VII. PRICING PROPOSAL

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VII.1 INTRODUCTION

The CDCR Health Care Scheduling System (HCSS) shall include design, development and implementation, ongoing maintenance and operations (M&O) support, software, and hardware. The Bidder shall include all one-time and ongoing HCSS costs in the Bidder's Proposal. Total Costs are required by the CDCR for evaluation and budget purposes, while additional detail of costs is required for the CDCR's understanding of the costs. The Bidder shall also provide fixed hourly staff rates to the State for work to be performed during the HCSS development in order to accomplish unplanned (as required) system enhancements and planned system enhancements.

The selected Bidder shall be entitled to payments during the development of the deployment of the HCSS. The payment will be tied to the successful completion of work and the CDCR' acceptance of the work, as defined by Section VII.3.8, Bidder Payment Schedule Worksheet CDCR will retain a holdback of 15% of each deliverable until final acceptance of the system.

VII.2 COST WORKBOOK

In order to derive the HCSS project costs, the CDCR has made a Cost Workbook available to Bidders. The Cost Workbook is in Excel format and can be found in RFP, Appendix D, Cost Workbook. In the Cost Workbook, Bidders must provide information for the cost of the proposed software, hardware, cost for design, development, implementation and support costs for the HCSS. Bidders are further required to estimate the level of effort for both the Bidder and the CDCR in terms of hours for the implementation of the HCSS.

Bidders must provide responses for all components of the HCSS costs, as required in the Cost Workbook. The Cost Workbook includes nine (9) pre-formatted Excel Worksheets, as outlined below:

1. Total Cost Summary Worksheet (Form VII-1) – This Worksheet provides a summary of total HCSS costs. The content of this Worksheet is automatically populated with information from the Cost Workbook, Cost Worksheets VII-2 through VII-6.
2. Software Costs Worksheet (Form VII-2) – This Worksheet provides the information for specification and pricing of all one-time and ongoing Bidder software costs.
3. Hardware Costs Worksheet (Form VII-3) – This Worksheet provides the information for specification and pricing of all Hardware associated with the HCSS.
4. Design, Development and Implementation (DDI) Services Costs Worksheet (Form VII-4) – This Worksheet provides the information for specification and pricing of all one-time Bidder-provided services associated with the HCSS.
5. Support Services Costs Worksheet (Form VII-5) – This Worksheet provides the information for specification and pricing of all ongoing Bidder-provided services associated with the support of the HCSS.
6. Level of Effort Worksheet (Form VII-6) – This Worksheet provides the information for specification of both Bidder and CDCR hours per task/deliverable. This worksheet is for information purposes only but is required to allow the CDCR to gauge Bidder and CDCR resource requirements.
7. Labor Rates Worksheet (Form VII-7) – This Worksheet provides the information for specification of Bidder Composite Rates and individual staff classification Hourly

Rates for the HCSS project and potential change orders for unanticipated tasks and to accommodate M&O support activities.

8. Payment Schedule Worksheet (Form VII-8) – This Worksheet provides the information for details of the deliverables-based payment schedule to the Bidder through system acceptance by the CDCR.
9. Bidder Assumptions Worksheet (Form VII-9) – This Worksheet provides the Bidder's assumptions upon which its pricing is being determined. Assumptions shall not conflict with Contract terms and conditions or Mandatory Requirements of this RFP.

When defining ongoing costs during the M&O year, the Bidder shall provide total *annual* costs for products and services after acceptance of the HCSS for a term of one (1) year, with two (2) additional one (1) year options that may be executed by the CDCR at any time during the initial contract term. Each of the above cost worksheets, with exception to implementation costs, contain a section of M&O costs per year and optional years. ***The M&O contract shall not begin prior to acceptance of the full HCSS by the CDCR.***

VII.3 COST WORKSHEETS

Bidders are responsible for entering cost data in the format prescribed by the Cost Workbook. Formulas have been inserted in the appropriate cells of the worksheets to automatically calculate summary numbers, and typically should not be altered. Further instructions for entering cost data are included in the worksheets. It is the sole responsibility of the Bidder to ensure that all mathematical calculations are correct and that the Total Bidder Costs in VII-1 Total Cost Summary reflect the Bid Amount for RFP-08-001-ITS.

