

SAMPLES OF SCORING JUSTIFICATION

CRITERIA	VENDOR 1	VENDOR 2
Optional Functional Requirements – Management of Financial Reporting	Meets most key requirements, including Banner integration.	Meets some key requirements, but does not fully integrate with Banner or support financial reconciliations.
Technical Specifications/Data Migration.	Exceeds requirements: Provides clear data migration and data protection protocols; has secure system consistent with industry standards (ISO 27001)	Does not perform third-party security checks. Some concerns regarding data migration and integration, including lack of APIs for key University systems. Solution seems to lack consistent technical architecture, and custom builds raise concerns about consistency, maintenance and support. Routine data exports could raise additional technical and financial costs.
Experience	Substantial experience in working with west coast Universities, e.g., WSU, UW, UC San Diego. References verified experience and satisfaction with service.	Experience in private sector only. First attempt at offering service in public sector. Private sector references are businesses with less than 1,000 employees.
Mandatory Functional Requirements – Research Regulatory Compliance	Meets all key requirements. This system is designed to be less configurable as the company emphasizes creating standards in the field to ensure regulatory compliant systems and operations that can be systematically maintained and updated based on regulatory changes.	Meets most requirements but would require UO to assume a significant role in determining how the solution will be specifically configured to meet regulatory requirements. The framework is largely there but still requires UO to invest resources to customize the solution and ensuring it continues to meet regulatory requirements. One specific regulatory gap relates to plans to integrate strategies to manage single IRB review requirements for collaborative projects. Currently, the vendor does not have plans

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		to address this gap. This could yield significant administrative burden and institutional exposure to risk; if this solution selected, we may need to explore supplemental solution.
Machine Performance Specifications	Equipment has required cutting area, cutting capacity (wood and Plexiglas), and power supply.	Equipment has insufficient cutting area and is not suitable for cutting Plexiglas.
Web Design	Provided clear and complete sample mockups with well-organized content and layouts. Works with in house developer with experience with WordPress	Sample mockups were disjointed, hard to follow, and not visually appealing.
Web Design	Designer's portfolio demonstrates recently completed work and modern designs aimed at attracting college bound students.	Designer's portfolio indicates that its last project was undertaken in 2014 with design motifs contemporary for its time but no longer relevant in today's market.
References	References included academic institutions. Conversations with references were positive.	One reference did not recall working with this vendor. Another reference stated that the vendor took too long to finish the work with the end result being subpar.
Accessibility	Provided a current VPAT.	Has no VPAT.
Pricing	Provided a detailed price quote that included hourly rates, an estimate of the number of hours needed to complete the work, and fixed fee for the entire project.	Failed to provide a breakdown of fees or time estimate associated with the performance under the contract.
Pricing	Based upon the department's knowledge of the relevant marketplace, vendor's price quote is within a competitive range.	Based upon department's knowledge of the relevant marketplace, vendor's price quote is 200% higher than the competitive range.

PRICE EVALUATIONS

Total Cost of Ownership.

Total Cost of Ownership (TCO) is an estimate of the total costs of goods, services or construction works over the whole of their life. It is the combination of the purchase price plus all other costs you will incur, less any income you receive. For example: the initial purchase price plus installation costs, operating costs and ongoing maintenance less the residual value on disposal.

The procurement principles encourage us to make balanced procurement decisions. This includes getting the best value for money. It means accounting for all costs and benefits over the lifetime of the goods or services. Part of good procurement is achieving the right price. Best value for money is the lowest whole-of-life cost. This involves identifying the initial purchase price and estimating all future costs and returns. A procurement decision based on the initial purchase price only, rather than the total costs over the whole-of-life, could fail to recognize the real costs to your department.

There are two broad types of costs:

- Direct or 'hard' costs.
- Indirect or 'soft' costs.

Indirect costs are further broken down into:

- Fixed costs (rent, insurance premiums, salaries).
- Variable costs (electricity, paper, pens and other consumables, overtime).

EXAMPLE: Equipment Purchase

Purchasing	Operating	Disposal
<ul style="list-style-type: none">• Market Research• Expert advice in assessing business needs• Procurement process• Purchase price• Accessories• Deliver costs• Installation and configuration• Training• Licenses• Warranties• Insurance	<ul style="list-style-type: none">• Consumables• Tech Support• Maintenance• Parts• Upgrades• Repair costs• IT costs such as hosting• Insurance• Extended warranties.• UO employee support costs	<ul style="list-style-type: none">• Decommissioning costs, possibly involving technical specialists• Transportation of the machine away from the work site• Fees for disposal of parts, particularly if any are dangerous, for example, cathode vacuum tubes or chemicals• Migrating data or removing confidential data• Costs of any interim arrangements between different providers

		<ul style="list-style-type: none"> • Cost of change • Site clean-up. <ul style="list-style-type: none"> • Remember to add back any money received on the resale of the equipment!
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EXAMPLE: Software Purchase.

Cost/Benefit Item	Supplier A	Supplier B
Initial Costs:		
Hardware	\$ 5,000	\$ 6,000
Software	\$12,000	\$10,000
Customization	\$ 5,000	\$ 8,000
Initial Training	\$ 5,000	\$ 5,000
Transition Costs	\$ 800	\$ 1,200
Subtotal	\$27,800	\$30,200
Annual Operating Costs:		
License fees	\$ 2,000	\$ 500
Data storage and hosting	\$ 5,000	\$ 6,000
User support service	Free	Free
Software upgrades	\$ 3,000	Free
Additional training	\$ 3,000	Free
Subtotal for Each Year	\$13,000	\$ 6,500
Subtotal over 5 Years	\$65,000	\$32,500
Total Cost of Ownership	\$92,800	\$62,700

When should TCO be Assessed?

TCO can be used at various stages in procurement:

- In a business case to assess the costs, benefits and risks associated with the investment.
- When assessing different business models, maintenance options or solutions on a comparable cost basis.
- To understand the different cost drivers in the life of a procurement.
- By a supplier when bidding for a contract to demonstrate the total benefits and value being offered – especially where the initial purchase price is higher than competitors, but the total cost of ownership is lower.
- In selecting the best supplier by assessing the comparative TCOs of competing bids.
- In managing the contract to track actual expenses and income against budget.
- As part of a benefits realization exercise.