



Data Management and Analytics (DMA) RFP # Appendix C – Cost Proposal Instructions

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I. Cost Proposal

The Cost Proposal is comprised of ten (10) pricing worksheets as contained in Appendix D – Cost Proposal Sheet. The bidder shall enter their proposed detailed cost build up into the appropriate worksheet pursuant to the instructions outlined in this section. The bidder shall only enter information in worksheet cells with a light blue background. All other worksheet cells include dollar amounts and formulas established by the State. The Pricing Worksheet Descriptions table below, contains a listing of each worksheet with the purpose of the worksheet.

Worksheet	Purpose
Price Summary	Summarized pricing detail from the other worksheets to establish the overall bid price for the bidder.
DDI Deliverables	Identifies the price for each deliverable listed in the Deliverable Catalog (Appendix A) included with the technical proposal.
DDI Labor	Includes the cost build-up for labor included in the overall DDI pricing.

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Worksheet	Purpose
DDI Materials and Services	Includes the cost build-up for materials and services included in the overall DDI pricing.
Modification Pool Rates	Identifies the rates by labor category that the contractor proposes to charge against the modification pool for changes in conjunction with the change management provisions.
Operations Labor	Includes the cost build-up for labor included in the overall Operations pricing.
Operations Staff Aug Rates	Identifies the rates by labor category the contractor proposes to charge for state requested staff augmentation.
Operation Material and Services	Includes the cost build-up for materials and services included in the overall Operations pricing.
Init Op Cert Labor	Includes the cost build-up for labor included in the overall Initial Operations and Certification pricing.
Turnover Labor	Includes the cost build-up for labor included in the overall Turnover pricing.

Pricing Worksheet Descriptions

A. Price Summary

The price summary sheet includes the total pricing for the contractor for the cost proposal. As this is a summary sheet, the majority of the fields are populated by formulas based on the details included in the other pricing sheets. Included below are the fields on the sheet and descriptions of how the fields are calculated or how the bidder is to complete.

- **Evaluated Price Total** – A calculated field that includes the total price for the contractor submitted price that will be evaluated. The State has included a Staff Augmentation Pool of funding which is not included in this total as the pool is a set amount established by the State.
- **Contract Total** – A calculated field that includes the contract total based on the Evaluated Price Total and the State established Staff Augmentation Pool.
- **Design, Development, and Implementation (DDI) Total Price**– A calculated field that equals DDI Deliverables Total Cost plus DDI Modification Pool Total.
- **DDI Deliverables Total** – A calculated field that equals the contractor’s proposed total for all DDI deliverables included on the DDI Deliverables pricing sheet. The DDI Deliverables Total must equal the DDI Labor Total plus the DDI Materials and Services Total. The Contractor will be paid for deliverables only.
- **DDI Modification Pool Total** – A calculated field that equals the contractor’s proposed blended rate (cell D3 on Modification Pool Rates pricing sheet) multiplied by an estimated 45,000 hours for modifications during DDI.
- **DDI Labor Total** – A calculated field that equals the total DDI Labor Price (cell D4 from the DDI Labor Pricing Sheet).
- **DDI Materials and Services Total** – A calculated field that equals the sum of all DDI Materials and Services prices (cells P2 through P671 from the DDI Materials and Services Pricing Sheet).
- **Initial Operations and Certification Total Price** – A calculated field that equals the Total Price (cell F4) from the Initial Operations and Certification Labor Pricing Sheet.

Operations pricing contains pricing for each operational contract year, a total for the five year base contract period and a total for all option years. The following fields are listed on the cost proposal sheet for each operational and option year. Each of these fields are described below and apply to all operations and option years.

- **Operations Yearly Price** – Year one is a calculated field that equals the Operations Labor Total Yearly Cost (cell D2 from the Operations Labor Pricing Sheet) plus the sum of the Operations prices for the Operations Materials and Services (Cells P2 through P671 of the Operations Materials and Services Pricing Sheet). For each additional year the Operations Yearly Price is calculated as the previous year’s price adjusted by the Yearly Increase / Decrease Percentage for that year.
- **Yearly Increase / Decrease Percentage** – The bidder must complete the percentage increase or decrease from the previous year proposed by the bidder for each operational year.

