

SECTION 5. COST PROPOSAL

All subsections of Section 5 require a response. The Offeror must indicate certification of understanding for the Section and the Offeror must restate the subsection number and the text immediately prior to the written response.

5.1 Estimated Budget

DPHHS has established the following estimated budget amount for the Provider Services module. This estimate is based on the amounts approved in the DPHHS modularity I-APD but the estimated budget does not represent a budgeted amount for Option A or Option B Services or a maximum budget for Provider Services. Table 5.1 outlines the Provider Services module estimated budget:

Table 5.1 Estimated Provider Services Module Budget by Phase and Duration

Phase	Duration in Months	Total Amount
DDI, Integration, Implementation & Certification	19 (7 month DDI / 12* month Certification)	\$3,796,875
Operations and Maintenance (Base years)	48	\$2,347,917
Operations and Maintenance (Optional years)	60	\$3,110,990
System Enhancement Hours (1,500 DDI Hours)		\$180,000
System Enhancement Hours (500*9 Operations years)		\$562,500
Total Estimated Budget		\$9,998,282
*The 12 months of Certification overlaps the first 12 months of Operations		

☒ Offeror has read, understands, and will comply with each requirement in this section.

5.2 Price Schedules

Offerors must complete the Price Schedules provided in Attachment G. Offerors shall propose a firm fixed price for each of the fields contained on the pricing schedules. These schedules serve as the representation of Offeror's price. Offeror should include additional information as necessary to explain the Offeror's price. No cost information shall be included in the technical proposal. The requirements and schedules are detailed in Table 5.2 Pricing Schedule List:

Table 5.2 Pricing Schedule List (These schedules are provided in Attachment G, Provider Pricing Schedules).

List of Schedules	
Schedule	Title
Schedule A	Cost Summary
Schedule B Schedule B-1 Schedule B-2 Schedule B-3	DDI Payment Milestone by Phase - Provider Services Base Scope of Work Design Development & Implementation (DDI) Payment Milestones By Phase - Provider Services Option A Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase - Provider Services Option B Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase <i>Note: Schedule B - DDI Payment Milestone by Phase calculations shall be based on a hypothetical scenario for a Participating State that has 65,000 Total Providers or 65,000 Total Owners.</i>
Schedule C	Cost of Operations
Schedule D	Enhancement Pool Hours
Schedule E	Resource Hourly Rates
Schedule F - Schedule F-1 - Schedule F-2 - Schedule F-3 - Schedule F-4	Provider Services Base Scope of Work Cost - Provider Services DDI Cost - Provider Services Operations Cost - Provider Services DDI Enhancement Pool Hour Cost - Provider Services Operations Enhancement Pool Hour Cost
Schedule G - Schedule G-1 - Schedule G-2 - Schedule G-3 - Schedule G-4	Provider Services Option A Scope of Work Cost - Provider Services DDI Cost - Provider Services Operations Cost - Provider Services DDI Enhancement Pool Hour Cost - Provider Services Operations Enhancement Pool Hour Cost
Schedule H - Schedule H-1 - Schedule H-2 - Schedule H-3 - Schedule H-4	Provider Services Option B Scope of Work Cost - Provider Services DDI Cost - Provider Services Operations Cost - Provider Services DDI Enhancement Pool Hour Cost - Provider Services Operations Enhancement Pool Hour Cost

All schedules must be completed in full at the time of submittal. Montana state law dictates a contract limit of 10 years. The Contract term will include DDI and operations years for the MPATH project.

The preferred technical standards for the State of Montana Department of Public Health and Human Services (Department) have been provided in the procurement library. The Department does not have excess licenses for these components. Therefore, if the Contractor chooses to include any of these components in their solution, the Contractor shall include the costs of these components in their proposal.

Schedule A: This is a summary of the all-inclusive cost of the proposal. These totals should be taken from Schedules F (tabs F-1 thru F-4). Cost summary for Option A services should be taken from Schedule G (tabs G-1 thru G-4). Cost summary for Option B services should be taken from Schedule H (tabs H-1 thru H-4). Offerors are only required to complete Schedules G-1 thru G-4 and/or H-1 thru H-4 if choosing to bid on services outlined in Option A and/or Option B.

