

Price Evaluation

(See Stage 4 of Annex A to Section D of DEFFORM 47)

Price Evaluation

The Price Evaluation, which provides the overall Price, will be based on a combination of:

1. the total price of Pricing Period 1:
 - 1.1 Schedule of Requirements Item 1 Activities to support the Transition to Service.
 - 1.2 Schedule of Requirements Item 2 Monthly price for Provision of a Rotary Wing Command Support Air Transport Service for each of the three Contract Years. Purely for the purposes of the price evaluation, each of these monthly prices will be multiplied by 9 for Contract Year 1 and by 12 for Contract Years 2 and 3.

Example 1 for Pricing Period 1 and for illustrative purposes only:

Contract Year	Monthly Price	Multiplier	Evaluation Price
Transition Price	N/A	N/A	£500k
Contract Year 1	£125K	9	£1.125M
Contract Year 2	£127K	12	£1.524M
Contract Year 3	£130K	12	£1.560M
Pricing Period 1 TOTAL			£4,709M

Table 1

2. the total price of Pricing Period 2:
 - 2.1 Schedule of Requirements Item 3 Fixed at Contract Year One (1) price levels - Monthly price for Provision of a Rotary Wing Command Support Air Transport Service. For the purposes of the price evaluation this monthly price will be multiplied by 24.
 - 2.2 Schedule of Requirements Item 6 (Option Year 1) Fixed at Contract Year One (1) price levels. For the purposes of the price evaluation this monthly price will be multiplied by 12.
3. the price for Schedule of Requirements Item 4 Training rates and Schedule of Requirements Item 5 Additional Tasking rates:
 - 3.1 Years 1 – 3 (Firm Prices) This will be calculated as in Appendix 1 to this Annex D and a worked example is below. The Tenderer shall complete Years 1 to 3 of Schedule 5 (Rates). The representative Task total price will be calculated for each of the first three Contract Years and the sum of the results included within the financial evaluation to calculate the overall value of the Tender.
 - 3.2 Year 4-5 (Fixed Prices) The representative Task total price will be calculated utilising the Contract Year 1 rates. The result is then multiplied by 2 and the result included within the financial evaluation to calculate the overall value of the Tender.
 - 3.3 Option Years 1 (Fixed Price) The representative Task total price will be calculated utilising the Contract Year 1 rates.
 - 3.4 If there are additional labour roles within a Tenderer's submission of Schedule 5, these will not be included within the representative Task assessment and shall not be included in any resulting Contract.
4. together with a price for:
 - 4.1 10% Overfly for each Year of Support (Years 1-5 and Option Year) – Explanation in Paragraphs 4.3 to 4.5 below.

4.2 10% Underfly for each Year of Support (Years 1-5 and Option Year) –
Explanation in Paragraphs 4.3 to 4.5 below.

(Calculated in accordance with the Rates at Schedule 5 and Clause 20 of the Contract)

4.3 The number of annual Flying Hours stated within Schedule 1 (Statement of Requirement) is 500.

4.4 In accordance with Clause 20 of the Contract, the Authority may multiply each Flying Hour under 500 by the Underfly hourly rate in Schedule 5 (Rates). Additional Flying Hours shall be priced using the Overfly hourly rates in Schedule 5 (Rates).

4.5 For this price evaluation the price for 10% (50 hours) Underfly and 10% (50 hours) Overfly will be used (for each year of Service delivery, including any Option Years) to provide the Evaluation Price; Notwithstanding this the exception is Contract Year 1 which shall be 38 hours for each Overfly and Underfly.

The prices and rates in the worked example of the Price Evaluation below are for illustrative purposes only:

1. **Firm Prices (Pricing Period 1) and Fixed Prices (Pricing Period 2).**
2. **All Schedule of Requirements Nos:**

- 2.1. SoR Item No. 1 - £500k
- 2.2. SoR Item No. 2 - £125,000 monthly rate for Contract Year 1; £127,000 for Contract Year 2; £130,000 for Contract Year 3.
- 2.3. SoR Item No. 3 – As per SoR Item No. 2 Contract Year 1
- 2.4. SoR Item No. 6– As per SoR Item No. 2 Contract Year 1
- 2.5. SoR Item No. 4 and 5 as below:

Rates Sample Task:

Training Rates	Courses Per Year	Yr 1 Rates (per Course)	Yr 2 Rates (per course)	Yr 3 Rates (per course)	Total (£) Years 1 to 3	Pricing Period 2 and Option Year use Year 1 rates	Price of Courses Per Year multiplied by 3 years	Total Price Evaluation for SoR Item No. 4
Conversion To Type Training Course - Supply of instructor, ground school, training material and type-rating conversion paperwork in accordance with Schedule 1 Serial 6.2 and 6.4.	4	£5,000.00	£5,500.00	£6,000.00	£66,000.00	£5,000.00	£60,000.00	£126,000.00
Synthetic training – use of simulator, supply of training	8	£3,000.00	£3,200.00	£3,400.00	£76,800.00	£3,000.00	£72,000.00	£148,800.00

material, instructor and all associated T&S in accordance with Schedule 1 Serial 6.3 and 6.4.

