



Apet®360Pro™ 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**

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.

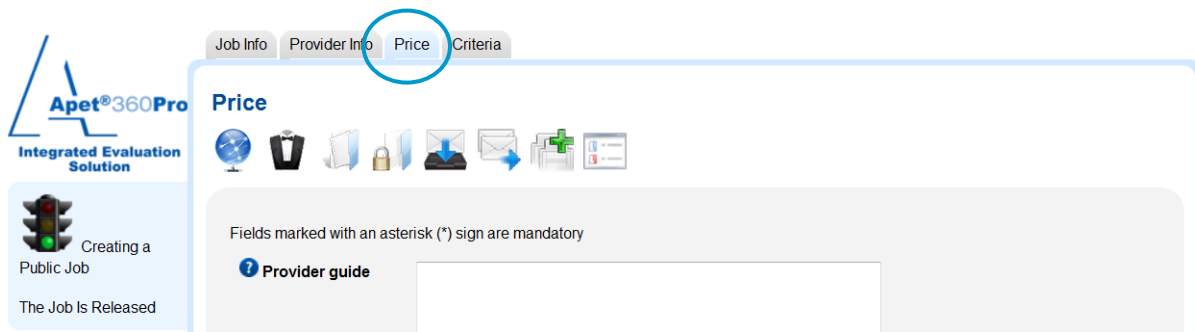


Figure 1 Your Perspective - Price tab

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).

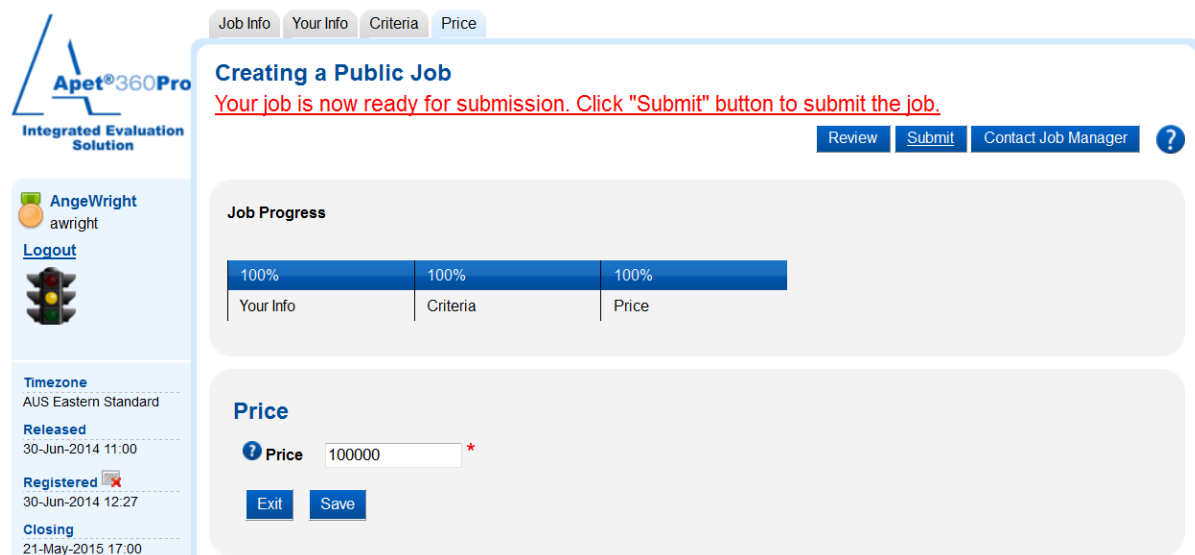


Figure 2 Provider's perspective - Lump Sum

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

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.

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	Non Price			Risk		Price			Location			VFM Calculation		
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	angetest34	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	angetest34	\$50,000.00	90%												
62	ABC Training	\$52,000.00	87%												

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.