Schedule B: This schedule represents the percentage of the total cost for Design, Development and Implementation. Do not include operations costs in this schedule. This schedule reflects payment milestones for each phase of the project. The offeror must complete matrix B-1 and if applicable matrices B-2 and B-3 by inserting a dollar amount for each payment milestone/phase such that the total percentages by phase are within the minimum and max percentage for each phase. Offerors are only required to complete Schedules B-2 and/or B-3 if choosing to bid on services outlined in Option A and/or Option B. Schedule B - DDI Payment Milestone by Phase calculations shall be based on a hypothetical scenario for a Participating State that has 65,000 Total Providers or 65,000 Total Owners.

Schedule C: This schedule represents the total cost of operations including four base years and five optional years. This will be completed as an attachment to a Participating Addendum. Schedule C does not need to be completed as a part of the Offeror's proposal submission. Operations year one begins the first day of the month following the implementation of the MPATH module.

Schedule D: This schedule represents the cost for enhancement pool hours for both the DDI and Operations phases of the proposal. This will be completed as an attachment to a Participating Addendum. Schedule D does not need to be completed as a part of the Offeror's proposal submission. Operations year one begins the first day of the month following the implementation of the MPATH module.

Schedule E: This schedule represents the hourly rates for resources in both the DDI and Operations phases.

NOTE: Offerors are only required to complete Schedules G-1 thru G-4 and/or H-1 thru H-4 if choosing to bid on services outlined in Option A and/or Option B. Schedules F, G and H can be completed automatically or manually. Offerors completing Schedules F-H manually must enter values in each field highlighted in green and orange. Offerors completing Schedules F-H using the automated formulas must enter values in each field highlighted in green and blue. All other fields are protected and must not be changed. Offerors must use only Providers throughout all schedules and worksheets in schedules F, G, and H or use only Owners consistently throughout the schedules and worksheets in F, G, and H to compute cost. Examples have been provided in workbook tabs labeled Example F-1 Prov Svcs DDI Costs, Example F-2 Prov Svcs Ops Cost, Example F-3 Prov Svcs DDI Hour Pool and Example F-4 Prov Svcs Ops Hour Pool. The examples provided are for demonstration purposes only and do not represent the State's expected costs for offerors cost proposal.

Schedule F (includes tabs F-1 thru F-4): This schedule represents the Provider Services Base Scope of Work Cost by Providers or Owners. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule F based on the number of Providers or by the number of Owners for each tab (F-1 thru F-4) of Schedule F. Schedule F will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of F-1 thru F-4 or the Owner Section of F-1 thru F-4. The base and variable costs identified in tabs F-1 thru F-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Schedule G (includes tabs G-1 thru G-4): This schedule represents the Provider Services Option A Scope of Work Cost by Providers or Owners. Offerors are only required to complete Schedules G-1 thru G-4 if choosing to bid on services outlined in Option A. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule G based on the number of Providers or by the number of Owners for each tab (G-1 thru G-4) of Schedule G. Schedule G will only be considered complete and valid if the Offeror completes each tab for

the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of G-1 thru G-4 or the Owner Section of G-1 thru G-4. The base and variable costs identified in tabs G-1 thru G-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Schedule H (includes tabs H-1 thru H-4): This schedule represents the Provider Services Option B Scope of Work Cost by Providers or Owners. Offerors are only required to complete Schedules H-1 thru H-4 if choosing to bid on services outlined in Option B. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule H based on the number of Providers or by the number of Owners for each tab (H-1 thru H-4) of Schedule H. Schedule H will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of H-1 thru H-4 or the Owner Section of H-1 thru H-4. The base and variable costs identified in tabs H-1 thru H-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Cost proposals will be evaluated for all offerors who passed the minimum score in Step 2 of the evaluation process for the Base Provider Services scope of work.

NOTE: The following information is provided to help the Offeror understand how a Participating Entity will use Schedules F, G, and H to determine DDI cost and annual Operations cost.

