricing guidance and evaluation
process

RM6123 Media Services

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1 Introduction

- 1.1 This document relates to the Commercial Envelope evaluation of your bid submission for those lots you are bidding for.
- 1.2 These instructions apply to all five (5) Lots of the RM6123 Media Services Framework, and are provided to assist all Potential Agencies in the completion of the pricing matrixes relevant to the Lot(s) you are bidding for.
- 1.3 This document explains how to complete your pricing matrixes (including any matrixes referred to as Commercial Grids and Tech and Tools), relevant to the Lot(s) you are bidding for.
- 1.4 This document also explains how commercial submission will be evaluated and scored for each Lot.

2 How to complete your pricing matrix

- 2.1 You should read and understand the instructions in the relevant Pricing Matrix, and in this attachment, before submitting your prices for each Lot, which you are bidding for.
- 2.2 Potential Agencies are required to complete all highlighted fields within the Price Matrix worksheets, for each Lot(s) for which you intend to submit a bid.
- 2.3 You should take into account our Management Charge. The sum payable by the Agency to CCS on all Charges for the Services invoiced to Clients (net of VAT) in each Month throughout the Term and thereafter until the expiry or earlier termination of all Call-Off Contracts entered into pursuant to this Framework Agreement. The Management Charge will apply in the following way:

a) CCS Management Charge:

Lot 1

A 1% CCS charge is collected by the appointed agency on behalf of CCS and is added to the total net media value of each invoice.

This charge is in consideration of the management and administration of this Framework Agreement.

Lot 2

All Charges for Deliverables invoiced to Clients will be charged at 1%. This charge is in consideration of the management and administration of this Framework Agreement. The Agency shall not pass this charge through to the Client.

Lot 3

A 1% CCS charge is collected by the appointed agency on behalf of CCS and is added to the total net media value of each invoice.

This charge is in consideration of the management and administration of this Framework Agreement.

Lot 4

A 1% charge of the share of revenue retain by the supplier shall apply. This charge is in consideration of the management and administration of this Framework Agreement. The Agency shall not pass this charge through to the Client.

Lot 5

All Charges for Deliverables invoiced to Clients will be charged at 1%. This charge is in consideration of the management and administration of this Framework Agreement. The Agency shall not pass this charge through to the Client.

b) GCS Management Charge:

Central Government Bodies using this framework are required to pay a management charge of 1% of the total contract value excluding VAT.

The charge is a set contribution from all government communications expenditure through this framework that effectively funds the cross government profession, Government Communication Service.

The 1% management charge is collected by the appointed agency on behalf of GCS and is added to the total net value of each invoice. This charge is not payable by wider public sector organisations.

The Agency should add this charge to the net total of their charges for all Government Clients Deliverables invoiced to such Client.

- 2.4 You should have read and understood the information on TUPE in paragraph 8 of Attachment 1 – About the framework. You are reminded that it is your responsibility to take your own advice and consider whether TUPE is likely to apply and to act accordingly. You are encouraged to carry out your own due diligence exercise on the application of TUPE when completing your pricing matrix.
- 2.5 Your prices submitted must:
- be exclusive of VAT
 - be in British pounds sterling (£GBP), up to two decimal places
- 2.6 Negative and zero bids will not be allowed
- 2.7 The prices submitted will be the maximum payable under this framework. Prices may be lowered at the call-off stage.
- 2.8 **You must download and complete the Attachment 3 Pricing Matrixes for the Lot(s) you are submitting a bid for:**
- **Lot 1 – three are three Attachments to complete:**
 - 3a.1 - Lot 1 Price Matrix;
 - 3a.2 - Lot 1 Price Matrix Tech and Tools;
 - 3a.3 - Lot 1 Commercial Grid
 - Please also refer to Attachment 3a.4 Lot 1 Media Measurement Methodology, which is for information only.
 - **Lot 2 – Attachment 3b Price Matrix**
 - **Lot 3 – There are two Attachments to complete:**
 - Attachment 3c.1 - Lot 3 Price Matrix
 - Attachment 3c.2 - Lot 3 Commercial Grid
 - Please also refer to Attachment 3c.3 Lot 3 Media Measurement Methodology, which is for information only.
 - **Lot 4 – Attachment 3d Price Matrix (one attachment)**
 - **Lot 5 – Attachment 3e Price Matrix (one attachment)**

- 2.9 When you have completed your pricing documents, you must upload these into the eSourcing suite in the commercial envelope at relevant question for the Lot you are submitting a bid for:

PQ1 for Lot 1

PQ2 for Lot 2

PQ3 for Lot 3

PQ4 for Lot 4 and

PQ5 for Lot 5

If you do not upload your pricing matrix your bid may be rejected from this competition.

- 2.10 Do not alter, amend or change the format or layout of the Pricing Matrix.
- 2.11 Check you have completed all highlighted cells for each Lot you are bidding for.
- 2.12 Failure to insert an applicable price may result in your bid being deemed non-compliant and may be rejected from this competition.
- 2.13 The price evaluation will be undertaken separately to the quality evaluation process.

3 Lot 1 price evaluation

3.1 The Price Evaluation for Lot 1 is weighted at 30%.

- The weighting of 30% for Lot 1 is made up of two key elements, the “**Price Matrix**” and the “**Commercial Grid**” weighted at 17.5% and 12.5% respectively. Please see detailed breakdown in the table below.

Lot 1 Element Weightings

Price Matrix	Weighting %
Price Matrix - Offline Commitments	11.0%
Price Matrix - Digital Commitments	3.5%
Price Matrix - Volume Ratchets	2.0%
Tech and Tools	1.0%
Pricing Matrix total %	17.5%

Commercial Grid	Weighting %
Effective commission %	11.5%
International Cost	1.0%
Commercial Grid total %	12.5%

Total Weighting %	30.0%
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3.2 The Price Matrix, Tech and Tools and the Commercial Grid are all Excel workbooks which will be provided as part of your Invitation to Tender pack. You will be required to complete these workbooks as per the instructions detailed within them.