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- **Modification Pool Blended Rate** – Year one is a calculated field that equals the Total Blended Rate from the Modification Pool Rates Pricing Sheet (cell D3). Each year after year one equals the previous year's blended rate adjusted by the Yearly Increase / Decrease Percentage.
- **Modification Pool** – A calculated field that equals the Modification Pool Blended Rate for the year multiplied by 20,000 hours.
- **Total Evaluated Price** – A calculated field that equals the Operations Yearly Price plus the Modification Pool.
- **Staff Augmentation Pool** – A calculated field that the State has established at \$2,000,000 for year one and has adjusted by a three percent increase year over year for each future year. The Staff Augmentation Pool amount is not evaluated as part of the bidder's pricing, but is calculated as part of the Total Price.
- **Total Price** – A calculated field that equals the Total Evaluated Price plus the Staff Augmentation Pool.
- **Turnover Total** – A calculated field that equals Total Cost (cell F3) from the Turnover Labor Pricing Sheet.

B. DDI Deliverables

The purpose of the DDI Deliverables pricing sheet is to obtain the bidder's pricing by DDI deliverable described in the bidder's proposal and included in the deliverable catalog. The bidder shall identify the price by deliverable. Deliverables which are planned to be submitted more than once shall be listed for each planned submission. However, the bidder must price the deliverables within the guidance that the State will not accept an invoice for a greater percent of the overall DDI price than the percent of the overall DDI timeframe elapsed, within a five percent margin of error.

The bidder shall list each deliverable in chronological order of expected completion within the pricing sheet. Instructions for the completion of this worksheet are listed below.

- **Total DDI Number of Months** – Enter the total number of months rounded up for the DDI phase of the project. For example, if the total time frame is 18 months and one day, enter 19 in this field.
- **Total Cost** – A calculated field that equals the total price of all deliverables.
- **Deliverable Name** – Enter the name of each deliverable as it is described in the proposal and included in the deliverable catalog.
- **IMS WBS ID** – Enter the work breakdown structure (WBS) identification number from the integrated master schedule (IMS) of each deliverable described in the proposal and included in the deliverable catalog.
- **DDI Month Completed** – Enter month by sequential number (month 1 through n) project) in which the deliverable is expected to be approved according to the IMS schedule submitted by the bidder.
- **Deliverable Price** – Enter the deliverable price for each deliverable.
- **Cumulative Total** – A calculated field that equals the cumulative running total of each Deliverable Price.
- **Percent of Months** – A calculated field that equals the DDI Month Completed for each deliverable divided by the Total DDI Number of Months.
- **Cumulative Percent of Total Price** – A calculated field that equals the Cumulative Total of each deliverable divided by the Total Cost.
- **Net Percent Difference** – A calculated field that equals the Percent of Months minus the Cumulative Percent of Total Price. If this field is less than -5%, the text in this field will appear the color red. If the value of any of the rows are -5% (red text) after all deliverables are entered, the bidder must adjust the deliverable pricing.

C. DDI Labor

The purpose of the Labor Pricing Sheet is to obtain the bidder's labor rates and estimates for the contract, as well as estimated use for each rate. Instructions for the completion of this worksheet are listed below.

- **Total Cost** – A calculated field that equals the total cost of all labor for DDI.
- **Labor Category** – Bidder must list each category that is intended to be utilized for the DDI phase. Job descriptions and qualifications of the labor categories listed must be included in the bidder's proposal response to DDI Staffing. If rates are different for a consultant than an employee, enter a second line for that labor category and use the label "Consultant" at the end of the title (e.g. Business Analyst - Consultant).
- **Rate** – Bidder must enter the all-inclusive hourly rate utilized in the bidder's cost build-up for the labor category.
- **Total Hours** – A calculated field that equals the total number of hours entered for each month for the labor category.
- **Total Category Cost** – A calculated field that equals the rate multiplied by Total Hours for each labor category.

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- **DDI Project Months** – Enter the number of hours included in the bidder's price build up by project month for each labor category. The State has included 36 months to allow the bidder to propose a phased implementation of functionality.

