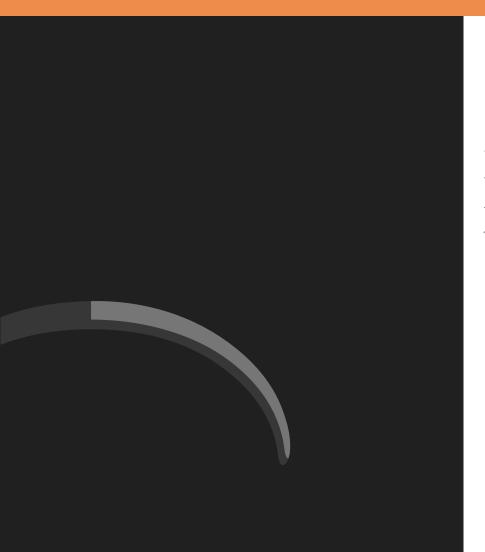
Are Your Pricing Schedules Throwing You a Curveball?



Presented by:

Jan Giffin, CPPO, CPPB, VCO



What is a pricing schedule?

Is the pricing schedule clear?

Does the pricing schedule cover all possibilities?



Are pricing schedules the same?

- Sometimes they can be "cookie cutter"
- Sometimes very different



Does a good pricing schedule make the evaluation process easier?

Does a good pricing schedule help you administer a contract more effectively?



Is the pricing schedule clear?

Tree Removal Services for assorted tree sizes:

6 inches to 12 inches

12 inches to 18 inches

18 inches to 24 inches

24 inches to 30 inches

30 inches to 36 inches

36 inches to 42 inches



Tree Removal Services for assorted tree sizes:

6 inches to 12 inches	\$200

Award Pricing:

12 inches to 18 inches	\$275
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18 inches to 24 inches \$350

24 inches to 30 inches \$425

30 inches to 36 inches \$500

36 inches to 42 inches \$650

What is the price for a 12 inch tree? A 24 inch tree?



Tree Removal Services for assorted tree sizes:

Award Pricing:

>	6 inches &≤ 12 inches	\$200

> 12 inches & ≤ 18 inches	\$275
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>	18 inches	& ≤ 24 inche	\$350
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>	30 inches ≤ 36 inches	\$	
		\$50	W

What is the price for a 12 inch tree? \$200

What is the price for a 24 inch tree? \$350



What should a pricing schedule consider?

- Fixed costs
 - Equipment
 - Repetitive monthly costs
 - Maintenance

- Variable costs
 - Parts
 - Supplies
 - Training
 - Unknowns



Should a pricing schedule be in writing?



Simple pricing schedules

- Single Quote
- Fax Back

QQ





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Jump to: Issued | Closed-Evaluating | Past

In Process

ID	\$ Title	Created	Publish Date	Due Date	\$ Status	\$
EVA001_QQ011568	Copy of Spring Flowers	03/28/2011		04/20/2011 04:00:00 PM	composing	Actions ▼
EVA001_QQ011562	Spring Flowers	03/28/2011		04/20/2011 04:00:00 PM	composing	Actions ▼
EVA001_QQ011499	Copy of Widgets #2	12/06/2010		12/06/2011 01:00:00 PM	composing	Actions ▼

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Issued

ID	\$	Title	Publish Date	Due Date	Count	Status	\$
No requests to display.							