3.3 Please note that all prices submitted must:

- be exclusive of VAT
- be in British pounds sterling (£GBP), up to two decimal places

3.4 [The Price Matrix \(\(Attachment 3a.1\): How to complete your submission.](#)

Please note that these instructions refer to the Price Matrix-Commitments and Volume Ratchets, guidance for the Tech and Tools element will be provided separately within this document (paragraph 3.22)

The Price Matrix workbook contains a series of media pricing grids on multiple tabs, which must be fully populated and submitted via the eSourcing suite.

- 3.5 You must fully populate **every** light blue cell within the media pricing grids spreadsheet - see tab "Instructions". We may disqualify a bid from further participation in the procurement if all light blue cells are not populated.

3.6 Spend Forecasts

Overall net net annual spend forecast for all media types is expected to be c. £179m - £210m. The media pricing grids include media volume data, which represents a significant sample of the total actual annual net net media spend across TV, VoD, Programmatic, Display, Social, Press, Radio and Cinema.

○

You should note that there are areas of spend not included within the pricing grids for instance where there is a long tail of media suppliers e.g. specialist print titles or bespoke partnerships such as TV Sponsorships. The table below gives indicative forecasted spend ranges by media for context and to support the development of resource plans for agency cost submissions within the Commercial Grid.

Media Channel	Total Net Net Annual Spend Range (£)
Television	£35m-£41m
BVoD	£15m - £17m
Digital (Programmatic, Display, OLV & Social)	£31m-£36m
Press	£13m-£15m
Radio	£11m-£13m
Cinema	£1m-£2m
Total Net Net Annual Spend Range for media included within Price Matrix	£106m-£124m
<u>Media Channels not included within Price Matrix</u>	
TV Sponsorship	£7m - £8m
PPC	£44m - £51m
International	£22m - £27m
Total Net Net Annual Spend Range for media included within Price Matrix	£73m - £86m

- 3.7 Your submission must be made considering the audience, quality of media and media mixes provided in the Price Matrix. These levels are indicative and give no guarantee of future volumes or spend from CCS. Quality KPIs have been set by CCS and are fixed, these are detailed in tab “Media Quality Commitment”.
- 3.8 You must provide guaranteed cost submissions for each media in the Price Matrix to cover the initial Period of May 2022 - March 2023.
- 3.9 Ongoing Improvement Tab
You are asked to provide an ongoing improvement commitment for each media type, for each of the subsequent three periods:

Period 2: April 2023 – March 2024

Period 3: April 2023 – March 2025

Period 4: April 2025 – April 2026 (13 months)

This can be found on the “Ongoing Improvement” tab, with improvements on pricing to be detailed as a percentage. Improvement commitments are binding and are calculated on the previous year’s target rates i.e. on-going improvements are cumulative from year to year.

- 3.10 Inflation Tab
As part of the bidding submission, you are asked to provide inflation estimates for January - December for each calendar year. Inflation estimate submissions will be used to compare the 2022/2023 offer to 2020 delivery. This calculated cost will allow for a fair and transparent evaluation of all submissions. This is referred to as a sustainability check.
- 3.11 This check will be undertaken on the pricing commitments made by all bidders. This will check the validity of a submission by assessing whether the committed costs for 2022/2023 are deliverable, in relation to what was delivered in January - December 2020.
- A differential between submitted rates and actual 2020 spend will be calculated. If this differential materially deviates from the median of all agencies, reassurances may be sought as to how the agency can guarantee submitted pricing. Please see the working example below:

Sustainability Check Example			Extra Information or Formulas
A	Agency	X	
B	Media Channel	Y	
C	2022/2023 Committed Agency Offer	£ 1,000,000	Costs that are committed in agency submissions
D	2020 Baseline Spend	£ 1,200,000	Baselines spend held by MediaSense/CCS

E	Share of 2022/2023 in 2022	60%	60/40 split is an example of how budget might be split throughout the year
F	Share of 2022/2023 in 2023	40%	
G	2022 Committed Spend	£ 600,000	=E*C
H	2023 Committed Spend	£ 400,000	=F*C
I	2022 Committed Spend - with 2021 & 2022 Inflation Removed	£ 519,481	=(G/(1+10%))/(1+5%)
J	2023 Committed Spend – with 2021, 2022 & 2023 Inflation Removed	£ 336,233	=((H/(1+10%))/(1+5%))/(1+3%)
K	Sum of 2022/2023 Committed Spend - with Inflation Removed	£ 855,714	=I+J
L	Sustainability Check vs 2020 Baseline Spend	-£ 344,286	=K-D
M	% Sustainability Check vs 2020 Baseline Spend	-29%	=L/D
Agency X Assumed Inflation			
2021	10%		
2022	5%		
2023	3%		

3.12 Cost Summary Tab

The Total Cost will be calculated for year 1 of the contract (May 2022 - March 2023) by applying an agency's submitted rates to estimated media volumes for the initial term. Volumes are stated in the Price Matrix and are an estimate of the levels of investment expected for each media, on a line by line basis. The Total Cost for Offline media and Digital will be calculated individually as these are assessed and scored as separate elements.

The total Net Net spend for each media cost tab is shown in the "Cost Summary" tab. The Total Cost by Year is an aggregate of the total Net Net spend from each of the relevant media tabs. Offline Media consists of TV, BVoD, Press, Radio and Cinema. Digital consists of Programmatic, Display, OLV and Social. The ongoing improvement percentages will be applied to calculate the total cost by year for both Offline and Digital across each of the subsequent periods.

- 3.13 You must commit to the pricing guarantees offered if awarded a framework agreement. Pricing guarantees must be fixed, as per the respective ongoing improvements, for the duration of the framework term.

The Price Matrix will cover the majority of known requirements based on historical spend patterns. Over time however, we would expect that new suppliers, formats or buy types that CCS have not purchased previously will appear. The agency will be expected to deliver 'market leading' rates that reflect the competitive nature of the overall submission for any such new suppliers, formats or buy types. Any such new guarantees will be agreed in conjunction with an independent 3rd party (e.g. media auditor).

