**ROUND 2 - STEP 2: PROJECT ASSESSMENT, RATING & APPROVAL**

Illustrative example1.

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| --- | --- | --- | --- | --- | --- |
| Figures are presented as a total for all years that the PROJ will endure | PROJ 27R’000 | PROJ 31R’000 | PROJ 51R’000 | PRO 60 R’000 | Total PROJ’sR’000 |
| PROJ Duration in Years | 2 | 4 | 1 | 7 |
| PV: Total Operational Cost all yrs | 760 | 1700 | 57 | 12200 | 14717 |
| PV: Opportunity Cost all yrs | 40 | 0 | 0 | 0 | 40 |
| PV: Early Termination Cost all yrs | 50 | 40 | 0 | 357 | 447 |
| PV : Total Cost all yrs | 850 | 1740 | 57 | 12557 | 15204 |
| All Costs Yr 1 only | 650 | 490 | 61 | 8900 | 10101 |
| PV: Total Income all yrs | 1627 | 3782 | 496 | 20125 | 26030 |
| Total Income Yr 1 only | 670 | 320 | 496 | 0 | 1486 |
| PV: Total Profit all yrs | 777 | 2042 | 439 | 12557 | 10826 |
| PV: Ave Profit per year | 388 | 510 | 439 | 1793 |  |
| COST BENEFIT RATIO | 1.914 | 2.174 | 8,702 | 1.603 | 1.712 |
| FINANCIAL RANKING | 3 | 2 | 1 | 4 |  |
| **SCORECARD RATING** |
| Financial Score | 12 | 10 | 14 | 8 | Max 14 |
| Corporate Social Responsibility | 2 | 0 | 0 | 1 | Max 4 |
| Grow Brand Awareness | 2 | 2 | 0 | 4 | Max 4 |
| Impact on Staff Morale | 4 | 3 | 0 | 4 | Max 4 |
| Opening New Markets | 0 | 2 | 0 | 4 | Max 4 |
| Opinions of Those Consulted \* | 10 | 10 | 10 | 10 | Max 10 |
| Total Ratings - Score | 30 | 27 | 24 | 31 | Max 40 |
| Overall Ranking | 2 | 3 | 4 | 1 |  |
| APPROVALS |
| Strategy Committee (Yes/No) | Yes | Yes | Yes | Yes | Date: |
| Budget Committee (Yes/No) | Yes | Yes | Yes | Yes | Date: |
| Board Approval (Yes/No) | Yes | Yes | Yes | Yes | Date: |
| All Costs Yr 1 Only % of Budget | 1.29% | 0.97% | 0.12% | 17.62% | 20% |
| MFP OR UPP NUMBER | MFP 2 | MFP 3 | MFP 4 | MFP 1 |  |

1 In this example there are only four projects evaluated. Given more projects, they would be classified as MFP’s (20% of yr 1 budget), UPP’s (20% of yr 1 budget) and the rest would be rejected or they would be held over for future budget availability. Note that costs and income are treated separately and that profit generated by a project does not offset its cost when determining approval prioritisation. Each project is assessed against the others on the basis of comparable scorecard ratings. The Board will have the opportunity to make exceptions and to override formal assessment criteria & scores.