

# Apet<sup>®</sup>360Pro<sup>™</sup> Procurement Portal User Guide 11 – Part 1



## Cost Model Instructions

#### **Overview**

This User Guide provides information on 360Pro's ability to capture prices in several different modes (Lump Sum and Total Cost of Ownership) and undertake analysis of those prices against weighted technical scores.

#### **Function**

To add the price module to a Job, Select the 'Yes' radio button alongside 'Cost Associated?' on the Job Management view when you are creating a Job. If the Job has already been created, select 'Edit' on the Job Info Tab and then the 'Yes' radio button alongside 'Cost Associated?'.

Selecting 'Yes' automatically reveals the 'Price' tab to you, the User, and the Provider. 'Yes' cannot be selected after the Job is published.

The 'Price' tab provides the functionality for the Provider to include their prices within a field that can be used to determine Value for Money (VFM).

In terms of scoring Price, 'VFM' is the default setting within the Price tab. Alternatively, you have the option to nominate a weighting for price via the 'Weight Price' radio button. When it comes time to run the Evaluation plus Risk Report, if you have weighted price, 360Pro will give a price result (lowest price receives the highest result) and that price result will be multiplied by the price weighting and will be taken into consideration when VFM is calculated.

### If you have weighted price (via the in-built price tab), you must run the Evaluation plus Risk report to obtain your overall VFM results.

#### The Job Price Tab

This tab enables you to select the cost option when the the 'Yes' radio button on the Job Management view is selected.

There are four types of cost models available:

- 1. Lump Sum
- 2. Total Cost of Ownership (TCO)
- 3. Schedule of Rates Discussed in User Guide 11 Cost Model Instructions Part 2
- 4. Plant NPV (Net Present Value) Discussed in User Guide 11 Cost Model Instructions Part 2

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To set up the pricing model select the model you wish to use from the model selection dropdown.

A **Provider Guide** field is available for you to include some guidance to the Provider to assist them in correctly entering their pricing (e.g. *Lump Sum price must include GST*). Provider Guide field is not a mandatory field.

Apet®360Pro	Job Info Provider Info Price Criteria Price          Image: Criteria         Image: Criteria
Creating a Public Job	Fields marked with an asterisk (*) sign are mandatory  Provider guide
	Figure 1 Your Perspective - Price tab

#### 1. Lump Sum

A Lump Sum Cost Model (Figure 1) requires no further configuration and is the most common price model used. It displays a Price tab to the Provider for them to insert their Lump Sum Price. This is a mandatory field for the Provider.

The Job can then be published as normal.

The Provider sees an additional tab with a mandatory field for their Price (Figure 2).

1	Job Info Your Info Crit	eria Price			
Apet®360Pro	Creating a Publi Your job is now rea	c Job Idy for submission. (	Click "Submit" button t	o submit the job. Review <u>Submit</u> Contact Job Manager	1
AngeWright awright	Job Progress				
	100% Your Info	100% Criteria	100% Price	l	
Timezone AUS Eastern Standard Released 30-Jun-2014 11:00 Registered R 30-Jun-2014 12:27 Closing 21-May-2015 17:00	Price Price 100000 Exit Save	*			

Figure 2 Provider's perspective - Lump Sum

Once evaluated, the Evaluation plus Risk report when Price is not specifically weighted

	Coordina														
39	scoring														
40	System	Weighted Price													
41	Price Weight	40%													
42	Location Weight	0%													
43	Lowest Price	\$45,000.00													
44	Highest Price	\$52,000.00													
45	Median Price	\$50,000.00													
46															
47															
48	Results														
49	Providers	No	n Price		R	lisk		Price				Location		VFM Ca	lculation
50	Weight Distribution		60%					40%				0%			
51		Result	Weighted Result	Ranking	Index	Ranking	Price	Result	Weighted Result	Ranking	Result	Weighted Result	Ranking	Result	Ranking
52	Angela's Training Compar	67%	40%	1	1	1	\$45,000.00	100%	40%	1		0%	1	80.0	1
53	angetest3%	61%	36%	2	1	1	\$50,000.00	90%	36%	2		0%	1	72.5	2
54	ABC Training	44%	26%	3	1	1	\$52,000.00	87%	35%	3		0%	1	61.1	3
55															
56															
57	Price														
58	Weight	40%													
59	Provider	Price	Price Result												
60	Angela's Training Compar	\$45,000.00	100%												
61	angetest3%	\$50,000.00	90%												
62	ABC Training	\$52,000.00	87%												

Alternatively, if Price is weighted – the Price results will be displayed and the VFM calculation will take Price Results into consideration with the VFM formula.