3.14 The Price Matrix: Pricing evaluation

- The overall weighting of the Price Matrix Commitments and Volume Ratchets element is 16.5% (with Tech and Tools taking this to 17.5% as a total) this is broken down as follows:

Price Matrix	Weighting %
Price Matrix - Offline Commitments	11.0%
Price Matrix - Digital Commitments	3.5%
Price Matrix - Volume Ratchets	2.0%
Tech and Tools	1.0%
Pricing Matrix total %	17.5%

○ Price Matrix – Offline and Digital Commitments: Evaluation and scoring:

- 3.15 As part of the evaluation and scoring of the Price Matrix commitments, please note that both Offline and Digital will be assessed with the same methodology as stated in figures 3.16 to 3.17.
- 3.16 The bidder with the lowest overall 4 year total in the “Cost Summary” tab (Offline: cell C30 and Digital cell C31) which has been deemed compliant by CCS, shall be awarded the full 100 marks available.
- 3.17 The remaining agencies will receive a reduced score out of 100, based on the relative tier that their submission falls into, versus the lowest cost submitted. Please see the Price Matrix Tiers below:

Price Matrix Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0–<1%	100
Agencies within >=1-<4%	75
Agencies within >=4-<7%	50
Agencies within >=7-<10%	25
Agencies >=10%	0

- 3.18 This will result in all agencies receiving two scores out of 100, one for Offline and one for the Digital element.

3.19 Working example of Price Matrix – Offline Commitments: Scoring:

Submitting Agency	Total Offline 4 Year Net Net Cost £m	Price Matrix Tier	Mark
Agency A	£ 421.34	Agencies within >=1-<4%	75
Agency B	£ 412.01	Lowest costing agency	100
Agency C	£ 429.95	Agencies within >=4-<7%	50
Agency D	£ 485.32	Agencies >=10%	0
Agency E	£ 413.03	Agencies within 0–<1%	100

3.20 Price Matrix – Volume Ratchets: Evaluation:

All bidders are asked to provide pricing improvements for different volume ratchets scenarios where spend levels may increase over and above the forecasted budget. Please note that the improvement submitted will be applied to the entire annual budget not only the portion which falls into the tier.

- Your pricing offers will be expected to hold for variances in spend versus budget by media channel by up to 24.99% above budget. Ratchets will be initiated above 25% of agreed media budget. In the scenario that actual spend is lower than the base forecasted budget, the submitted prices within the Price Matrix will remain unadjusted
- Please note that Volume Ratchets do not apply to Digital media and these commitments should stand regardless of any increase or decrease in budget.

3.21 We will model each agencies Year 1 total cost, as detailed in the “Cost Summary” tab, in line with the three volume ratchet tiers (25% - 50%, 50%-75% and 75%+) and the submitted improvements provided by media channel. Please see working example below for TV. Please note indices provided are for illustrative purposes only:

CCS Budget Tiers	Budget % Increase	Budget Index	TV index	Cost by Tier
Tier 4	75%+	1.75	75	=Year 1 Total TV Cost x Tier 4 Budget Index x (TV Index/100)
Tier 3	50% - 74.99%	1.50	80	=Year 1 Total TV Cost x Tier 3 Budget Index x (TV Index/100)
Tier 2	25% - 49.99%	1.25	90	=Year 1 Total TV Cost x Tier 2 Budget Index x (TV Index/100)
Tier 1	0% - 24.99%	1.00	100	Tier 1 is not included within the scoring

- The CCS budget Tiers are detailed within the Price Matrix. Please note that Tier 1 does not require any submitted improvements from the agency and will therefore not form part of this scoring.
- A modelled cost by tier and by media channel will be calculated for Tiers 2, 3 and 4. The Year 1 Total Cost for each individual media channel will be multiplied by the Budget Index and the Media Channel Index (which has been submitted as the price improvement by the agency).

The lowest percentage within the tier budget range will be used for modelling the budget increase. For example, in Tier 2 (25% - 50%) a budget increase of 25% will be used, and therefore an index of 1.25 will be used within the calculation.

- The costs for Tier 2,3 and 4 for each individual media channel will be added together to provide a total net net cost of media across the Tiers for scoring purposes.

Price Matrix – Volume Ratchets: Scoring:

- The agencies will be scored based on this total net net cost of media. The Pricing Matrix Tiers and relative scoring, as detailed below will be utilised to score each agency.

Price Matrix Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0–<1%	100
Agencies within >=1-<4%	75
Agencies within >=4-<7%	50
Agencies within >=7-<10%	25
Agencies >=10%	0

3.22 Tech and Tools (Attachment 3a.2)

Tech and Tools is part of the Price Matrix evaluation. This is weighted at 1% of a total of 17.5%. Please see below breakdown:

Lot 1 Element Weightings

Price Matrix	Weighting %
Price Matrix - Offline Commitments	11.0%
Price Matrix - Digital Commitments	3.5%
Price Matrix - Volume Ratchets	2.0%
Tech and Tools	1.0%
Pricing Matrix total %	17.5%

3.23 Tech and Tools: How to complete your submission.

- The Tech & Tools Proposal is an Excel worksheet composed of four tabs. The first tab "Instructions" provides guidance for the completion of the worksheet. The subsequent three tabs will capture details of the proposed rates and technology partners that would be deployed on behalf of CCS in the activation of digital media.
- You must populate the light blue cells as instructed within the Tech and Tools workbook.

