

Appendix A

The tender evaluation

Open procedure

1. THE AWARD CRITERION

The award criterion is the best price-quality ratio.

In this connection, the contracting authority will apply the following sub-criteria:

1) Price 20 %

evaluated on the basis of the following sub-criterion element:

1. The tender shall encompass a clear budget regarding the price. The tenderer shall give an estimate of expected resource allocation divided between the different staff groups, e.g. project manager, consultants, administrative staff etc.

2) Quality 50 %

evaluated on the basis of the following sub-criterion elements:

1. The tenderer shall describe the task solution including all the tasks in Appendix 1.
2. The tenderer shall describe the activities with the required relevance and quality in proportion to realising the project's overall objectives.
3. The tenderer must have a fundamental and detailed insight into spectrum auction processes, auction design, coverage requirement analyses, and auction software.
4. The tenderer shall deliver methods ensuring the relevant quality control and task management in relation to spectrum auction processes.

3) Organisation and competence in the project team 20 %

evaluated on the basis of the following sub-criterion elements:

1. The tenderer must provide the relevant competences in order to solve the task and be able to manage the task's complexity and size.
2. The tenderer must provide a project team with experience with solution of similar tasks.

4) Time schedule 10 %

evaluated on the basis of the following sub-criterion element:

1. The tenderer must provide a time schedule indicating a number of hours for each member of the project team placed on each activity.

The percentage rates indicate the weighting of the individual sub-criteria in the tender evaluation. The sub-criterion elements under each sub-criterion are weighted mutually equal.

However, the Danish Energy Agency calls attention to the weighting under sub-criterion "Price", where another weighting is indicated in Appendix 1.

2. EVALUATION METHOD – SCORING MODEL

In order to evaluate which tender offers the best price-quality ratio, the contracting authority uses a scoring model for comparison of the sub-criteria "Price", "Quality", "Organisation and competences in the project team" and "Time schedule". The details of the scoring model are described below.

The evaluation of the sub-criteria "Price", "Quality", "Organisation and competence in the project team" and "Time schedule" will be carried out in accordance with the evaluation preferences as indicated in Appendix 1, paragraph 2.2. The more the evaluation preferences are met, the higher grade the tender will be awarded.

In the evaluation of each sub-criterion, the sub-criterion elements will be graded. The total grade for each sub-criterion in question will be based on the average of the grades for each sub-criterion element. Each sub-criterion element will be graded from 1 (worst) to 5 (best) in relation to how well the standards are met. Each grade is described in detail below.

The *grade 1* is granted for an inadequate and incomplete description, where every part or the main part is missing a description.

The *grade 2* is granted for an incomplete and superficial description, where significant parts are missing a description.

The *grade 3* is granted for an average description that covers the basic but lacks a more thorough level of detail.

The *grade 4* is granted for a good and satisfactory description that covers all relevant issues but lacks a small bit of depth and detail.

The *grade 5* is granted for a highly detailed and thorough description of all relevant subjects in a way that demonstrates that the consultant has a deep knowledge about the subject.

The sub-criterion "Price" will be evaluated on the basis of the price stated in the tender. In order to be able to compare the evaluation of the sub-criterion "Price", the model will convert the criteria "Price" into grades as described below .

Primary (nonlinear) scoring model:

The tenders received will be awarded grades for "Price" according to a nonlinear scoring model. Grades are awarded using the formula: $\text{Grade} = 1 + 4 \cdot (\text{lowest price} / \text{price})$. This method will be used for awarding grades for both the fixed price of the consulting services and the auction software and for the hourly rate average of the consultants.

Example:

The lowest fixed price of the consulting services and the auction software offered is 2,000,000 DKK. The fixed price of the consulting services and the auction software offered is 6,000,000 DKK.

The lowest price is awarded the grade: $1 + 4 \cdot (2,000,000/2,000,000) = 5.00$

The highest price is awarded the grade: $1 + 4 \cdot (2,000,000/6,000,000) = 2.33$

Alternative (linear) scoring model

The contracting authority will use an alternative (linear) scoring model for either the fixed price of the consulting services and the auction software or for the average hourly rates of the consultants or for both if the primary (nonlinear) scoring model cannot award grades that show the actual price differences in the tenders. The tenders received will then be awarded grades for "Price" according to a linear model on the basis of a target price for the fixed price and a target price for the hourly rate average:

- The target price is awarded the average grade, 3.
- The target price subtracted 50 % is awarded the maximum grade, 5.
- The target price plus 50 % is awarded the minimum grade, 1.

The target price used for the fixed price of the consulting services and the auction software is 4,500,000 DKK. Thus, a price offer of 1,800,000 DKK is awarded the grade 5 and a price offer of 7,200,000 DKK is awarded the grade 1. Thus, grades are awarded using the formula: $\text{Grade} = 19/3 - 1/1,350,000 \cdot \text{price}$.

The target price used for the ad hoc hourly rate is 2,000 DKK. Thus, a price offer of 800 DKK is awarded the grade 5 and a price offer of 3,200 DKK is awarded the grade 1. Thus, grades are awarded using the formula: $\text{Grade} = 19/3 - 1/600 \cdot \text{price}$.

Identification of the tender with the best price-quality ratio:

The tender which on the basis of the above evaluation method has achieved the highest number of grades in view of the mutual weighting of the criteria, see this Appendix paragraph 1 above, is considered to be the tender with the best price-quality ratio.