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Closed-Evaluating

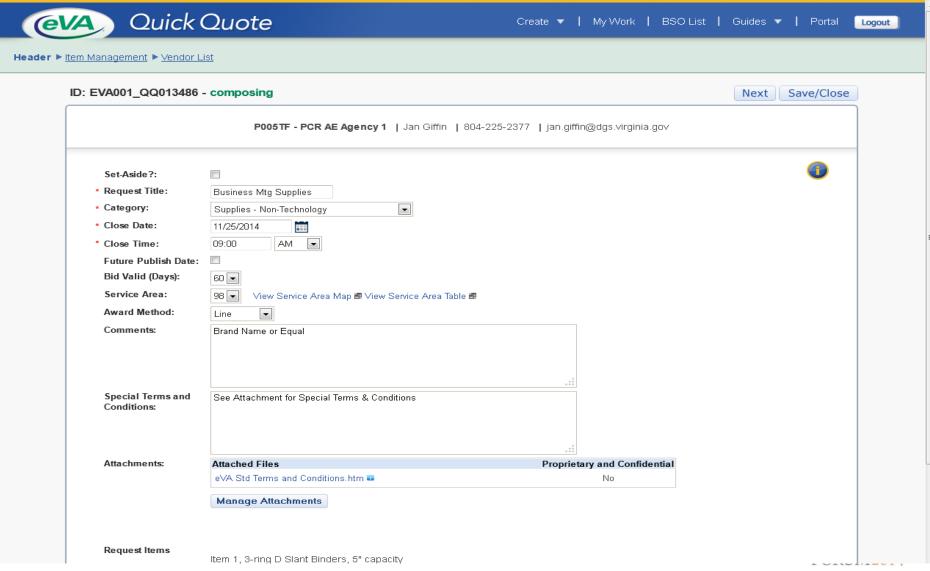
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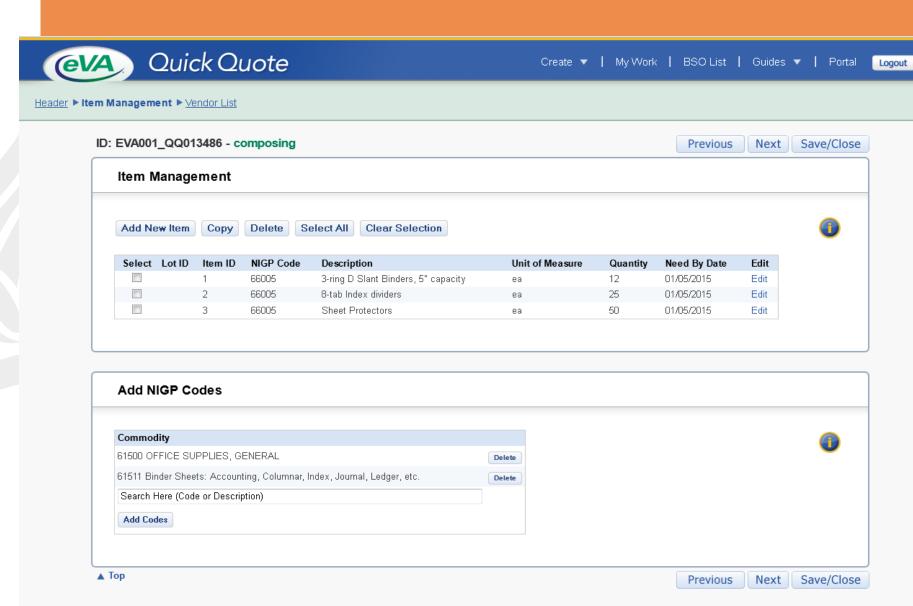
Past

ID	\$ Title	Created	Publish Date	Due Date		Count	Status	\$
EVA001_QQ012438	Business Mtg 2 Supplies	10/28/2012	10/28/2012 10:52 PM	06/04/2013 09:00:00 AM	60 Days	1	contact buyer	Actions ▼
EVA001_QQ011498	Widgets #2	12/06/2010	12/06/2010 11:37 AM	12/06/2010 01:00:00 PM	30 Days	0	contact buyer	Actions ▼
EVA001_QQ011497	widgets	12/06/2010	12/06/2010 11:36 AM	12/06/2010 01:00:00 PM	30 Days	0	contact buyer	Actions ▼
EVA001_QQ011425	Business Mtg Supplies	06/03/2010	06/03/2010 02:47 PM	06/04/2010 09:00:00 AM	60 Days	3	awarded	Actions ▼