Completion of the Cost Workbook and worksheets is mandatory. Applicable purchase, delivery, tax, installation, safety, license, travel, training and any other expenses associated with the delivery and implementation of the proposed items must be included in the Bidder's firm fixed price. There shall be no assumptions, conditions, or constraints included in the cost proposed.

VII.3.1 Total Cost Summary Worksheet (Form VII-1)

The Total Cost Summary worksheet will calculate the total One-time and Ongoing cost of all Bidder systems and services as proposed for the HCSS initial deployment, as well as annual M&O costs upon HCSS acceptance through the first 3 (3) years of M&O. This Total Cost shall be inclusive of all other the miscellaneous costs (i.e., overhead, profit, per diem, etc.).

VII.3.2 Software Costs Worksheet (Form VII-2)

The Bidder shall identify all software costs required to design, develop, implement and operate the HCSS. This Worksheet provides the information for specification and pricing of all one-time and ongoing Bidder software costs

VII.3.2.1 Software Item Description and Specification

The Bidder shall describe all proposed software, including quantity and unit cost, manufacturer, brand name, module and version number for the items being proposed (for CDCR Datacenter Infrastructure technologies, the vendor must provide the functional specification). In addition to Enterprise licenses, the Bidder may propose different license types for the CDCR' consideration.

VII.3.2.2 One-Time Software Costs

All costs associated with the purchase, delivery, installation, inspection, licenses and production of the HCSS software components shall be loaded into the Unit Cost. Bidders may provide an alternative costing approach based on cost drivers such as lease or usage, but shall still commit to a firm fixed annual cost. The subtotals from this table will automatically populate Form VII-1, Total Cost Summary.

VII.3.2.3 Ongoing Software Costs

The Bidder shall list all ongoing costs associated with the proposed software by year after implementation. This cost shall include application maintenance and software upgrades (core and third party software components).

The subtotal from this table will automatically populate Form VII-1, Total Cost Summary.

VII.3.3 Hardware Costs Worksheet (Form VII-3)

The Proposal shall enumerate all hardware one-time and ongoing costs based on the Bidder's Proposed Solution. The Bidder shall also describe all proposed hardware, including Hardware Item, Per Unit Cost, Quantity, Environment, Manufacturer, Detailed Description, (e.g. number of processors, amount and type of storage and memory, type of network card), Operating System, and Earliest Proposed Purchase Date, for the items being proposed. The proposed hardware must support all HCSS environments (i.e. Production, QA/Staging, Development/Test, Training and Disaster Recovery).

There are two sections in Form VII-8, Hardware Costs – one section for costs and one section for detailed specifications. The Bidder must make sure that these sections match. For example, if the Bidder proposes set up for "x" hardware items in the one-time costs section, there should be a corresponding "x" number of hardware items in the specifications section.

In addition to completing Form VII-3, the Bidder must also complete and submit Form 7.2, Hardware Specification Form in RFP Appendix C, Bid Response Forms, which does not include pricing. The hardware specifications in these two forms must match.

VII.3.4 Bidder Design, Development and Implementation (DDI) Costs Worksheet (Form VII-4)

The Bidder shall provide the total *one-time* costs for designing, developing and implementing the HCSS (e.g., project management, business process change management, testing, training, transition).

VII.3.4.1 One-time Costs by Deliverable

The Bidder shall provide implementation services costs that contain the Bidder's deliverable-based fixed price for providing the various services associated with the phased implementation required for the HCSS project. The Bidder shall provide the cost for each deliverable. Bidders may add additional deliverables to the list. If there is no cost associated with a particular deliverable, the Bidder shall enter "0" in the field. The subtotal from this table will automatically populate Form VII-1, Total Cost Summary.

