

**VILLAGE OF ORLAND PARK**  
**TOTAL COST of OWNERSHIP ANALYSIS**

**PROJECT: Recreation Software Solution**

**DATE: 05-13-2015**

	<b>ACTIVE Net (12.5 % Annual Fee Increase)</b>	<b>Vermont Systems</b>	<b>ACTIVE Net (5% Annual Fee Increase)</b>
<b>Initial Costs</b>			
Purchase-includes Software, Training, Data Conversion, & Other Initial Expenses	\$ 16,100	\$ 85,645	\$ 16,100
<b>Subtotal - Initial Costs</b>	<b>\$ 16,100</b>	<b>\$ 85,645</b>	<b>\$ 16,100</b>
<b>Ownership Costs (over the Lifetime of the Asset)</b>			
Ownership Costs <i>per Year</i>			
Maintenance		\$ 48,698	
Technology Fee - In House Payments *	\$ 34,969		\$ 32,470
Credit Card Processing Fee *	57,258		53,165
Online Sales Fee *	9,396		8,724
<b>Subtotal - Average Ownership Costs <i>per Year</i></b>	<b>\$ 101,623</b>	<b>\$ 99,242</b>	<b>\$ 94,359</b>
<b>Expected Life (in Years)</b>			<b>3</b>
<b>Subtotal - Ownership Costs (over the Lifetime of the Asset)</b>	<b>\$ 304,870</b>	<b>\$ 297,727</b>	<b>3</b>
<b>TOTAL COST OF OWNERSHIP</b>	<b>\$ 320,970</b>	<b>\$ 383,372</b>	<b>\$ 283,076</b>
			<b>\$ 299,176</b>

ACTIVE Net Ownership Costs are presented as a worst-case scenario, factoring in a 12.5% annual increase in transaction fees, as stated in the draft contract received from Active Net. Other municipalities have successfully negotiated this annual increase down to 5%.

**COST ASSUMPTIONS:**

**ACTIVE Net Costs**

\* Initial Fee is 0.75% for Technology-In House Payments, 2.25% for Credit Card Processing and 3.00% for Online Sales; subject to an annual increase of 12.5% per terms of draft agreement.

After initial purchase costs, transaction fees determine annual cost.

Based on Actual Daily Cash Balance Report Revenues July 15, 2013 - July 15, 2014.

Assumes \$30 million+ Group Buy Discount for current CLASS customers in IL for first year.

Assumes a 3% increase in revenues annually in years 2-3.

**Vermont System Costs**

Annual maintenance fee charged for hosted software solution; does not include credit card processing.

Assumes no increase in annual maintenance fee in year 2, and a 3% increase in year 3 (per email response 5/11).

Uses ETS credit card processing fee % (from 5/13 email response) and Daily Cash Balance Report revenues to estimate credit card fees.

Assumes 3% annual increase in revenues for years 2 - 3.

Costs for both ACTIVE Net and Vermont Systems are not final; contract negotiations are on-going.