3.24 Tech and Tools: Pricing evaluation

- The agencies will be scored based on the total net net cost across the Ad Serving, Verification and DSP tabs. The bidder with the lowest overall total net net cost which has been deemed compliant by CCS, shall be awarded the full 100 marks available.
- 3.25 The remaining agencies will receive a reduced score out of 100, based on the relative tier that their submission falls into, versus the lowest cost submitted. Please see the Tech and Tools Tiers below:

Price Matrix Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0–<1%	100
Agencies within >=1–<4%	75
Agencies within >=4–<7%	50
Agencies within >=7–<10%	25
Agencies >=10%	0

Please see working example below –

Submitting Agency	Total Net Net Cost £m	Tech and Tools Tier	Mark
Agency A	£1.30	Lowest costing agency	100
Agency B	£1.35	Agencies within $\geq 1 - < 4\%$	75
Agency C	£1.40	Agencies within $\geq 7 - < 10\%$	25
Agency D	£1.37	Agencies within $\geq 4 - < 7\%$	50
Agency E	£1.50	Agencies $\geq 10\%$	0

3.26 The Price Matrix: Total weighted score

Across all elements of the Price Matrix there is a maximum score available of 100 points. The four scores achieved across the Offline Commitments, Digital Commitments, Volume Ratchets and Tech and Tools will be weighted in line with their stated weights, as per the below table:

Price Matrix	Weighting %
Price Matrix - Offline Commitments	11.0%
Price Matrix - Digital Commitments	3.5%
Price Matrix - Volume Ratchets	2.0%
Tech and Tools	1.0%
Pricing Matrix total %	17.5%

Please see working example of the Price Matrix total weighted score:

Submitting Agency	Score: Offline	Weighting	Score: Digital	Weighting	Score: Volume Ratchets	Weighting	Score: Tech and Tools	Weighting	Final Score
Agency A	75	11.0%	50	3.5%	50	2%	100	1%	67
Agency B	100	11.0%	0	3.5%	75	2%	50	1%	72
Agency C	50	11.0%	75	3.5%	0	2%	50	1%	48
Agency D	0	11.0%	25	3.5%	100	2%	75	1%	20
Agency E	100	11.0%	100	3.5%	25	2%	25	1%	85

The final score calculated is based on the following formula:

$$\begin{aligned}
 \text{Score} = & \left(\frac{\text{Offline Weighting \%}}{\text{Total Price Matrix Weight \%}} \times \text{Offline Score} \right) + \left(\frac{\text{Digital Weighting \%}}{\text{Total Price Matrix Weight \%}} \times \text{Digital Score} \right) + \left(\frac{\text{Volume Ratchet \%}}{\text{Total Price Matrix Weight \%}} \times \text{Volume Ratchet Score} \right) + \left(\frac{\text{Tech \& Tools \%}}{\text{Total Price Matrix Weight \%}} \times \text{Tech and Tools Score} \right)
 \end{aligned}$$

3.27 **The Commercial Grid (Attachment 3a.3)**

The weighting of this element is 12.5%, this combines the **Effective Agency Commission %** and **International Rates**, weighted at 11.5% and 1% respectively.

3.28 The Commercial Grid comprises of a spreadsheet containing a series of commercial tabs which must be fully populated and submitted via the CCS portal.

3.29 Bidders must populate every light blue cell within the commercial grids spreadsheet - see tab 'Instructions'. We may disqualify a bid from further participation in the procurement if all relevant light blue cells are not populated.

3.30 Effective Agency Commission %: How to complete your submission

Bidders will be asked to complete the "FTE Overview (UK)" tab in line with the instructions provided within the sheet. The final agency cost within the "Submission Overview (UK)" tab should be inclusive of all profit, overheads and agency fees and should factor in the resource costs in line with the detailed Scope of Work (Appendix B1 of the framework agreement).

3.31 To ensure that CCS have been provided with the adequate resource structure, there is a quality prerequisite which needs to be highlighted.

- **The average experience across the proposed resource (based on 100% FTEs) should be no less than 4 years.**
- The "Definition of Terms" tab contains the experience estimates in years, split by level of seniority which should be used to calculate this.

3.32 Effective Agency Commission %: pricing evaluation

The proposed commission must fall between the following gateway range: 4% - 7.5%. Should your bid fall outside of this upper and lower range then you will have failed the compliance check and will be excluded from this competition.

- The bidder with the lowest overall % in the "Submission Overview (UK)" tab in cell H8, which has been deemed compliant by CCS, shall be awarded the full 100 marks available.

The remaining agencies will receive a reduced score out of 100, based on the relative tier that their submission falls into versus the lowest cost submitted. Please note percentage ranges are based on percentage points. As per the table below and the working example provided.

Effective Agency Commission % Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0 – <0.5%	100
Agencies within >=0.5% – <1.5%	75
Agencies within >=1.5% – <2.5%	50
Agencies within >=2.5% – <3.5%	25
Agencies >=3.5%	0

- Working example below:

Submitting Agency	Effective Agency Commission %	Agency Commission Tier	Mark
Agency A	5.2%	Agencies within >=0.5% – <1.5%	75
Agency B	4.3%	Lowest costing agency	100
Agency C	6.0%	Agencies within >=1.5% – <2.5%	50
Agency D	7.0%	Agencies within >=2.5% – <3.5%	25
Agency E	4.5%	Agencies within 0 – <0.5%	100

3.33 [International Rates: How to complete your submission:](#)

Bidders will be asked to complete the “FTE Overview (INTL)” tab in line with the instructions provided within the sheet. Across the specified 8 key markets, an average hourly rate will be calculated off the costs submitted across all levels of seniority. All 8 key markets are of an equal weight. Please ensure that all levels of seniority are populated within the key markets.

3.34 [International Rates: pricing Evaluation.](#)

The bidder with the lowest overall average hourly rate, which has been deemed compliant by CCS, shall be awarded the full 100 marks available.

- The remaining agencies will receive a reduced score out of 100, based on the relative tier that their submission falls into versus the lowest cost submitted. As per the table below:

International Cost Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0 – <5%	100
Agencies within >=5% – <10%	75
Agencies within >=10% – <15%	50
Agencies within >=15% – <20%	25
Agencies >=20%	0

- Working example below:

Submitting Agency	Average Hourly Rate £	International Cost Tiers	Mark
Agency A	£ 165.00	Agencies within >=15% – <20% Agencies within 0 – <5% Agencies >=20% Agencies within >=5% – <10% Lowest costing agency	25
Agency B	£ 145.00		100
Agency C	£ 175.00		0
Agency D	£ 150.00		75
Agency E	£ 140.00		100

3.35 Commercial Grid: Total weighted score

Across both elements of the commercial grid evaluation there is a maximum score available of 100 points. The two scores achieved, based on both the Effective Commission Score and the International Cost Score will be weighted accordingly, as per the below example:

Submitting Agency	Effective Agency Commission Score	Weighting	International Cost Score	Weighting	Final Score
Agency A	75	11.5%	25	1%	71
Agency B	100	11.5%	100	1%	100
Agency C	50	11.5%	0	1%	46
Agency D	25	11.5%	75	1%	29
Agency E	100	11.5%	100	1%	100

3.36 Lot 1 Price Evaluation Total Score

The final score achieved for Lot 1 will be calculated based on the weighting allocated to each of the two key elements; the Price Matrix (including Tech and Tools) and the Commercial Grid. Please see table below:

Price Matrix	Weighting %
Pricing Matrix total %	17.5%
Commercial Grid total %	12.5%
Total Weighting %	30.0%

3.37 The two scores will be weighted to calculate a final score out of 100 for the Lot 1 Price Evaluation.

Submitting Agency	Score: Price Matrix	Weighting	Score: Commercial Grid	Weighting	Final Score out of 100
Agency A	67	17.5%	71	12.5%	69
Agency B	72	17.5%	100	12.5%	84
Agency C	48	17.5%	46	12.5%	47
Agency D	20	17.5%	29	12.5%	24
Agency E	85	17.5%	100	12.5%	91

3.38 The total overall weighting for Lot 1 price evaluation is 30%. On this basis the score out of 100 will in turn be multiplied by an index of 0.3 to create a total score by agency out of 30. Please see below working example:

Submitting Agency	Final Score out of 100	30% Weighting	Final Lot 1 Score out of 30
Agency A	69	30%	20.5
Agency B	84	30%	25.1
Agency C	47	30%	14.2
Agency D	24	30%	7.1
Agency E	91	30%	27.4

4 Lot 2 price evaluation

- 4.1 The Price Evaluation for Lot 2 is weighted at 30%.
- 4.2 The document you need to complete is the **Attachment 3b Lot 2 Price Matrix**.
- 4.3 For Lot 2 the pricing will be evaluated on the basis of a “**Price Score**” which will consist of the marks awarded for each of the average day rates as per below:

Description	Average	Weighting (%)	Maximum Mark Available
Project/Dept. Based Retainer - Total Day rate GBP	A1	25%	7.50
12 month Retainer - Total Day rate GBP	A2	25%	7.50
Minimum Agency Commission % GBP	B1	25%	7.50
Maximum Agency % GBP	B2	25%	7.50

- 4.4 The lowest average day rate will be awarded the maximum mark available. All other Potential Agencies will get a mark relative to the lowest bid. The calculation we will use to evaluate your mark for A1, A2, is as follows:

$$\text{Mark} = \frac{\text{Lowest price}}{\text{Potential Agencies Price}} \times \text{Maximum mark available}$$

Example below is applicable for A1, A2

A1 Average Day Rate example:

Bidder A	Bidder B	Bidder C
Average day rate	Average day rate	Average day rate
£150.00	£200.00	£250.00

- a) Bidder A has the lowest price of £150.00 Bidder A is awarded the maximum mark available for A1 which is 7.50;
- b) Bidder B submits a price of £200.00 Bidder B is awarded a mark of 5.63 for A1.
- c) Bidder C submits a price of £250.00 and is awarded a mark of 4.50 for A1.

4.5 The lowest average agency commission will be awarded the maximum mark available.

All other Potential Agencies will get a mark relative to the lowest bid.

4.6 The calculation we will use to evaluate your mark for B1, B2, is as follows.

$$\text{Mark} = \frac{\text{lowest average agency commission}}{\text{Potential agencies average agency commission}} \times \text{Maximum mark available}$$

Example below is applicable for A1, A2

A1 Average Day Rate example:

Bidder A Average Min Agency Commission	Bidder B Average Min Agency Commission	Bidder C Average Min Agency Commission
8%	10%	12%

- a) Bidder A has the lowest average min agency commission of 8% Bidder A is awarded the maximum mark available for B1 which is 7.50;
- b) Bidder C submits average min agency commission of £12% Bidder C is awarded a mark of 5 for B1.
- c) Bidder B submits average min agency commission of £10% and is awarded a mark of 6 for A1.

4.7 Each Potential Agencies marks will be added together to calculate the Price Score.

See example below:

	Bidder A	Bidder B	Bidder C
A1 Average Day Rate	7.50	3.75	3.00

A2 Average Day Rate	5.00	7.50	2.00
Minimum Agency Commission % GBP	3.50	5.00	7.50
Maximum Agency Commission % GBP	2.50	7.50	5.00
Price Score	18.5	23.75	17.5

5 Lot 3 price evaluation

- 5.1 The Price Evaluation for Lot 3 is weighted at 50%.
- 5.2 The weighting of 50% for Lot 3 is made up of two key elements, the “**Price Matrix**” and the “**Commercial Grid**” weighted at 35% and 15% respectively. Please see detailed breakdown in the table below.

Lot 3 Element Weightings

Price Matrix	Weighting %
Price Matrix - Commitments	30%
Price Matrix - Volume Ratchets	5%
Pricing Matrix total %	35%

Commercial Grid	Weighting %
Effective Commission %	15%
Commercial Grid total %	15%

Total Weighting %	50.0%
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- 5.3 The Attachment 3c.1 Price Matrix and the Attachment 4c.2 Commercial Grid are Excel workbooks which will be provided as part of your bid pack. You will be required to complete these workbooks as per the instructions detailed within them.
- 5.4 Please note that all prices submitted must:
- be exclusive of VAT
 - be in British pounds sterling (£GBP), up to two decimal places

5.5 [The Price Matrix: How to complete your submission.](#)

The Price Matrix workbook contains a media pricing grid, which must be fully populated and submitted via the eSourcing suite.

- 5.6 You must fully populate **every** light blue cell within the media pricing grids spreadsheet - see tab "Instructions". We may disqualify a bid from further participation in the procurement if not all light blue cells are populated.

5.7 Spend Forecasts

Overall net net annual spend forecast for OOH is expected to be c. £21m - £25m. This indicative forecasted spend range is for context and to support the development of resource plans for agency cost submissions within the Commercial Grid.

