

Abstract Title: Cost-based approach for determining evaluation criteria weights of commercial offers based on the analysis of the total cost of ownership for the product

Keywords: Total cost of ownership, Increasing cost item, Decreasing cost item

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Abstract: A new approach for determining evaluation criteria weights of commercial offers based on the analysis of the total cost of ownership for the product has been developed as result of research. This method enables the optimization of cost efficiency according to this costs accounting at all product ownership stages. This is the most rational approach in contrast to the currently available one that takes into account only the production cost at the purchasing stage. However this method has a negative feature. This is necessary calculations difficulty and in some cases not sufficient accuracy of projected costs. So we can use this method only at major cost procurement when it is possible to make accurate cost calculations for the each cost item.