

## **SUPPORTING GUIDANCE FOR COMPLETION OF ESF 2007-2013 PRICING PROPOSAL DOCUMENTATION**

### **1. Completing the pricing proposal documentation**

1.1 You are required to complete the pricing proposal documentation and supporting assumptions electronically using the attached model. The completed spreadsheet will need to be printed off and a signed version submitted, along with an electronic version on CD Rom or Memory Stick by the closing date, with the rest of your tender documents. The financial information should be placed in a separate sealed envelope within your overall tender documentation package for each individual specification for which you are bidding.

1.2 The spreadsheet comprises two sheets, labelled by tabs at the foot of the page. To enable ease of input, all cells requiring your input are highlighted in yellow.

1.3 Within the first sheet, titled 'Provider Costs', you will need to populate all sections with appropriate information and costs. **N.B. All costs should be input exclusive of VAT**

1.4 The second sheet is titled 'Assumptions'. All supporting information and detailed assumptions that you have made to arrive at the costs must be disclosed here. To help us understand how the figures input to Table A of the Provider Costs sheet have been arrived at, it would be helpful if the workings used in the calculations could be shown under the appropriate assumptions headings. It would also assist the evaluation process if these workings could be presented in a tabular format including formulae where applicable. There is no word/page limit within the assumptions sheets and providers are encouraged to expand the pages accordingly to enable them to provide as much detail as possible in order to minimise the need to seek clarification at the post tender stage.

1.5 To open the file, click on the attachment, which should automatically open up the file. You will need to click on "*enable macros*" to ensure that the calculations and formulae within the Pricing Proposal Documentation are enabled. You will be required to enter your organisations name, the name of the District and the name and reference number of the Specification you are tendering for. If tendering for more than one specification you will need to complete a separate pricing schedule for each.

### **2. Completing the Provider Costs sheet**

2.1 The Provider Costs sheet is divided into four tables, A, B, C and D.

- A – shows provider costs broken down into four main categories:
  - Staff Costs
  - Participant Costs
  - Accommodation Costs
  - Other Operating Costs

Each of these main categories is then split into further sub-categories to capture detailed costs.

There are then further cost lines for Surplus and Risk Premium, which should be completed where applicable.

- B – requires you to input your offer for Starts, Job Outcomes (and Sustained Job Outcomes if they are applicable to the specification you are tendering for).
- C – asks for information around tolerances, specifically the highest/lowest level of starts before your price changes and by how much your price will change if these start figures are breached.
- D – asks for a declaration that costs are based on corporate information and, that they have been approved by an authorised official.

### **3. Table A – Provider Costs**

3.1 Providers should include in this table only those costs relevant to ESF 2007-13 and the specification to which the bid relates. NOTE: If there are any cost categories where Providers have nil costs a '0' (zero) should be entered into the relevant cell(s). This will indicate that the cost category has been considered and there are no costs associated with that cost category rather than it being overlooked.

3.2 Costs should be given separately for each sub-category for each year of the three-years. The three-year total for each sub-category will be automatically calculated and will be shown in the 'total' column. The overall sub-total for each category for each year will also be automatically calculated as will the overall three-year sub-total for each category.

3.3 To assist with the completion of the provider costs in table A, additional information on the type of costs to be included under each category is available as notes, or comments boxes, shown by the small red triangles at the start of each sub-category. These notes will display when the mouse is hovered over the red triangles. In providing these notes, DWP does not intend to be prescriptive and it is up to providers to include any and all costs they feel are relevant to a particular cost line, supported by detailed assumptions where appropriate, in the assumptions sheet. Similarly DWP does not want tenderers to enter costs where they feel cost headings lead them. For any costs that do not readily fall within the headings, please detail in the "other" headings and provide the supporting assumptions and detail. Please see schedule 5, the relevant paragraph in respect of "Additional Costs" in the DWP standard terms and conditions which states "Subject to paragraph 18 of this Schedule, the price for the provision of the Programme is firm and any additional or unforeseen costs incurred by the Provider in providing the Services shall be borne solely by the Provider".