Media Channel	Total Net Net Annual Spend Range (£)
OOH	£21m-£25m
Total Net Net Annual Spend Range for OOH included within Price Matrix	£21m-£25m

- 5.8 Your submission must be made considering the format volume mixes provided in the Price Matrix. These levels are indicative and give no guarantee of future volumes of spend from CCS.
- 5.9 You must provide guaranteed cost submissions for each media in the Price Matrix to cover the initial Period of May 2022 - March 2023.
- 5.10 Ongoing Improvement Tab
You are asked to provide an ongoing improvement commitment for each of the subsequent three periods:

Period 2: April 2023 – March 2024

Period 3: April 2023 – March 2025

Period 4: April 2025 – April 2026 (13 months)

This can be found on the “Ongoing Improvement” tab, with improvements on pricing to be detailed as a percentage. Improvement commitments are binding and are calculated on the previous year’s target rates i.e. on-going improvements are cumulative from year to year.

- 5.11 Inflation Tab
As part of the bidding submission, you are asked to provide inflation estimates for January - December for each calendar year. Inflation estimate submissions will be used to compare the 2022/2023 offer to 2020 delivery. This calculated cost will allow for a fair and transparent evaluation of all submissions. This is referred to as a sustainability check.
- 5.12 This check will be undertaken on the pricing commitments made by all bidders. This will check the validity of a submission by assessing whether the committed costs for 2022/2023 are deliverable, in relation to what was delivered in January - December 2020.
- 5.13 A differential between submitted rates and actual 2020 spend will be calculated. If this differential materially deviates from the median of all agencies, reassurances may be sought as to how the agency can guarantee submitted pricing. Please see the working example below:

A	Agency	X	
B	Media Channel	Y	
C	2022/2023 Committed Agency Offer	£ 1,000,000	Costs that are committed in agency submissions
D	2020 Baseline Spend	£ 1,200,000	Baselines spend held by MediaSense/CCS
E	Share of 2022/2023 in 2022	60%	60/40 split is an example of how budget might be split throughout the year
F	Share of 2022/2023 in 2023	40%	

G	2022 Committed Spend	£	600,000	=E*C
H	2023 Committed Spend	£	400,000	=F*C
I	2022 Committed Spend - with 2021 & 2022 Inflation Removed	£	519,481	=(G/(1+10%))/(1+5%)
J	2023 Committed Spend – with 2021, 2022 & 2023 Inflation Removed	£	336,233	=((H/(1+10%))/(1+5%))/(1+3%)
K	Sum of 2022/2023 Committed Spend - with Inflation Removed	£	855,714	=I+J
L	Sustainability Check vs 2020 Baseline Spend	-£	344,286	=K-D
M	% Sustainability Check vs 2020 Baseline Spend		-29%	=L/D
Agency X Assumed Inflation				
2021	10%			
2022	5%			
2023	3%			

5.14 Cost Summary Tab

○ The Total Cost will be calculated for year 1 of the contract (May 2022 - March 2023) by applying an agency's submitted rates to estimated media volumes for the initial term. Volumes are stated in the Price Matrix and are an estimate of the levels of investment expected, on a line by line basis.

The total Net Net spend is shown in the "Cost Summary" tab. The Total Cost by Year is the total Net Net spend from the OOH media tab. The ongoing improvement percentages will be applied to calculate the total cost by year across each of the subsequent periods.

5.15 You must commit to the pricing guarantees offered if awarded a framework agreement. Pricing guarantees must be fixed, as per the respective ongoing improvements, for the duration of the framework term.

The Price Matrix will cover the majority of known requirements based on historical spend patterns. Over time however, we would expect that new suppliers, formats or buy types that CCS have not purchased previously will appear. The agency will be expected to deliver 'market leading' rates that reflect the competitive nature of the overall submission for any such new suppliers, formats or buy types. Any such new guarantees will be agreed in conjunction with an independent 3rd party (e.g. media auditor).

5.16 The Price Matrix: Pricing evaluation

Description	Weighting (%)	Maximum Mark Available
Price Matrix - Commitments	30%	100
Price Matrix - Volume Ratchets	5%	100

- The overall weighting of the Price Matrix Commitments and Volume Ratchets element is 35% this is broken down as follows:

Price Matrix – Commitments: Evaluation and scoring:

- 5.17 The bidder with the lowest overall total in the “Cost Summary” tab in cell C13, which has been deemed compliant by CCS, shall be awarded the full 100 marks available.
- 5.18 The remaining agencies will receive a reduced score out of 100, based on the relative tier that their submission falls into, versus the lowest cost submitted. Please see the Price Matrix Tiers below:

Price Matrix Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0–<1%	100
Agencies within >=1–<4%	75
Agencies within >=4–<7%	50
Agencies within >=7–<10%	25
Agencies >=10%	0

5.19 Working example of Price Matrix – Commitments: Scoring:

Submitting Agency	Total 4 Year Net Cost £m	Price Matrix Tier	Mark
Agency A	£ 421.34	Agencies within >=1–<4%	75
Agency B	£ 412.01	Lowest costing agency	100
Agency C	£ 429.95	Agencies within >=4–<7%	50
Agency D	£ 485.32	Agencies >=10%	0
Agency E	£ 413.03	Agencies within 0–<1%	100

5.20 Price Matrix – Volume Ratchets: Evaluation:

All bidders are asked to provide pricing improvements for different volume ratchets scenarios where spend levels may increase over and above the forecasted budget. Please note that the improvement submitted will be applied to the entire annual budget not only the portion which falls into the tier.