Figure 3 Evaluation plus Risk report - Price weighted at 40%

#### Lump Sum supported by a Pricing Schedule

Where the pricing model for a Job is more complex or different from the standard approaches provided, you may want to issue a Pricing template (usually in a spreadsheet) and then select a price point with instructions for the Provider to enter the a value into the Lump Sum Cost Model field. This allows you to compare responses based on a lump sum for a particular price point and obtain visibility of a breakdown of the price.

### 2. Total Cost of Ownership

To configure the Total Cost of Ownership (TCO) Costs model, you have to nominate the Discount Rate and the Number of Years.

The Discount Rate is used to calculate the Net Present Value of the various costs.

The Number of Years sets the number of years you wish respondents to enter information and be assessed upon.

1.	Job Info Provider Info Price Criteria
Apet®360Pro	Price
Creating a Public Job	Fields marked with an asterisk (*) sign are mandatory  Provider guide
Open Tender     Jobs     Providers     Panels     Evaluation     Reports	<ul> <li>Select Cost Model Total Cost of Ownership (TCO) </li> <li>Discount Rate 6.5 *</li> <li>Number of years 5 *</li> </ul>
<ul><li>System</li><li>Users</li><li>Help</li></ul>	Cancel

Figure 4 Your Perspective - Total Cost of Ownership

The Job can then be published as normal.

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The Provider then sees an additional tab with a series of fields (Figure 7):

- Cost the initial cost of the equipment [Mandatory]
  - Trade in the trade in price offered for existing equipment
- Residual the estimated residual value of the equipment after the stated number of years
- Annual Payment the annual cost of the equipment [Mandatory]
- Consumables the estimated cost of consumables
- Other costs: any other costs associated with the equipment such a licensing

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1.	Job Info Your Info first se	ection Price					
Apet®360Pro	Creating a Job			1	Review (	Contact Job Manager	?
Integrated Evaluation Solution	Job Progress						
AngeWright	100%	100%	0%				
Logout	Your Info	first section	Price				
*	Price						
<b>T</b>	FILCE						
AUS Eastern Standard	Cost	100000 *					
Released 11-Aug-2014 13:30	Trade In	1000					
Registered 🙀 11-Aug-2014 13:50	Residual	100					
Closing 11-Aug-2014 14:30	Annual Payments	10000 *					
39 minutes until close of	Consumables	2000					
job	Other Costs	2000					
	Exit Save						

Figure 5 Provider's Perspective - TCO

Rates are visible to the Evaluator, including the calculated NPV/Aggregated Cost:

1.	Job Info Evaluate Provider Info Price first s	section
Apet®360Pro	Evaluation	
Integrated Evaluation Solution	🌯 AngeWright - Costs	
Creating a Job	Cost Type:	[ntal Cost of Ownership (TCO)
Open Tender     Jobs     Providers	<ul><li>Cost</li></ul>	100000.00 *
<ul><li>Providers</li><li>Panels</li><li>Evaluation</li></ul>	3 Trade In	1000.00
<ul> <li>Reports</li> <li>System</li> <li>Users</li> </ul>	Residual	100.00
<ul> <li>Help</li> </ul>	Annual Payments	10000.00 *
Logged in as Ange Wright Role: Boss	Consumables	2000.00
Logout	Other Costs	2000.00
	NPV / Aggregated Cost:	\$150,795.20
	Previous Next	

Figure 6 Evaluator's Perspective – TCO



In the Evaluation Report, a VFM comparison is provided in a table and a VFM graph:

Results							
	Provider Rank	ing					
Providers	Non P	Price		Price	Final Rank		
AngeWright	66.67%	1	\$150795.20	1	1		
AngeWright Manual	44.44%	2	\$296434.70	2	2		

Figure 7 Summary Table – TCO



**Provider Performance** 

Figure 8 VFM Graph – TCO

Schedule of Rates and Plant NPV (Net Present Value) are discussed in User Guide 11 Cost Model Instructions Part 2.