

Calculating and Entering a Benefit

Sample Use Cases
Wednesday Webinar
2.26.2025



Benefit Use Case #1

Attachment B - Cost Bid Form		SAMPLE BID #1		
Supplier: Please enter pricing or percentage in all yellow fields below				
* Factor of GGE is an estimate and not a commitment to usage.				
Name of Bidder, Primary Contact and e-mail address		Power USA		
Operations and Maintenance Pricing				
Item	Supplier Pricing		Factor*	Year 1 Cost
Year 1 - Fixed Monthly Maintenance Fee	\$ 23,000	Per Month	12	\$ 276,000
Variable Maintenance Fee		Per GGE	328000	\$ -
Year 2 - Fixed Monthly Maintenance Fee	\$ 13,750	Per Month	12	\$ 165,000
Variable Maintenance Fee		Per GGE	328000	\$ -
Year 3 - Fixed Monthly Maintenance Fee	\$ 13,750	Per Month	12	\$ 165,000
Variable Maintenance Fee		Per GGE	328000	\$ -
3 Year Total Fee				\$ 1,818,000

Attachment B - Cost Bid Form		SAMPLE BID #2		
Supplier: Please enter pricing or percentage in all yellow fields below				
* Factor of GGE is an estimate and not a commitment to usage.				
Name of Bidder, Primary Contact and e-mail address		Energy Co. (Incumbent Supplier)		
Operations and Maintenance Pricing				
Item	Supplier Pricing		Factor*	Year 1 Cost
Year 1 - Fixed Monthly Maintenance Fee	\$ 1,500	Per Month	12	\$ 18,000
Variable Maintenance Fee	\$ 0.17	Per GGE	328000	\$ 55,760
Year 2 - Fixed Monthly Maintenance Fee	\$ 1,500	Per Month	12	\$ 18,000
Variable Maintenance Fee	\$ 0.17	Per GGE	328000	\$ 55,760
Year 3 - Fixed Monthly Maintenance Fee	\$ 1,500	Per Month	12	\$ 18,000
Variable Maintenance Fee	\$ 0.17	Per GGE	328000	\$ 55,760
3 Year Total Fee				\$ 221,280

Benefit Use Case #1

1. We apologize for the confusion on the Total amount cell in our spreadsheet. Please confirm your Total 3 year bid is at \$606,000 vs \$1,818,000. There appears to be **x3** multiplier built in to cell E17 but we've removed it and want to confirm this number with you. The formula on the cell was incorrect – we apologize for the error.

3 Year Total Fee				\$ 606,000
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- If the bidder made a calculation mistake and then corrected it, that doesn't inherently create a benefit — it just adjusts the price to reflect what it should have been initially. Hence, \$1,818.000 can't be used to calculate benefits

**Imputed
Historical Costs**

Net new spend where spend data is not available, but can be established by:

- an initial supplier quote
- the average of all responsive non-awarded RFP bids
- a budget, index or other industry benchmark
- an initial supplier quote
- the average of all responsive non-awarded RFP bids (outliers must be removed)
- a budget, index or other industry benchmark

Benefit Definitions: Benefit and Baseline Type



Benefit Use #1- How to Enter

- Create a new benefit with the following information.
 - Activity: Sourcing Benefit Identified
 - Benefit Type: Cost Reduction
 - Baseline Type: Historical Costs
 - Total Baseline Amount: Previous FY annual spend* X 3 years
 - Total Benefit Amount: Previous FY annual spend* - \$221,280
 - Duration in Months: 36
 - Agreement Date: MM/DD/2025

* Must comparing like-for-like scope

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Variable Maintenance Fee	\$ 0.17	Per GGE	328000	\$ 55,760
3 Year Total Fee				\$ 221,280

Benefit Use Case #2 – Baseline Type

Review Benefit

Status:	Approved
Benefit ID:	
Date Created:	01/28/2022
Submitter:	
Approver:	
Activity:	Sourcing Benefit Identified
Project Name:	Vizient-Q3-CY2021 Savings: \$308,129.72, Sept-Dec (4 months)
UC Category:	Healthcare Services
Supplier:	UNIVERSITY HEALTHSYSTEM CONSORTIUM (UHC) edit
Benefit Type:	Incentive
Baseline Type:	Previously contracted
Total Baseline Amount:	\$22,700,283.07
Total Benefit Amount:	\$308,129.72
Reporting Type:	Actualized
Annual Baseline Amount:	\$22,700,283.07
Annual Benefit Amount:	\$308,129.72
Duration in Months:	4
Yield:	1%
Impacted Locations:	UCLA 100%
Agreement Date:	
Agreement ID:	

