

Tab H, Section 7 – Application Enhancements 2006 Cost/Benefit Analysis

Q. Ref: ERP Reporting – Please explain how the projected annual savings used in the CPW of \$47,750 (increasing in subsequent years) were calculated.

A. The projected annual savings were calculated as follows:

Direct IT Support for year ended June 30, 2005	\$ 7,200
Change to a different software licensing model	\$ 1,250
Productivity savings across the organization 630 hrs	<u>\$39,300<sup>1</sup></u>
Total Annual Savings	<u>\$47,750</u>

<sup>1</sup> A reduction of 15% of the ad-hoc reporting will result in a productivity savings equivalent to \$39,300. (i.e. 1200 reports x 12 months x 15% x 20min/rpt)