**Project A: Estimated Costs/Benefits to In-House Development**

**DEVELOPMENT COSTS:**

Personnel

| 3 | Programmer/Analyst (160 hours, Php 180/hour) | Php | 86,000.00 |
| --- | --- | --- | --- |
| 3 | Trainer (20 hours, Php 250/hour) | Php | 15,000.00 |

New Hardware & Software

| 1 | Development Server (12 months, $50/month) | Php | 33,252.00 |
| --- | --- | --- | --- |
| 4 | Server Operating Software($139 each) | Php | 30,813.52 |
| 1 | Epson LQ-590II Impact Printer | Php | 33, 495.00 |
|  |  |  |  |
|  | **Total Development Costs** | Php | 165,065.52 |

**PROJECTED ANNUAL OPERATING COSTS:**

Personnel

| 3 | Programmer/Analyst (40 hours, Php 180/hour) | Php | 21,600.00 |
| --- | --- | --- | --- |

Expenses

| 1 | Wifi Allowance (Php 18,000.00 each) | Php | 18,000.00 |
| --- | --- | --- | --- |
| 1 | Load Allowance (Php 12,000.00 each) | Php | 12,000.00 |
| 3 | Epson LQ-590 Ribbon Cartridge (Php 600.00 each) | Php | 1,800.00 |
|  |  |  |  |
| 5 | Box Continuous Paper (Php 600.00 each) | Php | 3,000.00 |
|  |  |  |  |
|  | **Total Projected Annual Cost** | Php | 26,400.00 |

**PROJECTED ANNUAL TANGIBLE BENEFITS:**

| Reduce Employee Overtime Fee (Inventory System)  (75/hr \* 80 hrs \* 12 months) | Php | 72, 000.00 |
| --- | --- | --- |

|  | **Total Projected Annual Cost** | Php | 72, 000.00 |
| --- | --- | --- | --- |

| **PRESENT VALUE ANALYSIS TO IN-HOUSE DEVELOPMENT** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | |
| **Cash Flow Description** | **Year 0** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **Development Cost** | -187,752.45 |  |  |  |  |  |
| **Operation and Maintenance Cost (increased 10% per yr)** |  | -27,360.00 | -28,728.00 | -30,164.40 | -31,672.62 | -33,256.25 |
| **Discount Factors for 10%** | 1.000 | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 |
| **Time-adjusted Costs (Adjusted to Present)** | -187,752.45 | -24,870.24 | -23,729.33 | -22,653.46 | -21,632.40 | -20,652.13 |
| **Cumulative Time-adjusted Costs** | -187,752.45 | -212,622.69 | -236,352.02 | -259,005.48 | -280,637.88 | -301,290.01 |
|  | | | | | | |
| **Benefits Derived from Operation of New System**  **(70% on the 1st yr and 5% on the succeeding year)** | 52,500.00 | 90,000.00 | 94,500.00 | 99,225.00 | 104,186.25 | 109,395.56 |
| **Discount Factors for 10%** | 1.000 | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 |
| **Time-adjusted Benefits (Adjusted to Present)** | 52,500.00 | 81,810.00 | 78,057.00 | 74,517.98 | 71,159.21 | 67,934.64 |
| **Cumulative Time-adjusted Benefits** | 52,500.00 | 134,310.00 | 212,367.00 | 286,884.98 | 358,044.18 | 425,978.83 |
|  | | | | | | |
| **Cumulative Lifetime Time-adjusted Costs** | -135,252.45 | -78,312.69 | -23,985.02 | 27,879.49 | 77,406.30 | 124,688.81 |