

## Tendering for Package Contracts in eAuctions

Operators that are interested in tendering for individual contracts that also have a package option, or if they are interested in the package contract itself, must remember to **continually monitor the prices of the individual contracts as well as the package option** during the eAuction.

Transport Operations will award the contracts that offer the lowest total prices. To illustrate this point, please see the examples below with 2 individual contracts, Contract A and Contract B, and a package of the 2 contracts called Package A & B.

Contract	Lowest Tendered Price	Operator	Comment
Contract A	£100	Operator 1	In this case, the contract will be awarded to operator 3 with the package price of £180.
Contract B	£100	Operator 2	
Package A & B	£180	Operator 3	

Operators 1 and 2 will have noted that the price of £180 submitted by Operator 3 for the package is less than that combined price of Contract A and Contract B.

Contract	Lowest Tendered Price	Operator	Comment
Contract A	£100	Operator 1	In this case, Operator 1 will be awarded contract A, and Operator 2 will be awarded Contract B.
Contract B	£80	Operator 2	
Package A & B	£185	Operator 3	

Operator 3 will have noted that the combined price of Contract A and Contract B was £180 and therefore less than Operator 3's package price of £185.

Contract	Lowest Tendered Price	Operator	Comment
Contract A	£100	Operator 1	In this case, Operator 1 will be awarded the Package A & B.
Contract B	£80	Operator 2	
Package A & B	£168	Operator 1	

Operator 1 has been bidding for both the single contract A and the combined Package A & B. Operator 1 will be awarded the package contract as it offers a better price to the Council than the 2 individual prices.

### Key points to remember with Package contracts:

- **Before the eAuction, prepare your best price(s)** for the individual contract(s) and package options that you are interested in.
- During the eAuction, **continually monitor the changing prices** of the individual contract(s) and package options that you are interested in.
- Continue to **identify the lowest price combinations** for all of the contracts that are affected by the package option as the eAuction progresses.
- Remember that any contract that you win you will be expected to operate and there are large penalties if you do not.