3.4 The compilation of costs for this tendering round is based on an 'open book accounting approach' that requires disclosure of surplus. The relevant amount for this category must be provided in the appropriate cell and any supporting

information/detailed assumptions set out in the 'surplus' section within the assumptions sheet.

#### **4. Table B – Offers of Starts, Job Outcomes and Sustained Job Outcomes**

4.1 Providers are required to input their offer of Starts for each of the three years, and as a number rather than a percentage. The 'total' figure will be calculated automatically

4.2 Providers are required to input their Job Outcome offer for each of the three years, and as a number rather than a percentage. The 'total' figure will be calculated automatically.

**4.3 Tenders for Specifications with Sustained Job Outcomes in addition to Job Outcomes** - Where appropriate, Providers will need to input their Sustained Job Outcome offer, again as a number, for each year of the 3-year period. The 'total' figure will be calculated automatically.

#### **5. Table C – Tolerances (Important - The information you provide in this table will not be used in the evaluation of your bids)**

5.1. To assist with the budget and contract management of ESF2007-13 contracts, we need to understand the range of number of starts that the Delivery Payment element of your Total Contract Price is valid for.

5.2 Table C therefore asks for the highest and lowest number of starts to which the Delivery Payment element of your Total Contract Price applies and, if applicable, by how much the Delivery Payment element of your price would change if these upper and lower start numbers were breached. (N.B. the figures input here should show the actual price change, not the new price). We also need to understand for what range of starts any increase/decrease is applicable. You are therefore asked to what upper and lower level of starts the increase/decrease applies. If your price would change again at different start levels you should provide full details e.g. the amount of any increase/reduction and the range of starts to which these would apply. This information should be provided in the Additional Assumptions section of the Pricing Proposal Assumptions sheet.

**N.B. Where the upper level of starts is breached, we cannot guarantee that additional ESF funds will become available as this will be dependent upon funding being made available as a consequence of under-performance elsewhere within the Region's ESF Programme.**

5.3 Providing these variances on price in no way gives Providers authority to deliver anything other than their benchmark performance as set out in Table B.

#### **6. Table D – Declaration**

6.1 Providers will need to sign and date the declaration, stating their position in the organisation, before returning it to DWP with the rest of their tender by the published deadline.

## 7. Completing the Assumptions sheet

7.1 The assumptions sheet is made up of six pages, relating to each of the main areas of the provider costs sheet, namely:

- Staff Costs
- Participant Costs
- Accommodation Costs
- Other Operating Costs
- Surplus
- Additional Assumptions including assumptions around Tolerances (see paragraph 5 above re. Table C – Tolerances)

7.2 These assumption sheets should be used to capture full details about the costs detailed within the provider costs sheet. They should also be used to detail any other information on your tender process that you feel is necessary to enable the evaluation team to have a full and robust understanding of your tender price. As part of the evaluation process, the information provided in the Assumptions sheet will be cross checked for consistency with the corresponding entries in the ItT Tender Form. **Remember there is no word or page limit within the assumptions sheet and the space for assumptions should be expanded as required.**

7.3 The example below illustrates how the assumptions sheet can be used to capture full details about the costs detailed in the provider cost sheet. It shows how Staff travel and Expenses are broken down within the Other Staff Costs heading and gives enough detail for the evaluation team to understand the cost associated with the specific area.

Staff travel & expenses	£X per month x 12 months (X journeys x X miles per journey x £0.40 per mile x X no of days x X no of staff)	=XXX.XX
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It is helpful if calculations and workings are presented in a tabular format, with formulae input to assist with the evaluation of your costs.

## 8. Good Practice

8.1 Where costs have been considered and there is no cost to be input to a cost line in Table A, "0" (zero) should be entered to indicate to the evaluation team that these areas have been considered.

8.2 Within the assumptions sheet there is no word or page limit. Providers are encouraged to expand the assumptions pages accordingly to enable them to provide as much detail as possible in order to minimise the need to seek clarification at the post tender stage

8.3 Calculations and workings should be presented in a tabular format where possible, using formulae where applicable. This aids understanding of the calculations behind specific cost amounts.