Your pricing offers will be expected to hold for variances in spend versus budget by media channel by up to 24.99% above budget. Ratchets will be initiated above 25% of agreed media budget. In the scenario that actual spend is lower than the base forecasted budget, the submitted prices within the Price Matrix will remain unadjusted

- 5.21 We will model each agencies Year 1 total cost, as detailed in the “Cost Summary” tab, in line with the three volume ratchet tiers (25% - 50%, 50%-75% and 75%+) and the submitted improvements provided. Please see working example below. Please note indices provided are for illustrative purposes only:

CCS Budget Tiers	Budget % Increase	Budget Index	OOH index	Cost by Tier
Tier 4	75%+	1.75	75	=Year 1 Total OOH Cost x Tier 4 Budget Index x OOH Index/100
Tier 3	50% - 74.99%	1.50	80	=Year 1 Total OOH Cost x Tier 3 Budget Index x OOH Index/100
Tier 2	25% - 49.99%	1.25	90	=Year 1 Total OOH Cost x Tier 2 Budget Index x OOH Index/100
Tier 1	0% - 24.99%	1.00	100	Tier 1 is not included within the scoring/100

- The CCS budget Tiers are detailed within the Price Matrix. Please note that Tier 1 does not require any submitted improvements from the agency and will therefore not form part of this scoring.
- A modelled cost by tier will be calculated for Tiers 2, 3 and 4. The Year 1 Total Cost will be multiplied by the Budget Index and the Media Channel Index (which has been submitted as the price improvement by the agency).

The lowest percentage within the tier budget range will be used for modelling the budget increase. For example, in Tier 2 (25% - 50%) a budget increase of 25% will be used, and therefore an index of 1.25 will be used within the calculation.

- The costs for Tier 2, 3 and 4 will be added together to provide a total net net cost of media across the Tiers for scoring purposes.

Price Matrix – Volume Ratchets: Scoring:

- The agencies will be scored based on this total net net cost of media. The Pricing Matrix Tiers and relative scoring, as detailed below will be utilised to score each agency.

Price Matrix Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0–<1%	100
Agencies within >=1–<4%	75
Agencies within >=4–<7%	50
Agencies within >=7–<10%	25
Agencies >=10%	0

5.22 The Price Matrix: Total weighted score

- Across both elements of the price evaluation there is a maximum score available of 100 points. The two scores achieved on both the Commitments and the Volume Ratchets will be weighted in line with their stated weights as detailed in figure 4.15 at 30% and 5% respectively. Please see the table below as a working example:

Submitting Agency	Score - Commitments	Weighting	Score – Volume Ratchets	Weighting	Final Score
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Agency A	75	30%	50	5%	71
Agency B	100	30%	75	5%	96
Agency C	50	30%	0	5%	43
Agency D	0	30%	100	5%	14
Agency E	100	30%	25	5%	89

5.23 The **Commercial Grid**

The weighting of this element is 15% as detailed in figure 4.1.

5.24 The Commercial Grid comprises of a spreadsheet containing a series of commercial tabs which must be fully populated and submitted via the CCS portal.

5.25 Bidders must fully populate the commercial grids spreadsheet - see tab 'Instructions'. We may disqualify a bid from further participation in the procurement if all relevant light blue cells are not populated.

5.26 Effective Agency Commission %: How to complete your submission

Bidders will be asked to complete the grid "FTE Overview" in line with the instructions provided within the sheet. The final agency cost within the "Submission Overview" tab should be inclusive of all profit, overheads and agency fees and should factor in the resource costs in line with the detailed Scope of Work (Appendix B3 of the framework agreement).

5.27 To ensure that CCS have been provided with the adequate resource structure, there is a quality prerequisite which needs to be highlighted.

- The average experience across the proposed resource (based on 100% FTEs) should be no less than 4 years.
- The "Definition of Terms" tab contains the experience estimates in years, split by level of seniority which should be used to calculate this.

5.28 Effective Agency Commission %: Pricing evaluation

The proposed commission must fall between the following gateway range: 3% - 6.5%. Should your bid fall outside of this upper and lower range then you will have failed the compliance check and will be excluded from this competition.

5.29 The bidder with the lowest overall % in the "Submission Overview" tab in cell H8, which has been deemed compliant by CCS, shall be awarded the full 100 marks available.

5.30 The remaining agencies will receive a reduced score out of 100, based on the relative tier that their submission falls into versus the lowest cost submitted. Please note percentage ranges are based on percentage points. As per the table below and the working example:

Effective Agency Commission % Tiers	Maximum Mark Available
Lowest costing agency	100
Agencies within 0 – <0.5%	100
Agencies within >=0.5% – <1.5%	75
Agencies within >=1.5% – <2.5%	50
Agencies within >=2.5% – <3.5%	25
Agencies >=3.5%	0

5.31 Working example below:

Submitting Agency	Effective Agency Commission %	Agency Commission Tier	Mark
Agency A	4.2%	Agencies within >=0.5% – <1.5% Lowest costing agency Agencies within >=1.5% – <2.5% Agencies within >=2.5% – <3.5% Agencies within 0 – <0.5%	75
Agency B	3.3%		100
Agency C	5.0%		50
Agency D	6.0%		25
Agency E	3.5%		100

5.32 Lots 3 price Evaluation Total Score

The final score achieved for Lot 3 will be calculated based on the weighting allocated to each of the two key elements; the Price Matrix and the Commercial Grid. Please see table below:

Price Evaluation Elements	Weighting %
Pricing Matrix total %	35.0%
Commercial Grid total %	15.0%
Price Evaluation %	50.0%

The two scores will be weighted to calculate a final score out of 100 for the Lot 3 Price Evaluation.

Submitting Agency	Score: Price Matrix	Price Matrix Weighting %	Score: Commercial Grid	Commercial Weighting %	Final Score out of 100
Agency A	71	35.0%	75	15.0%	72
Agency B	96	35.0%	100	15.0%	97
Agency C	43	35.0%	50	15.0%	45
Agency D	14	35.0%	25	15.0%	17
Agency E	89	35.0%	100	15.0%	92

3.39 The following formula is used to calculate the final score out of 100

$$\text{Score} = \frac{\text{Price Matrix Weighting \%}}{\text{Total Lot Weight \%}} \times \text{Price Matrix Score} + \frac{\text{Commercial Weighting \%}}{\text{Total Lot Weight \%}} \times \text{Commercial Score}$$

5.33 The total overall weighting for Lot 3 price evaluation is 50%. On this basis the score out of 100 will in turn be multiplied by an index of 0.5 to create a total score by agency out of 50. Please see below working example:

Submitting Agency	Final Score out of 100	50% Weighting	Final Lot 3 Score out of 50
Agency A	72	50%	36.1
Agency B	97	50%	48.6
Agency C	45	50%	22.6
Agency D	17	50%	8.7
Agency E	92	50%	46.2

6 Lot 4 price evaluation

- 6.1 The Price Evaluation for Lot 4 is weighted at 10%.
- 6.2 The document you need to complete is the **Attachment 3d Lot 4 Price Matrix**.
- 6.3 For Lot 4 the pricing will be evaluated on the basis of a “**Weighted Price Score**” which will consist of the marks awarded for each of the averages below:

Description	Average	Weighting (%)	Maximum Mark Available
Average YoY Client Revenue Growth GBP	A1	40%	5.00
Average YoY Client Revenue Growth %	A2	60%	5.00

All supplier submissions will be ranked from highest to lowest the highest will be given the highest Ranking Score and the lowest the lowest Ranking Score.

