

BRCPC COST REDUCTION CALCULATION

Date _____ Jurisdiction _____
Submitted by _____

Purchase Description _____

NIGP Class/Item _____ Contract Number _____

Quantity _____ Annual Usage _____

Previous Supplier _____
Present Supplier _____

A. Previous Cost (last bid) _____ \$ _____ x Annual Usage = \$ _____
(date) (price)

B. Present Cost \$ _____ x Annual Usage = \$ _____
(price)

C. \$ Cost Reduction (Annual Savings) \$ _____

D. % Cost Reduction _____

Savings accomplished by

- Cooperative Bidding, Original Bid
- Bid Process, Subsequent Cooperative Bids
- New Source
- Negotiation
- Change in Specifications
- Standardization
- New Product
- Procurement Action to avoid price increase
- Other _____

Summary of Action to obtain cost reduction:

A cost reduction occurs when the purchasing function takes planned and deliberate action to obtain the necessary quality level at a better price. Cost reductions can include avoidance of a higher cost that would have occurred had the action not taken place.

BRCPC ADMINISTRATIVE COST SAVINGS CALCULATION

Date _____ Jurisdiction _____
Submitted by _____

Purchase Description _____

NIGP Class/Item _____ Contract Number _____



A. STAFF TIME

Clerical Support, _____ Hours @ \$ 21.00 = \$ _____
Clerical support includes typing, addressing, preparing documents, preparing
and stuffing envelopes, mailing

Buyer Hours, _____ Hours @ \$ 33.00 = \$ _____
Buyer Time includes requisition review, research, determining source selection
method, preparing draft and reviewing bid package, bid evaluation, award
process

Total Staff Costs = \$ _____

B. OTHER COSTS

Other costs include bid computer time, reproduction, paper, envelopes,
addressing, postage

Total Other Costs = \$ 138.00

C. Total Administrative Cost Savings

A & B = \$ _____

An administrative cost saving accrues when a jurisdiction participates with the lead agency for a commodity or service to be purchased jointly. The savings represent the administrative costs normally incurred when preparing a solicitation. In the case of a cooperative solicitation and contract, all participating jurisdictions except for the lead agency enjoy the benefit of the administrative cost savings.