D. DDI Materials and Services

The purpose of the DDI Materials and Services Pricing Sheet is to obtain the detailed pricing and cost build up for hardware, software, and services required for the DDI phase. If the bidder is utilizing a services sub-contractor that is not a subsidiary of the bidder for hosting or servicing within a shared environment, the bidder must include services costs. If not, the bidder is required only to include the detailed hardware and software build up proposed. The sheet must be consistent with information, terms and conditions submitted as part of the bidder's proposal. Instructions for the completion of this worksheet are listed below.

- **Bill of Material (BOM) Item Number** – Bidder must include a sequential, unique alphanumeric numbering scheme created by the bidder beginning with the letter "H" for Hardware, "P" for Software Product, or "S" for Service.
- **Manufacturer / Servicer** – Bidder must include the company which manufactures the proposed hardware or a software product or the company that is performing the service.
- **Item / Service Description** – Bidder must provide a brief description of the item or service along with the manufacturer's or servicer's nomenclature for the hardware, software product or service and any pertinent identifying information. For example, servers should include CPU Cores, memory, etc.
- **IP Category** – Bidder must indicate the applicable intellectual property category for each software product proposed. Categories are State Material, Proprietary Contractor product, non-contractor owned, widely used COTS Software, Limited Use COTS Software, Proprietary Third Party Material, Public Material, and Open Source Software.),
- **Licensing Model** - Bidder must indicate whether the software is licensed by server, central processing unit (CPU), client, concurrent connection, unlimited, or any other method.
- **Maintenance Approach** – Bidder must provide the maintenance method for the software product. For software products having multiple maintenance options, the bidder must indicate the bidder's recommended maintenance approach.
- **Allow Substitution** – Bidder must indicate whether it is acceptable to substitute a similar or better product or service from the same or different manufacturer / servicer. Indicate a "Y" if it is acceptable or an "N" if it is not acceptable.
- **Environment** – Bidder must describe the environments to which products or services are applicable. The environments listed must be consistent with those included in the bidder's proposal. Products or services used for multiple environments should be described as "General" in this field.
- **Operating System** – Bidder must identify the operating system(s) associated with the hardware or software product. If multiple operating systems (or multiple versions of a single operating system) will be used in a virtualized environment, identify all applicable operating systems. If no operating system is applicable, enter "N/A."
- **Start Month** – Bidder must provide the DDI month (1-n) in which the material or service will be acquired, set up, configured, and integrated.
- **Related BOM items** – Bidder must provide the BOM Item Numbers of any related product or service that must be installed concurrently with the product or service identified on this line.
- **Notes** – Bidder must provide any other information that the State would need to understand the product or service detail.
- **Quantity Purchased** – Bidder must identify the quantity of the product or service to be procured as defined by the Item/Service Description field. For example, if a hardware product is supplied in pairs, a quantity of "1" would indicate one pair. If the bidder is purchasing a service for a monthly fee with no initial fee, the purchase quantity is "0".
- **Unit Price** – Bidder must provide the price per unit of the product or service. If there is no purchase price, the price is "0"
- **Maint. Units** – Bidder must identify any expected maintenance units associated with the product or service as defined by the Item/Service Description field. For example, if the bidder has hired a servicer to provide a disaster recovery service at a monthly fee for 18 months during the DDI phase, the bidder would indicate 18 as the quantity.
- **Maint. Unit Price** – Bidder must provide the cost per unit for the maintenance units provided in Maint. Units.
- **DDI Price** – A calculated field that equals the addition of the Quantity Purchased multiplied by Unit Price plus Maint. Units multiplied by Maint. Unit Price.

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E. Modification Pool Rates

The State has established a modification pool for changes to the application throughout the life of the contract. The bidder must complete the pricing sheet with rates that the bidder will charge by labor category for modifications approved through change management. Instructions for the completion of this worksheet are listed below.

- **Labor Category** – Bidder must list each category that is intended to potentially be utilized for modifications.
- **Rate** – Bidder must list the all-inclusive hourly rate that will be charged for each labor category identified.
- **Percent Blend** – Bidder must list the expected percentage of labor hours used by each labor category in typical change requests.
- **Blend Rate** – A calculated field that equals the Rate multiplied by the Percent Blend for each labor category.
- **Total Percent Blend** – A calculated field that equals the total of each row of % Blend. This field must equal 100% once all rows are entered by the Bidder.
- **Total Blended Rate** – A calculated field that equals the sum of Blend Rate for each labor category. This is the blended rate that the State will pay for approved change requests applicable to the modification pool.

