



The Commercial Desk

CM-04 · USER GUIDE · VERSION 1.0

Tender comparison and levelling

The cheapest bid isn't always the lowest price.

Who it's for

Commercial managers and quantity surveyors comparing bids for a package, and directors who approve the award.

In this guide

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What this tool does

CM-04 takes up to six bids line by line. It corrects arithmetic, prices every gap where a bidder has excluded or missed an item, adds the cost of each qualification, and ranks the levelled bids against your cost plan budget. It then writes a recommendation to award, ready to sign.

What's in the workbook

Tab	What it's for
Guide	How to use the tool, in brief.
Summary	The lowest submitted and lowest levelled bids, the recommendation and the ranking.
Bids	Up to six bids, line by line, with stated totals.
Levelling	Allowances for gaps, qualifications and levelled totals.
Comparison	Submitted and levelled bids side by side, ranked against the cost plan.
Recommendation	The recommendation to award, ready to sign.
Licence	Your licence details and terms.

Using the workbook

You'll see	What it means
White cell, blue text	Your inputs. These are the only cells you can change.
Black text	Calculated. Locked so formulas can't be overwritten by accident.
Green text	Pulled from another tab.
Brass cell	The key result on that tab.
Red text	Something needs attention: a late date, a high risk or an expiring quote.

The worked example is already filled in, so you can see how every input should look. Replace it with your own figures; nothing else needs setting up.



Step by step

- 1 **Package.** Enter the package, cost plan budget from CM-06 and return date.
- 2 **Bids.** Enter each bidder's name and prices line by line. Type Excluded for excluded items.
- 3 **Totals.** Enter each stated tender total so arithmetic errors show.
- 4 **Gaps.** Check the allowance for each gap, or enter your own.
- 5 **Qualifications.** List each qualification and what it would cost you.
- 6 **Recommend.** Choose the bidder, add conditions and print the recommendation.

Key inputs

Input	What to enter	Worked example
Line price	Each bidder's price for the item, or Excluded.	BR11: Excluded
Stated total	The total on the bidder's form of tender.	£1,017,130
Your allowance	Your price for a gap, if not the average.	BR13: £15,000
Qualification cost	What the qualification would cost you.	£8,000

Reading the results

Result	What it tells you
Levelled total	Line prices plus gaps at your allowance plus qualifications.
Rank	1 is the lowest levelled bid.
Allowance share	How much of the levelled total is your allowance, a measure of uncertainty.
Arithmetic error	The stated total doesn't match the line prices.
To cost plan	Levelled total less the CM-06 budget. Red when over.

The worked example

Figures are illustrative, to show how the tool works. Bidders and prices are made up.

Worked example	Result
Bids	Five brickwork bids against a £1,010,000 budget
Lowest submitted	Northfield at £953,380, but it excludes three items
Lowest levelled	Castle Masonry at £1,006,380, £3,620 under budget
Arithmetic	Trent Valley's total is £12,000 short of its line prices
Recommendation	Award to Castle Masonry; ranking changed by levelling

Tips from practice

- Ask bidders to price significant gaps rather than relying on your allowance.
- Cost qualifications honestly. A longer programme or a short price validity has a real cost.
- Record every point you clarify in CM-03 so the award is defensible.



Questions

Why isn't the lowest bid recommended?

Once its gaps and qualifications are priced, it isn't the lowest. The recommendation explains why.

Can I recommend someone else?

Yes. Choose the bidder and give your reason; the check shows it.

Where does the award go?

To CM-10 Subcontract order and award pack, and the sum to CM-11 and CM-13.

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