

What Price Is Actually Worth

A weighting guide. Price weighting is the single most consequential number in an RFP, and it is usually set by habit rather than by decision.

WHY THE NUMBER MATTERS MORE THAN PEOPLE THINK

Weighting is not a formality applied to criteria that have already decided themselves. Shift price weighting by fifteen points and a meaningful share of competitive evaluations change winner. The same bids, the same scores, a different award. If that is true, then the weighting conversation is the sourcing decision, and it deserves more than five minutes at the end of a kickoff call.

START AT 20–30%, THEN JUSTIFY MOVING

For most competitive categories, price belongs somewhere between a fifth and a third of the total. Below that and you stop being accountable for cost. Above it and you have run an auction while telling everyone you ran an evaluation.

CATEGORY TYPE	WHAT IT LOOKS LIKE	PRICE WEIGHT	WHY
Commodity	Specification is fixed and identical across suppliers. Switching is straightforward.	40–60%	Differentiation is genuinely price. Weight it honestly.
Competitive service	Multiple credible suppliers, real differences in method and team.	20–30%	The default. Cost matters, execution decides the outcome.
Strategic / complex	Long term, deep integration, high switching cost, few credible suppliers.	15–20%	The cost of picking wrong dwarfs the price gap.
Transformational	The outcome is a capability you do not have yet.	10–15%	You are buying a result. Cheap failure is the expensive option.
Regulated / safety-critical	Failure carries legal, safety or reputational consequence.	10–15%	Compliance and risk carry the weight instead.

THREE TESTS BEFORE YOU LOCK THE WEIGHTS

- **The reversal test.** If the lowest bidder also scored lowest on quality, would your weighting still select them? If yes, and that outcome would be wrong, your price weight is too high.
- **The indifference test.** How much more would you genuinely pay for the best technical response over the weakest acceptable one? Express that as a percentage of contract value. If your weighting implies a different number, one of the two is wrong.
- **The defence test.** Could you explain this weighting to a losing bidder, in writing, without embarrassment? Weightings that cannot survive that conversation tend not to survive a challenge either.

HOW TO DOCUMENT IT

- Record weights, the rationale for each, and the date they were agreed, before the submission deadline.
- Name the people who approved them. Shared authorship is what stops weights drifting later.
- Keep the record with the evaluation file. An award defended a year later is defended on this document.

A NOTE ON COST WEIGHTING VERSUS PRICE WEIGHTING

These are not the same thing, and the difference is worth real money. **Price** is what appears on the bid. **Cost** is price plus implementation, transition, administration, risk and exit.

Weight *cost*, and normalize the bids before scoring. The Bid Comparison Sheet in this kit does that work.