Performance Based Navigation (PBN) Training - Supply of instructor, ground school and training material in accordance with Schedule 1 Serial 6.5 and 6.4.

Technical Management Training Course - Supply of instructor and training material - in accordance with Schedule 1 Serial 6.7 and 6.4.

Provision of Maintenance Certificate (Check A) Training- Supply of instructor and all training material in accordance with Schedule 1 Serial 6.8 and 6.4

Total

4	£1,500.00	£1,750.00	£2,000.00	£21,000.00	£1,500.00	£18,000.00	£39,000.00
1	£2,000.00	£2,200.00	£2,400.00	£6,600.00	£2,000.00	£6,000.00	£12,600.00
4	£1,500.00	£1,750.00	£2,000.00	£21,000.00	£1,500.00	£18,000.00	£39,000.00
				£191,400.00		£174,000.00	£365,400.00

Table 2

Ad-Hoc Rates	Hours Per Year	Yr 1 Rates (per hour)	Yr 2 Rates (per hour)	Yr 3 Rates (per hour)	Total (£) Years 1 to 3	Pricing Period 2 and Option Years use Year 1 rates	Hours Per Year multiplied by 3 years	TOTAL Price Evaluation for SoR Item No. 5
Engineering / Technician	100	£ 50.00	£ 55.00	£ 60.00	£ 16,500.00	£ 50.00	£15,000.00	£31,500.00
Project Manager	50	£ 40.00	£ 45.00	£ 50.00	£ £6,750.00	£ 40.00	£6,000.00	£12,750.00
Commercial	50	£ 40.00	£ 45.00	£ 50.00	£ £6,750.00	£ 40.00	£6,000.00	£12,750.00
Totals					£30,000.00		£27,000.00	£ 57,000.00

Table 3

Table 1 and 2 above shows the sample Task which has been populated with example hours, rates, overheads and profit and is provided for illustrative purposes only to be used in this worked example.

Pricing Period 1		
Schedule of Requirements Item	Monthly price if applicable	Total
Schedule of Requirements Item 1:		£500,000
Schedule of Requirements Item 2:	Contract Year 1	£1,125,000
Schedule of Requirements Item 2:	Contract Year 2	£1,524,000
Schedule of Requirements Item 2:	Contract Year 3	£1,560,000
Sample Training Rates Task at Table 2 (Contract Years 1 to 3 inc.):		£191,400.00
Sample Labour Rates Task at Table 3 (Contract Years 1 to 3 inc.):		£30,000.00
Total:		£4,930,400

Table 4

Pricing Period 2 and Option Years		
Schedule of Requirements Item	Monthly price (if applicable)	Total
Schedule of Requirements Item 3:	£125,000 Monthly firm price	£3,000,000
Schedule of Requirements Items 6:	£125,000 Monthly firm price	£1,500,000
Sample Training Rates Task at Table 2 (Contract Years 4 to 5 inc. and Option Year):		£174,000.00
Sample Labour Rates Task at Table 3 (Contract Years 4 to 5 inc. and Option Year):		£27,000.00

Total:	£4,701,000
---------------	-------------------

Table 5

3. Overfly and Underfly

3.1 Underfly

Tenderer A completes Schedule 5 with Underfly rates for Pricing Period 1:

Pricing Period 1	
Underfly Rate (Year 1):	£1,000.00

The Price of Underfly for each year of support is then calculated:

Year	10% hours per year	Hours Per Period	Rate	Deduction for Underfly per year (£)
Contract Year 1 (assuming nine months of Service delivery)	38	38	£1,000.00	-£38,000.00
Contract Year 2	50	50	£1,050.00	-£52,500.00
Contract Year 3	50	50	£1,100.00	-£55,000.00
Pricing Period 2 (assuming 2 years of Service delivery)	50	100	£1,000.00	-£100,000.00
Option Years 1	50	50	£1,000.00	-£50,000.00
			Total	-£295,500.00

Table 6

3.2 Overfly

Tenderer A completes Schedule 13 with Overfly rates for Pricing Period 1:

Pricing Period 1	
Schedule of Requirements Item 2.1 (Year 1):	£1,200.00

The Price of Overfly for each year of support is then calculated:

Year	10% hours per year	Hours Per Period	Rate	Price for Overfly per year (£)
Contract Year 1 (assuming six months of Service delivery)	38	38	£1,200.00	£45,600.00
Contract Year 2	50	50	£1,250.00	£62,500.00
Contract Year 3	50	50	£1,300.00	£65,000.00
Pricing Period 2 (assuming 2 years of Service delivery)	50	100	£1,200.00	£120,000.00
Option Years 1	50	50	£1,200.00	£60,000.00
			Total	£353,100.00

Table 7

4. Price Evaluation:

A Price Evaluation is completed to provide Tenderer A's Overall Bid Cost:

Description	Price £
-------------	---------

	(ex VAT)
Pricing Period 1 Firm Price	£4,930,400
Pricing Period 2 Fixed Price	£4,701,000
Underfly	-£295,500.00
Overfly	£353,100.00
Overall Bid Cost	£9,689,000

Table 8