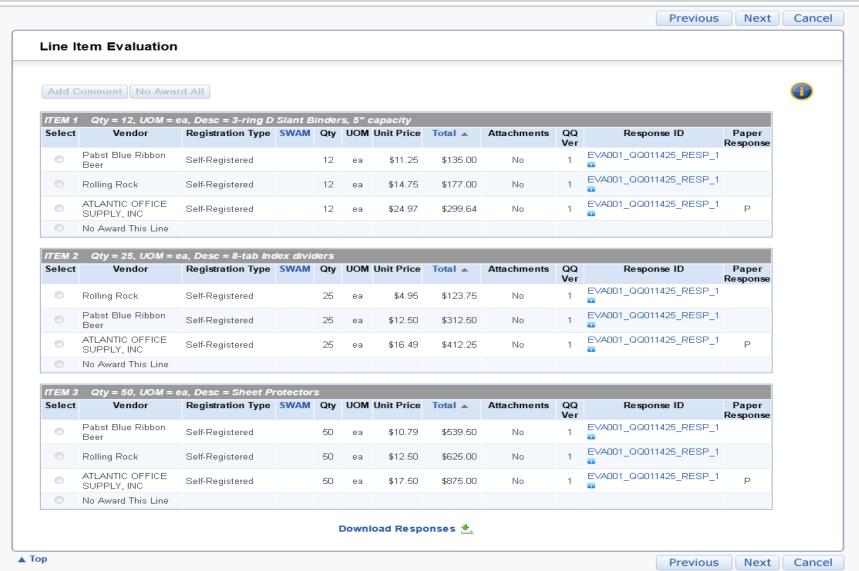
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12/1/2014



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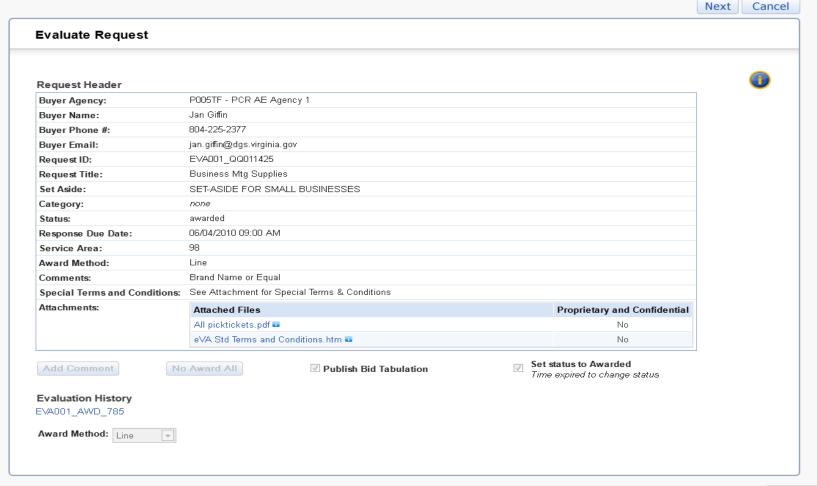
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Logout

Evaluation ▶ Evaluate Request ▶ Line Item Evaluation ▶ Evaluation Review



12/1/2014

Evaluate Request

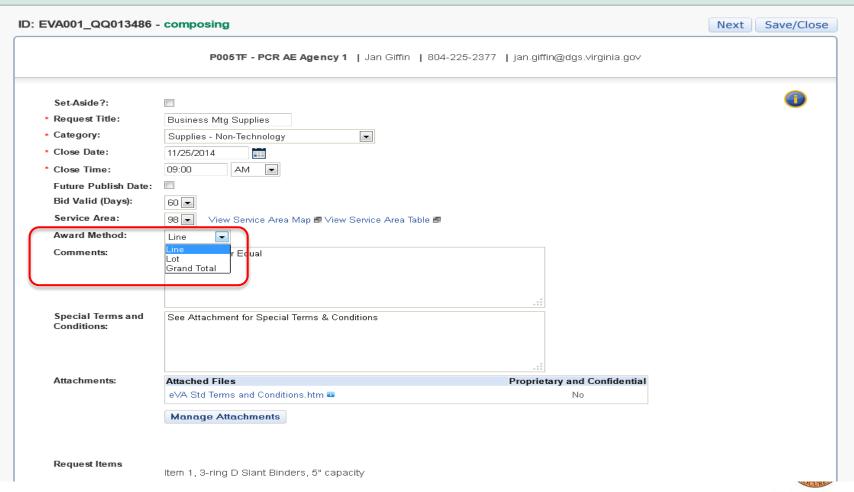
- The Evaluate Request page shows the Request Header with the award method set to the value you selected when you created the request
- You can award by *Line Item*, *Lot*, *or Grand Total*. You can change the award method using the drop-down list. You can use only one award method for all items on a request. You cannot split the award method (that is, use the Lot method for some lines and award the rest of the lines by the Line Item method).





