

SEC Fire Safety Framework – Cost Quality Ratio

In the evaluation of bidders for this framework, a **cost / quality ratio** was used rather than the traditional cost / quality evaluation method. The aim of using the cost / quality ratio as the evaluation approach for this framework was to measure quality and then calculate the quality as a function of price to measure overall Value for Money (VFM).

The maths starts off with a basic calculation. With the price-quality ratio you simply divide the price tendered by the weighted quality score bidders receive. This gives you a figure that represents how much each bidder will charge for the quality points the tenderer scored and is represented in the table below.

The tenderer with the lowest cost per quality score CPQS was awarded 100% of the available marks with the higher CPQS's allocated marks on a pro rata basis. This created a Value for Money (VFM) Score, with 100% being the best value for money.

It should be noted that the following table is for illustrative purposes only and the amounts shown are not intended to provide any indication of amounts that are expected to go through the framework.

| | Bidder A | Bidder B | Bidder C | Bidder D | Bidder E | Bidder F | Bidder G |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Overall Weighted Quality Score | 42 | 24 | 20 | 35 | 40 | 28 | 38 |
| Price submitted | £500,256.00 | £658,997.00 | £799,587.00 | £743,659.00 | £578,986.00 | £601,254.00 | £998,745.00 |
| Cost per quality score | £11,910.86 | £27,458.21 | £39,979.35 | £21,247.40 | £14,474.65 | £21,473.36 | £26,282.76 |
| Value for Money Score Calculation | 100% | 43.38% | 29.79% | 56.06% | 82.29% | 55.47% | 45.32% |