The Ranking Score will be assigned in descending order with the highest Ranking Score being 1 and, for example the 5th highest receiving a ranking score of 5

The calculation we will use to evaluate your mark for A1, A2, is as follows:

$$\text{Mark} = \frac{1 \text{ (highest ranking score)}}{\text{Potential Bidder Ranking Price Score Price}} \times \text{Maximum mark available}$$

Example below is applicable for A1, A2

3 supplier bids are received with the following A1 outputs

Bidder A	Bidder B	Bidder C
Average YoY Client Revenue Growth GBP	Average YoY Client Revenue Growth GBP	Average YoY Client Revenue Growth GBP
£2,000,000	£20,000	£10,000,000

The suppliers are ranked as follows and are given the following ranking scores

Bidder	Rank	Ranking Score	Average YoY Client Revenue Growth GBP
Bidder C	1	1	£10,000,000
Bidder A	2	2	£2,000,000
Bidder B	3	3	£20,000

- d) Bidder C has a Ranking score of 1 Bidder C is awarded the maximum mark available for A1 which is 5.00;
- e) Bidder A has a Ranking score of 2 Bidder A is awarded a mark for A1 which is 2.5
- f) Bidder B has a Ranking score of 3 Bidder C is awarded a mark for A1 which is 1.7

Each Potential Agencies marks will be added together to calculate the Price Score.

See example below:

	Bidder A	Bidder B	Bidder C
A1 Average YoY Client Revenue Growth GBP – Weighted 40%	2.5	1.7	5
A2 Average YoY Client Revenue Growth % - Weighted 60%	5	1.7	2.5
Weighted Price Score	4	1.7	3.50

7 Lot 5 price evaluation

- 7.1 The Price Evaluation for Lot 5 is weighted at 30%.
- 7.2 The document you need to complete is the **Attachment 3e Lot 5 Price Matrix**.
- 7.3 For lot 5 the bidder with the lowest basket price will be awarded the maximum mark available (a price score of 30.00).
- 7.4 We will check you have completed all the yellow and green cells, applicable to each Lot you are bidding for.
- 7.5 Failure to insert an applicable price (£) may result in your Bid being deemed not compliant and excluded from this competition.
- 7.6 The Price Evaluation will be undertaken separately to the Quality Evaluation process.
- 7.7 The Pricing for Lot 5 will be evaluated on the basis of time and materials for each of the Grades listed.
- 7.8 A definition for each of the Grades can be found in the tab titled 'Grade Structure' in **Attachment 3e – Price Matrix**.
- 7.9 You must ensure that the value for each Grade is in ascending order (i.e. the price for the next Grade exceeds the price of the previous Grade).
- 7.10 We will evaluate the price submitted for each Grade by comparing it against all prices submitted by other Bidders for the applicable Grade.
- 7.11 The Bidder who submits the lowest Hourly Rate for each Grade in the Pricing Matrix (for each Lot) will receive 100% of the maximum score available for the applicable Grade, as detailed in the tables below.
- 7.12 The maximum number of marks available for each Grade in each Lot, are as follows:

Grade	Weighting (%)	Maximum Marks Available
Partner / Managing Director	4%	4.00
Managing Consultant / Associate Director / Director	7%	7.00
Principal Consultant	8%	8.00
Senior Consultant /Manager	6%	6.00
Consultant	4%	4.00
Junior Consultant	1%	1.00
Total	30%	30.00

Where two or more Bidders submit an equal lowest Hourly Rate for the same Grade, then these Bidders will each achieve 100% of the maximum score available for the applicable Grade, as detailed in the tables above for each Lot.

All other Bidders who submitted an Hourly Rate for each Grade, will receive a

percentage of the maximum score available relative to the lowest Hourly Rate submitted for the Grade, applicable to each Lot.

For example:

For the Grade (“Partner/Director Accountant/Auditor”), Bidder A submitted an Hourly Rate of £1200.00.

The lowest Hourly Rate submitted by any Bidder for the Grade (“Partner/Director Accountant/Auditor”), was Bidder B, who submitted £1000.00.

Bidder C however, also submitted an equal lowest Hourly Rate of £1000.00. Therefore both Bidder B and Bidder C receive 100% of the maximum marks available for the Lot 1 Grade “Partner/Managing Director” (e.g. 3.00 marks).

The following calculation will be applied to all other submissions:

$$\text{Mark} = \frac{\text{Lowest tendered Hourly Rate}}{\text{Bidders tendered Hourly Rate}} \times 4 \text{ (maximum mark available)}$$

Using the above formula, the calculation for Bidder A for the Lot 1 Grade “Partner/Director Accountant/Auditor” is as follows:

$$\text{Mark} = \frac{1000.00}{1200.00} \times 4 = 3.33 \text{ (mark for Grade “Partner/Director Accountant/Auditor”)}$$

- 7.13 We will calculate each Bidder’s Price Score for each Lot (e.g. maximum of 30.00), by adding together the marks awarded for each Grade, applicable to each Lot.

8 Abnormally low tenders

3.40 Where we consider any of the prices you have submitted to be potentially abnormally low we will ask you to explain the prices you have submitted (in accordance with regulation 69 of the Regulations).

3.41 If your explanation is not acceptable, we will reject your bid and exclude you from this competition. We will inform you if your bid has been excluded and why.