

## **1. TRADE OFF EVALUATION -- TOTAL COST OF OWNERSHIP (Clause L-1.4) (December 2024)**

To determine best value, Seller's proposal will be evaluated based on Total Cost of Ownership (TCO). Buyer will calculate TCO using the following formula:

$TCO = \text{Quoted Price} \times \text{Volume} / \text{TCO Factors}$

TCO factors, listed in order of importance, are Health Score, Lead Time, and Capacity. When combined, the TCO factors are significantly more important than price.