

# CDS DIRECT TENDER APPLICATION FORM

<b>Section 1 Essential criteria</b>	
<b>Criteria No. 4 - VALUE FOR MONEY THROUGH COMPETITIVE COST PER CASE RATES.</b>	
This information should be submitted in a <u>sealed envelope</u> , as it will only be looked at during Phase 3 of the selection process, after the other essential criteria have been assessed. Please ensure this information is <u>not</u> contained elsewhere in the documents you return to us. Please note that you will <u>not</u> be able to adjust the price you have tendered after the tender closing date.	
<b>Details of applicant</b>	
Name of organisation	
Main contact name at organisation	

## VAT

Please give hourly rates including VAT payable on services provided to us AND on services provided from by proposed subcontractors to you, where applicable. We will assess bids on your case rates inclusive of VAT.

We are assuming all applicants will be registered for VAT. If you are not registered for VAT, please say so, and we will gross your hourly rate up 17.5% (to include notional VAT on the supply of services from you to us) so we can compare it realistically with other applicants' case rates.

## CASE RATE GUIDANCE

This is an open tender in which we are looking for competitive bids. There is no minimum or maximum cost per case set for applicants to follow. However, applicants offering a cost per case of over £30.00 (excl VAT) are unlikely to be successful.

Please note that it is in your interests to complete every question on this Price Bid Form. If you choose not to opt for a particular option (e.g. minimum contract size) you risk being assessed less favourably than other applicants.

## CONTRACT LENGTH

We are inviting tenders priced over a three and five year contract term (both to have the option of extending by a maximum of a further two years on terms to be agreed). This form allows you to enter price details for both three and five year contract options; you must provide details for both of these options, it is not acceptable to only bid for one contract length and your bid will be disallowed if you attempt to do this.

## Volume of cases available

The LSC predicts that CDS Direct is likely to receive 17,000 cases per month or 204,000 cases a year, including 'own client' calls.

Please complete the tables below to indicate for each contract year the percentage and volume of size of bid you are making and your cost per case.

## Three Year Contract Bid

Please complete the table below to indicate the percentage and volume of size of bid you are bidding to provide in Years 1, 2 and 3. Please also indicate the cost per case for each year.

Table 1:

	Percentage of cases bidding for	Volume of cases bidding for	Cost per case (incl VAT)
Year 1	%		
Year 2	%		
Year 3	%		

## Minimum contract size

Depending upon the volume of cases bid for and quality of bids, the LSC may not be able to award you a contract for the volume of cases you have bid for above.

Please confirm for Year 1, the minimum percentage of cases you would accept at the cost per case submitted above:

Minimum percentage of Year 1 contract size bid for:	%
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Please note that preference will be given to those bidders able to demonstrate flexibility in the volume of cases they are bidding for.

## Exit costs – three year bid

The contract will include a no-fault termination clause, allowing us to terminate the contract on six months' notice at any time (through no fault of yours). The contract will also include provision for exit costs to be paid to any provider whose contract we terminate under this clause, subject to the proviso that you must use your best endeavours to reduce your exit costs and must fully mitigate any losses. In addition, any final exit costs must be verified as having been validly incurred to our satisfaction.

For the purposes of assessing the value for money criterion in the essential criteria, we are not only looking at cost per case rates, but are also looking at applicant's exit costs, so that we can also include these costs in the evaluation process. As a rough guide, you should have in mind any fixed costs you think you may not be able to lose/ pass on, e.g. leases on premises or equipment, staff salaries, etc.

Please quantify the exit costs you would look to recover from us should the contract be terminated under the no-fault provision after the following periods:

Table 2:

Months after contract start date	Exit costs
6 months	
12 months	
18 months	
24 months	
30 months	

### Five Year Contract Bid

Please complete the table below to indicate the percentage and volume of size of bid you are bidding to provide in Years 1, 2, 3, 4 and 5. Please also indicate the cost per case for each year.

Table 3:

	Percentage of cases bidding for	Volume of cases bidding for	Cost per case (incl VAT)
Year 1	%		
Year 2	%		
Year 3	%		
Year 4	%		
Year 5	%		

### Minimum contract size

Depending upon the volume of cases bid for and quality of bids, the LSC may not be able to award you a contract for the volume of cases you have bid for above.

Please confirm for Year 1, the minimum percentage of cases you would accept at the rate per case submitted above:

Minimum percentage of Year 1 contract size bid for:	%
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Please note that preference will be given to those bidders able to demonstrate flexibility in the volume of cases they are bidding for.

### Exit costs – five year bid

Please see the more detailed explanation under ‘Exit costs – three year bid’ above. Please quantify the exit costs you would look to recover from us should the contract be terminated under the no-fault provision after the following periods:

Table 4:

<b>Months after contract start date</b>	<b>Exit costs</b>
6 months	
12 months	
18 months	
24 months	
30 months	
36 months	
42 months	
48 months	
54 months	

### **Expansion case prices**

The numbers of cases available to applicants in this tendering exercise is based on predictions using historical data. The volume of cases dealt with by CDS Direct may be higher than these predictions. We expect you to be able to adjust your resources to meet an increase of up to (and including) 20% over our anticipated monthly case volumes (i.e, to continue to deal with the percentage of total cases you have been allocated, if the overall volume of cases is up to 20,400 per month (averaged over a 3 month rolling period)). We will pay you for these cases at the rate set out in tables 1 and 3 above.

### **Price per case – lower than anticipated volumes**

If the demand for the service is not as great as predicted we will expect you to continue to meet your percentage allocation of cases, provided that these volumes are not lower than 20% less than the volumes predicted in the Information for Applicants (averaged over a rolling 3 month period). However, we are aware that a more substantial reduction in size of service may result in the cost per case rate increasing as overheads may not be able to be reduced in line with any downsizing of the contract.

In this section we are looking for information on your costs were the number of case were to be lower than 80% of our predicted volumes and at what point the cost per case rate would increase to ensure your costs are met.

Please complete the table below to indicate your price per case if the volumes are less than 80% of the predicted volumes

Table 5:

	<b>Price per case at 60 – 80% of predicted volumes</b>	<b>Price per case at 40 - 60% of predicted volumes</b>	<b>Price per case at less than 40% of predicted volumes</b>
<b>Year 1</b>			
<b>Year 2</b>			
<b>Year 3</b>			
<b>Year 4</b>			

Year 5			
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**Cost per case rate break down**

Please provide a list of costs included in your gross cost per case rate, so that we can check you have considered everything – e.g. wages, tax, National Insurance, rent, IT, supervision, file review, administration, telephone bills (excl cost of outgoing calls), stationery, postage costs (communicating with clients), travel to liaison meetings, time spent attending liaison meetings, any other costs and expenses, etc.

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**NOTE:** This Price Bid Form is part of your Application Form. You should, therefore, read the declaration at the end of the Application Form (above the signature box), which applies equally to the information given in this Price Bid Form.

<b>Signed:</b>	<b>Organisation:</b>
<b>Name:</b>	<b>Date:</b>
<b>Status:</b>	