

There are two key differences between whole life cost and OJEAU contract value as follows

- Whole life cost are over 5 years whereas OJEAU value is the contract sum over the initial 3 year period
- Whole life cost includes internal cost and supplier cost, OJEAU is supplier cost only

The table below provides a detailed comparison between whole life cost and OJEAU contract value.

Heading	Whole Life Cost			OJEAU	Notes
	Supplier	Internal	Total		
Capital expenditure					
Software Design & Build	883		883	530	Software licence - whole life 5 yrs, OJEAU 3 yrs
Implementation	517		517	517	One off costs
Total Capital Cost	1,400	0	1,400	1,047	
Revenue cost					
Project Management		147	147		OJEAU excludes internal costs
Implementation/Training		295	295		OJEAU excludes internal costs
Data Migration		131	131		OJEAU excludes internal costs
Systems Admin		167	167		OJEAU excludes internal costs
Hosting	492		492	295	Whole life 5 yrs, OJEAU 3 yrs
Software support	660		660	330	Whole life 5 yrs, OJEAU 3 yrs (start 2nd half of yr1)
Total Revenue Cost	1,152	740	1,892	625	
Total Whole Life Cost	2,552	740	3,292	1,672	

The table below summarise the three different values mentioned in our business case for supplier cost. The 5 year value of £2,466k was only mentioned in the notes to give an indication of the overall cost if the contract is extended for 2 years. This was arrived at by simply adding 2 additional years cost to the OJEAU value. The 5 year value of £2,552k is the actual value used in costing the business case.

The difference between the two 5 year values of £86k is due to the fact that the OJEAU value includes part year cost in year 1 for software support whereas our costing includes cost for 5 full years.

Heading	OJEAU	5 Year Cost		
		Notes	Costing	Difference
Capital expenditure				
Software Design & Build	530	883	883	0
Implementation	517	517	517	0
Total Capital Cost	1,047	1,400	1,400	0
Revenue cost				
Hosting	295	492	492	0
Software support	330	574	660	86
Total Revenue Cost	625	1,066	1,152	86
Total Whole Life Cost	1,672	2,466	2,552	86