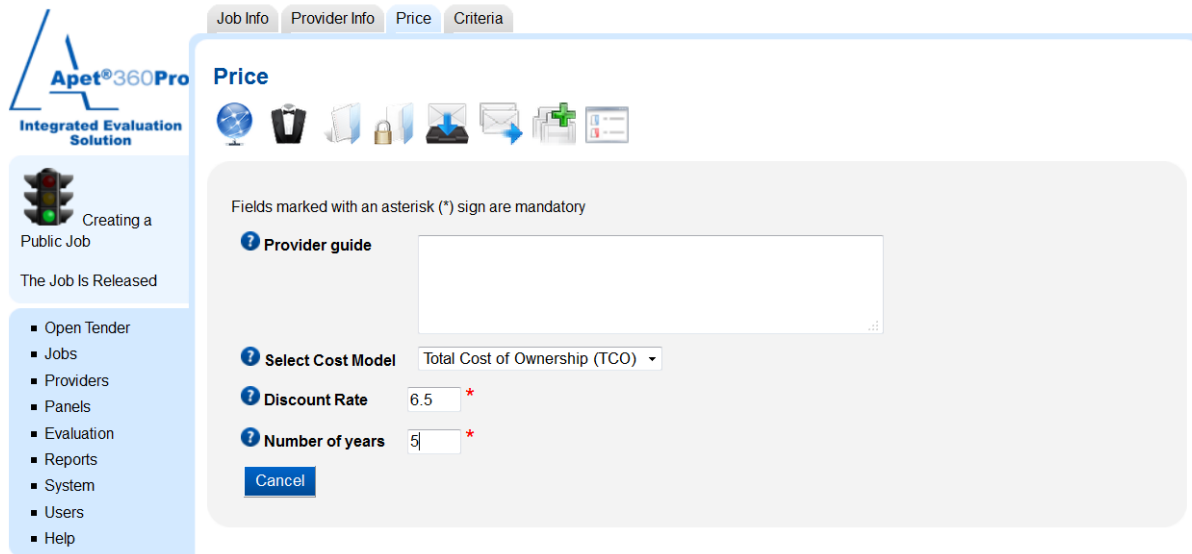


Figure 4 Your Perspective - Total Cost of Ownership

The Job can then be published as normal.

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

Creating a Job

Review | Contact Job Manager

Job Progress

100%	100%	0%
Your Info	first section	Price

Price

- Cost: 100000 *
- Trade In: 1000
- Residual: 100
- Annual Payments: 10000 *
- Consumables: 2000
- Other Costs: 2000

Exit | Save

Figure 5 Provider's Perspective - TCO

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

Evaluation

AngeWright - Costs

Cost Type: Total Cost of Ownership (TCO)

Cost	100000.00 *
Trade In	1000.00
Residual	100.00
Annual Payments	10000.00 *
Consumables	2000.00
Other Costs	2000.00

NPV / Aggregated Cost: \$150,795.20

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Figure 6 Evaluator's Perspective – TCO

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

Results					
Provider Ranking					
Providers	Non 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

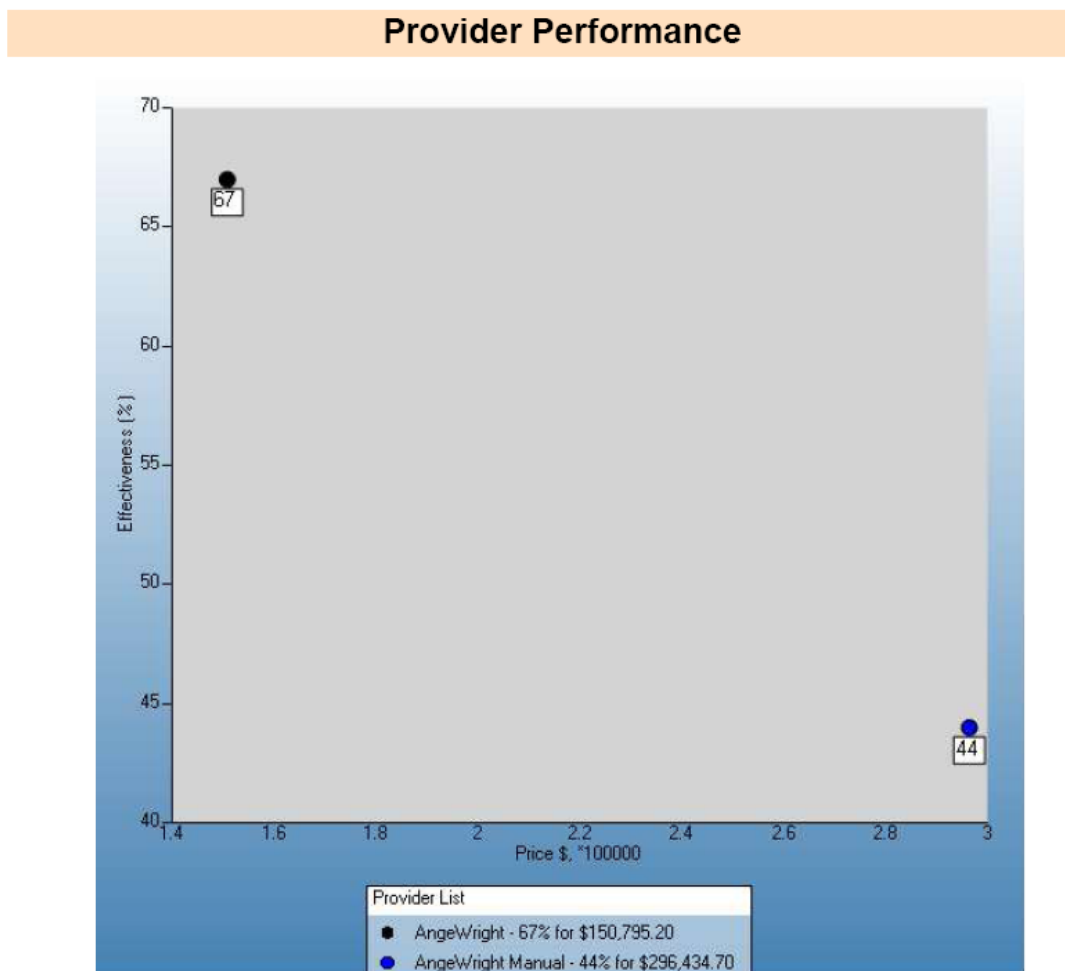


Figure 8 VFM Graph – TCO

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