F. Operations Labor

The purpose of the Operations Labor pricing sheet is to obtain the bidder's pricing buildup of planned operations monthly hours by position and the rates utilized for estimating the proposed operations pricing. Instructions for completion of this worksheet are listed below,

- **Total Yearly Price** – A calculated field that equals the yearly total cost of all labor for Operations.
- **Labor Category** – Bidder must list each category that is intended to be utilized for the Operations phase. Job descriptions and qualifications of the labor categories listed must be included in the bidder's proposal response to Operations Staffing. If rates are different for a consultant than an employee, enter a second line for that labor category and use the label "Consultant" at the end of the title (e.g. Business Analyst - Consultant).
- **Rate** – Bidder must enter the all-inclusive hourly rate utilized in the bidder's cost build-up for the labor category.
- **Yearly Total Hours** – A calculated field that equals Monthly Hours multiplied by 12 months.
- **Yearly Total Cost** – A calculated field that equals the Rate multiplied by Yearly Total Hours for each labor category.
- **Monthly Hours** – Bidder must enter the number of hours planned for each month of operations.

G. Operations Staff Augmentation Rates

The State has established a pool for staff augmentation to support program integrity and analytical analysis projects throughout the life of the contract. The bidder must complete the pricing sheet with the rate ranges by labor category proposed by the bidder for staff augmentation work. The State will individually request and approve any proposed augmentation resource and the actual rate for that resource when staff augmentation is needed. Instructions for the completion of this worksheet are listed below.

- **Labor Category** – Bidder must list each required staff augmentation position listed in Section IV, Operations Phase, and Organizational Staffing. Bidder must also list any additional staff augmentation categories that may be utilized during the term of the contract.
- **Low Range** – Bidder must list the all-inclusive hourly low rate range for the required staff augmentation positions and additional labor categories.
- **High Range** – Bidder must list the all-inclusive hourly high rate range for the required staff augmentation positions and additional labor categories.

H. Operations Materials and Services

The purpose of Operations Materials and Services Pricing Sheet is to obtain the detailed pricing and cost build up for hardware, software, and services required for the Operations phase. If the bidder is utilizing a services sub-contractor that is not a subsidiary of the bidder for hosting or servicing within a shared environment, the bidder must include services costs. If not, the bidder is required only to include the detailed hardware and software build up proposed. The sheet must be consistent with information, terms and conditions submitted as part of the bidder's proposal. Instructions for the completion of this worksheet are listed below.

- **Bill of Material (BOM) Item Number** – Bidder must include a sequential, unique alphanumeric numbering scheme created by the bidder beginning with the letter "H" for Hardware, "P" for Software Product, or "S" for Service.
- **Manufacturer / Servicer** – Bidder must include the company which manufactures hardware or a software product or the company that is performing the service.

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- **Item / Service Description** – Bidder must provide a brief description of the item or service along with the manufacturer's or servicer's nomenclature for the hardware, software product or service and any pertinent identifying information. For example, servers should include CPU Cores, memory, and architecture (x86, Power, SPARC, etc), etc.
- **IP Category** – Bidder must indicate the applicable intellectual property category for each software product proposed. Categories are State Material, Proprietary Contractor product, non-contractor owned, widely used COTS Software, Limited Use COTS Software, Proprietary Third Party Material, Public Material, Open Source Software.
- **Licensing Model** – Bidder must indicate whether the software is licensed by server, central processing unit (CPU), client, concurrent connection, unlimited, or any other method.
- **Maintenance Approach** – Bidder must provide the maintenance method for the software product. For software products having multiple maintenance options, the bidder must indicate the Bidder's recommended maintenance approach.
- **Allow Substitution** – Bidder must indicate whether it is acceptable to substitute a similar or better product or service from the same or different manufacturer / servicer. Indicate a "Y" if it is acceptable or an "N" if it is not acceptable.
- **Environment** – Bidder must describe the environments to which products or services are applicable. The environments listed must be consistent with those included in the bidder's proposal. Products or services used for multiple environments should be described as "General" in this field.
- **Operating System** – Bidder must identify the operating system(s) associated with the hardware or software product. If multiple operating systems (or multiple versions of a single operating system) will be used in a virtualized environment, identify all applicable operating systems. If no operating system is applicable, enter "N/A."
- **Related BOM items** – Bidder must provide the BOM Item Numbers of any related product or service that must be installed concurrently with the material or service identified on this line.
- **Notes** – Bidder must provide any other information that the State would need to understand the product or service detail.
- **Quantity Purchased** – Bidder must identify the quantity of the product or service to be procured as defined by the Item/Service Description field. For example, if a hardware material is supplied in pairs, a quantity of "1" would indicate one pair. If the bidder is purchasing a service for monthly fee with no initial fee, the purchase number is "0".
- **Unit Price** – Bidder must provide the price per unit of the product or service. If there is no purchase price, then the price is "0"
- **No.of Months Allocated** – Bidder must identify the number of months for which the material or service is to be allocated. For instance, if a hardware item is expected to last three years, the bidder would indicate 36 months. If the bidder will pay a yearly service fee, the bidder would indicate 12 months.
- **Monthly Unit Price** – A calculated field that equals Unit Price divided by No. of Months Allocated
- **Operations Yearly Price** – A calculated field that equals Quantity Purchased multiplied by Monthly Unit Price multiplied by 12 months.

