

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		
<b>Capital expenditure</b>					
Software Design & Build	883		883	530	Software licence - whole life 5 yrs, OJEAU 3 yrs
Implementation	517		517	517	One off costs
<b>Total Capital Cost</b>	<b>1,400</b>	<b>0</b>	<b>1,400</b>	<b>1,047</b>	
<b>Revenue cost</b>					
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)
<b>Total Revenue Cost</b>	<b>1,152</b>	<b>740</b>	<b>1,892</b>	<b>625</b>	
<b>Total Whole Life Cost</b>	<b>2,552</b>	<b>740</b>	<b>3,292</b>	<b>1,672</b>	

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
<b>Capital expenditure</b>				
Software Design & Build	530	883	883	0
Implementation	517	517	517	0
<b>Total Capital Cost</b>	<b>1,047</b>	<b>1,400</b>	<b>1,400</b>	<b>0</b>
<b>Revenue cost</b>				
Hosting	295	492	492	0
Software support	330	574	660	86
<b>Total Revenue Cost</b>	<b>625</b>	<b>1,066</b>	<b>1,152</b>	<b>86</b>
<b>Total Whole Life Cost</b>	<b>1,672</b>	<b>2,466</b>	<b>2,552</b>	<b>86</b>