## Cost breakdown

The purpose of this section is to provide the NS with an understanding of the cost of using RedRose. This is split into implementation costs (one-off setup and training costs for the initial implementation) and ongoing/running costs (ongoing costs per cash programme).

**Initial Setup cost**

The following are the key factors that need to be considered when costing the initial setup:

|  |  |  |
| --- | --- | --- |
| **Cost Factor** | **Description** | **Comments** |
| **Service Fees** | Pricing is pay-per-use model |  |
| Cash distribution | Pricing is based on % of total *actual* cash distributed. Not the planned amount. |  |
| In-kind distribution | Pricing is based on tiers of transaction volume. |  |
| **Hardware** |  |  |
| Mobile Phones | If only used for basic beneficiary registration and barcode scanning, can use basic Android v.1.0 minimum.  If using for e-vouchers or with smartcards, need minimum of Android v.4.2.2. | May procure locally (not with RedRose), but please verify the specifications with RedRose and test the device before buying in bulk, as some devices may have differences in system configuration. |
| Smartcards | Can be used for e-voucher programmes, or if the programme will be distributing multiple times or with multiple commodities or assets. | If not using smartcards, the alternative is printed paper vouchers, which is already included in the service fees. Such printed vouchers are good for one-time distribution. |
| Portable Printer & paper rolls | For e-voucher programmes |  |
| Biometric scanners | For fingerprint biometric scanning and verification. | Please consult your data protection policy and local regulations regarding biometrics collection & storage. |
| **Customization** |  |  |
| If there are requirements that need to be implemented by the RedRose development team, an estimate for the effort will be provided and costed. | Pricing is based on man-days of implementation. | E.g. FSP integration |
| **Training & On-site support** |  |  |
| If needed, RedRose technicians could be requested to come on-site, provide the training, do the system setup, and support the distribution process. | Pricing is based on a preliminary one-week onsite. Additional days after that are charged based on daily rate. | For NS’s where needs could be met with out of the box solution, could request for peer support from other NS’s that have more experience in the region. Or request IFRC cash focal point for possible surge or regional support. |

**Ongoing/running cost**

As mentioned above, the service fees are based on pay-as-you-go model. No monthly licensing costs as the support and maintenance is already included in the service fees. The following are some factors to consider for running costs:

* Software usage cost per cash programme (percentage)
* Local resource/capacity needed to maintain and use RedRose for future programmes
* Ongoing training of new staff (staff turnover)

**Indicative pricing**

Based on some of the RedRose implementation done, initial setup cost could range around 7K - 10K CHF with most of the cost on training and some customization. After that, subsequent use for operations could range from 1,500 to 3,000 CHF for low volume (500 HH with mixed in-kind and cash) and around 7K CHF for medium volume. The costing changes based on the factors mentioned above.

For a template with detailed costing elements and negotiated rates, please contact your region’s cash focal point.