VII.3.4.2 One-time Interface Costs

The Bidder shall provide the cost for each interface. The subtotal from this table will automatically populate Form VII-1, Total Cost Summary.

VII.3.5 Support Services Costs Worksheet (Form VII-5)

For operations support for the HCSS in year 1, the Bidder shall provide rates for staff support to augment CDCR's capacity to provide ongoing operations for the HCSS. The exact number of staff and the duration of the required support are unknown at this time. CDCR has defined the roles that may be required in Form VII-5, Support Services Costs Worksheet. The Bidder's may add roles to this table as deemed appropriate.

The Bidder shall provide a firm fixed rate for staff roles that will be used to provide operations support for the HCSS. These fixed rates shall apply throughout the term of the contracted period. Bidders may apply a maximum annual escalation of 5% for staff hourly rates, following full Acceptance of the HCSS.

The subtotal from this table will automatically populate Form VII-1, Total Cost Summary.

VII.3.6 Bidder Labor Rates Worksheet (Form VII-6)

The CDCR may request that the selected Bidder provide additional services that were not originally envisioned and are out-of-scope of this contract (e.g. application enhancements). Application enhancements should be structured in terms of a fixed rate for optional consulting support that CDCR can use to support application change requests and unanticipated application modifications. These service requests will be handled via change orders. The Bidder shall provide a firm fixed rate for project and development staff that will be used to design, develop and implement these modifications to the HCSS. These fixed rates shall apply throughout the term of the contracted period. Bidders may apply a maximum annual escalation of 5% for staff hourly rates, following full Acceptance of the HCSS.

The Bidder Labor Rates worksheet shall include the Bidder's firm fixed rate for project and development staff that will be used to design, develop and implement application modifications and upgrades to the HCSS. Bidders must identify its standard staff positions in the worksheet and provide hourly rates for each position.

VII.3.7 Level of Effort Worksheet (Form VII-7)

The Bidder shall indicate the level of effort associated with each deliverable listed and indicate the effort in hours and for both the Bidder and the CDCR. The Bidder shall identify all proposed deliverables being provided, which must be consistent with the list provided in Form VII-4, Bidder Implementation Costs. All tasks associated with the services proposed for the HCSS Project shall be included in the total level of effort for that service.

VII.3.8 Bidder Payment Schedule Worksheet (Form VII-8)

The Bidder shall detail the payment schedule by deliverable group as identified in Form VII-8. Each deliverable group has a not to exceed percentage relationship to the total cost proposed by Bidders. All costs and cost items by deliverable group must be included in the schedule. The Bidder may add additional rows, move deliverables, and apply the percentages within each

stated deliverable group as appropriate. The actual payments released to the contractor will be deliverable-based in accordance with the Statement of Work.

VII.3.9 Pricing Assumptions Worksheet (Form VII-9)

The Bidder is required to state all pricing assumptions upon which its pricing is being determined in RFP Appendix D, Cost Workbook, Form VII-9, Pricing Assumptions. Note that all other Proposal Assumptions are to be provided in Form 7.1, Bidder Proposal Assumptions, provided in RFP Appendix C, Bid Response Forms. Assumptions shall not conflict with Contract terms and conditions or Mandatory Requirements of this RFP.

Assumptions made by the Bidder in responding to this RFP do not obligate the CDCR in any way. Additionally, assumptions made by the Bidder may make the Proposal conditional and may cause the Bidder's Proposal to be rejected.

The Bidder shall provide pricing consistent with the following:

- Apply the pricing in accordance with the Contract Terms and Conditions and Mandatory Requirements of the RFP.
- Clearly identify and explain all of the pricing assumptions made, upon which pricing is predicated including the cost/pricing impact if the assumption turns out not to be valid.
- State if any charge is subject to special conditions, and clearly specify those conditions and quantify their impact upon the charges.