I. Init Op Cert Labor

The purpose of the Initial Operations and Certification Labor pricing sheet is to obtain the bidder's pricing for additional labor expected during the initial operations phase to support implementation and certification. Instructions for the completion of this worksheet are listed below.

- **Total Hours/Total Price**– A calculated field that equals the total hours and total price of all labor for this phase.
- **Labor Category** – Bidder must list each category that is intended to be utilized for the Initial Operations and Certification phase. Job descriptions and qualifications of the labor categories listed must be included in the bidder's proposal response to Initial Operations and Certification Staffing. If rates are different for a consultant than an employee, enter a second line for that labor category and use the label "Consultant" at the end of the title (e.g. Business Analyst - Consultant).
- **Projected Start Month** - Bidder must provide the projected month in which the proposed labor category will begin.
- **Projected End Month** - Bidder must provide the projected month in which the proposed labor category will end.
- **Rate** – Bidder must enter the all-inclusive hourly rate utilized in the bidder's cost build-up for the labor category.
- **Total Hours** – A calculated field that equals the total number of hours entered for each month (1 – 18) for the labor category.
- **Total Price** – A calculated field that equals the Rate multiplied by Total Hours for each labor category.

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- **Initial Operations and Certification Months** – Enter the number of hours included in the bidder's price proposed by month for each labor category. The State has provided columns for up to 18 months. The bidder must include hours for the number of months (greater than or less than 18 months) that the bidder reasonably expects to be necessary for this phase based on the bidder's experience.

J. Turnover Labor

The purpose of the Turnover Labor pricing sheet is to obtain the Bidder's pricing for the additional labor expected to support the turnover phase. The bidder must include Instructions for the completion of this worksheet are listed below.

- **Total Hours/Total Price**– A calculated field that equals the total price of all labor for this phase.
- **Labor Category** – Bidder must list each category that is intended to be utilized for the Turnover phase. Job descriptions and qualifications of the labor categories listed must be included in the bidder's proposal response to Turnover Staffing. If rates are different for a consultant than an employee, enter a second line for that labor category and use the label "Consultant" at the end of the title (e.g. Business Analyst - Consultant).
- **Projected Start Month** - Bidder must provide the projected month in which the proposed labor category will begin.
- **Projected End Month** - Bidder must provide the projected month in which the proposed labor category will end.
- **Rate** – Bidder must enter the all-inclusive hourly rate utilized in the bidder's price build-up for the labor category.
- **Total Hours** – A calculated field that equals the total number of hours entered for each month (1 – 24) for the labor category.
- **Total Price** – A calculated field that equals the Rate multiplied by Total Hours for each labor category.
- **Turnover Months** – Enter the number of hours included in the bidder's price proposed by month for each labor category. The State has provided columns for up to 24 months. The bidder must include hours for the number of months (greater than or less than 24 months) that the bidder reasonably expects to be necessary for this phase based on the bidder's experience. For instance, if the bidder proposes an 18 month implementation for the DDI phase for this project, it is reasonable for the bidder to propose 18 months of turnover staffing to support a transition to a new contractor.