Baseline Type is incorrect

Correct Baseline Type is Incentive

Benefit Use Case #2 – Benefit Description

Benefit Description

UCLA uses the Group Purchasing Organization (GPO), Vizient, for many medical/clinical purchases of equipment, supplies and services for clinical purposes and research. The clinical purposes are to support the start up and ongoing operations of the 180+ ambulatory clinics across the Southland. Vizient competitively bids its agreements and makes them available to its members. Vizient collects an administrative fee on purchases from its supplier contracts and shares those administrative fees with its members. UCLA's fee share has been between 1.26% and 1.40%. These administrative fees (incentives) are retained centrally at UCLA. Vizient suppliers also remit manufacturer rebates directly to its members - the departments making the purchases. Both administrative fees and manufacturer rebates are included in our benefit claims.

Organizational Units

Organizational Unit	Cost Reduction	Cost Avoidance	Revenue	Incentive	Efficiency	Total
UCLA->UC Los Angeles	-	-	-	308,129.72	-	308,129.72
UCLA->Totals	-	-	-	308,129.72	-	308,129.72
Organizational Unit Totals	-	-	-	308,129.72	-	308,129.72

Benefit Use Case #3

Review Benefit

Status:	Approved
Benefit ID:	
Date Created:	
Submitter:	
Approver:	
Activity:	Transactional Benefit Identified
Project Name:	VWR covid antigen tests
UC Category:	Life Sciences
Supplier:	VWR INTERNATIONAL INC edit
Benefit Type:	Cost Reduction, Cost Avoidance
Baseline Type:	Previously contracted
Annual Baseline Amount:	\$353,107.76
Annual Benefit Amount:	\$135,144.65
Reporting Type:	Actualized
Yield:	38%
Impacted Locations:	UCD 100%
Document Type:	Purchase Order
Agreement Date:	01/12/2022
Agreement ID:	UCDAB470085 and UCDAB470071

Associated Activities

No Associated Activities

Benefit Description

VWR two purchases of covid antigen tests cost reduction and cost tax avoidance.

Organizational Units

Organizational Unit	Cost Reduction	Cost Avoidance	Revenue	Incentive	Efficiency	Total
UCD->UC DAVIS - Campus	126,009.00	9,135.65	-	-	-	135,144.65
UCD->Totals	126,009.00	9,135.65	-	-	-	135,144.65
Organizational Unit Totals	126,009.00	9,135.65	-	-	-	135,144.65

Benefit Use Case #3

						price/test	Qty/cs	price/case	Case qty	Ext. cost	Tax	Savings/test	Savings	Tax avoidance	Total Benefit
Avantor/ VWr	Acon FlowFlex	Flowflex Covid 19 SARS COV 2 76515-532	76515-532		6+ weeks	\$5.79	300	1,738	17	\$29,550.42	\$ 2,142.41	\$3.59	\$ 18,309.00	\$1,327.40	
Avantor/ VWr	Acon FlowFlex	Flowflex Covid 19 SARS COV 276515-532	76515-532		6+ weeks	\$5.79	300	1,738	100	\$173,826.00	\$12,602.39	\$3.59	\$ 107,700.00	\$7,808.25	
													\$126,009.00	9135.6525	\$135,144.65
Baseline	\$9.38	\$329,238.00													
	Tax	\$23,869.76													
Baseline cost and tax		\$353,107.76													

Benefit Use Case #4

QUOTES					
	Unit price				
	Exxact	Lambda	Titan	XI Computer	Mazda
GPU Server, A6000 or equivalent	\$57,675.28	\$81,563.00	\$70,592.20	\$73,853.16	Average these three
GPU Server, A4000 or equivalent	\$36,142.82	\$50,811.00	\$44,992.20	\$60,108.69	Average these three
Shipping and Handling Costs	\$300.00	Unknown	\$0.00	\$826.60	
TOTAL Amount	\$187,936.20	\$264,748.00	\$231,168.80	\$268,750.30	
Cost Saving	\$80,814.10				

Remove the shipping cost. Benefit calculation should be only on cost of goods and services

Benefit Use Case #5

To Be Filled out by Supply Chain Management				
	Ernest Young	KPMG	Wells Fargo	
OOS_FS Cost Score Sheet	\$ 370,105.00	\$ 475,000.00	\$ 470,000.00	
*Pricing based on the total costs associated with a 1 year agreement				

Benefit Calculation - Average KPMG & Wells Fargo. Subtract EY from there.
 $(475,000 + 470,000)/2 = 472,500$. $472,500 - 370,105 = 102,395$.