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Header ► Item Management ► Vendor List



Are you adding an "AWARD" clause to your Quick Quote?

What does an award clause do for a Quick Quote?



AWARD:

- The Commonwealth will make the award(s) on basis to the lowest responsive and responsible bidder.
- The purchasing office reserves the right to conduct any test it may deem advisable and to make all evaluations.



AWARD:

• The Commonwealth also <u>reserves the right</u> to <u>reject any or all bids</u>, <u>in whole or in part</u>, to waive informalities and to delete items prior to making the award, whenever it is deemed in the sole opinion of the procuring public body to be in its best interest.



2.L. AWARD:

Award of the contract shall be made to the lowest responsive and responsible bidder that is a DSBSD-certified micro business if such a bid is received, provided that the bid is less than \$10,000 and the agency in its sole discretion determines that the bid price is fair and reasonable. Otherwise, award of the contract shall be made to the lowest responsive and responsible bidder that is a DSBSD-certified small business if such a bid is received, provided that the bid is not more than \$100,000 and the agency in its sole discretion determines that the bid price is fair and reasonable. If, in the agency's opinion, the criteria in the previous two sentences are not present, then



2.L. AWARD (continued):

award shall be made to the lowest responsive and responsible bidder of any size, provided the agency in its sole discretion determines that the price is fair and reasonable. If applicable, unit prices, extensions and grand total must be shown. In case of arithmetic errors, the unit price will govern. If cash discount for prompt payment is offered, it must be clearly shown in the space provided. Discounts for early prompt payment will not be considered in making awards. The State reserves the right to reject any and all bids in whole or in part, to waive any informality, and to delete items prior to making an award.

* When Used: This award clause may be used in invitations for bids for goods or services where the procurements is set-asides in accordance with the Small Business Enhancement Award Priority.

FORUM20

Complex Pricing Schedules (IFB or RFP)

- Complex Requirements
- Hourly Rates
- Time & Materials
- Fixed & Variable Costs
- Maintenance
- Training
- Life Cycle Costs



RFP for a Safety Training Program

- Pricing Proposal:
 - Provide a detailed fee proposal to provide all goods/services under your program
 - What is included?
 - Will something be omitted?



Be more specific

- Plan and coordinate instructor training classes
- Maintain student database
- Travel costs for trainers
- Develop testing plan



Consider Life Cycle Cost

- Determine all cost factors
- Equipment
- Supplies
- Maintenance



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Consider Evaluation Scenarios

Vendors may try to play with pricing for single unit evaluations



Tree Removal Services for assorted tree sizes:

- > 6 inches $\& \le 12$ inches
- > 12 inches $\& \le 18$ inches
- > 18 inches $\& \le 24$ inches
- > 24 inches $\& \le 30$ inches
- > 30 inches $\& \le$ 36 inches
- > 36 inches $\& \le 42$ inches

Pricing:

ው	200	Φ.	250
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Tree Removal Services for assorted tree sizes:

	6	inches	$\Omega_{\tau} <$	12	inches	75
<i>></i>	O	mes	$\propto \geq$	12	mes	/ 3

- > 12 inches $\& \le 18$ inches 75
- > 18 inches $\& \le 24$ inches 60
- > 24 inches $\& \le 30$ inches 50
- > 30 inches $\& \le$ 36 inches 30
- > 36 inches $\& \le 42$ inches 20

<u>QTY</u>		Pricing:			
	\$ 200	\$ 350			

- \$ 275 \$ 375
- \$ 350 \$ 325
- **\$ 425 \$ 425**
- \$ 500 \$ 350
- <u>\$ 650</u> <u>\$ 500</u>
- **\$2400 \$2325**
- \$105,875 \$115,625



Success Stories

Not – so - Successful Stories