DDI Costs

The State will use the following method to compute State Specific Total DDI Costs:

1. Determine the number of total active de-duplicated providers (Total Providers) by computing the total active de-duplicated providers on the last day of each month. Then compute an average of the monthly active de-duplicated providers over the first twenty-four (24) months of the last twenty seven (27) months. This will be completed as an attachment to a Participating Addendum.
2. Determine the net active de-duplicated providers (Variable Providers)
 - a. Variable Providers = the total active de-duplicated providers (Total Providers) minus the 25,000 active de-duplicated providers included in base (Base Providers).
3. Identify the applicable Group using the Total Providers and select the corresponding Group Variable Rate.
4. Calculate the total variable DDI Costs (Variable DDI Costs) by multiplying the Variable Providers by the Group Variable Rate.
5. Calculate the Total DDI Costs by adding Base DDI Cost plus Variable DDI Costs.

Operations

Each year, the State will use the following method to compute State Specific Total Monthly Operations Costs:

1. Determine the number of total active de-duplicated providers (Total Providers) by computing a twenty four (24) month average of the monthly total active de-duplicated providers for the first twenty four (24) of the last twenty seven (27) months. This will be completed as an attachment to a Participating Addendum.
2. Determine the net active de-duplicated providers (Variable Providers)

- a. *Variable Providers = Total Providers minus the 25,000 active de-duplicated providers included in base (Base Providers).*
3. *Identify the applicable Group using the Total Providers and select the corresponding Group Variable Rate.*
4. *Calculate the total variable monthly operations costs (Variable Monthly Operations Costs) by multiplying the Variable Providers by the Group Variable Rate.*
5. *Calculate the Total State Monthly Operations by adding Base Operations Cost plus the Variable Monthly Operations Costs.*

A similar method will be used to determine the cost of System Enhancement pool hour cost for DDI and System Enhancement pool hour cost for each year of Operations.

✓ Offeror has read, understands, and will comply with each requirement in this section.

5.2.1 Adjusting DDI and Operational Costs one or More years After the Effective Date of the Master Agreement

For Participating Addenda signed one year or more years after the effective date of the Master Agreement, the base cost and the initial variable rate for DDI and Operations will be adjusted using the Consumer Price Index Urban (CPI-U) to account for economic changes that may impact cost.

For DDI costs outlined in Attachment G – Provider Pricing Schedules, Schedule F-1 Provider Svcs DDI Cost, Schedule G-1 Provider Svcs DDI Cost, Schedule H-1 Provider Svcs DDI Cost:

For (Tab F-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35), (Tab G-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35), (Tab H-1 Provider Svcs DDI Cost: for Provider pricing Cell C11 and cell C17 and for Owner pricing Cell C29 and cell C35) can be adjusted using the inflation factor derived by utilizing the CPI-U calculation noted below. If a Participating Addendum is signed one year or more following the effective date of the Master Agreement, the cells noted above will be multiplied by the CPI-U inflation factor E. The CPI-U adjustment only applies to the cells referenced and only occurs at the initiation of the Contract. Following the execution of a Participating Addendum the cost will receive additional CPI-U adjustments.

For Operation costs outlined in Attachment G – Provider Pricing Schedules, Schedule F-2 Provider Svcs Ops Cost, G-2 Provider Svcs Ops Cost, and H-2 Provider Svcs Ops Cost:

For (Tab F-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50), (Tab G-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50), and (Tab H-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50) can be adjusted using the inflation factor derived by utilizing the CPI-U calculation noted below. If the Participating addenda is signed one year or more following the effective date of the Master Agreement, the cells would be multiplied by CPI-U inflation factor E. The CPI-U adjustment only applies to the cells referenced and only occurs at the initiation of the Contract. Following the execution of a Participating Addendum the cost will receive additional CPI-U adjustments.

CPIU for United States Adjustment Factor Calculation:

CPI-U Index for the month and year of the execution of a Participating Addendum: A

Less the CPI-U Index for the month and year of the Effective Date of the Master Agreement: B

Equals Index Point Change: C

Divided by CPI-U Index B: $C/B = D$

Equals: D

*Result multiplied by 100: $D*100 = E$*

Equals CPI-U Inflation Percentage: E

☒ Offeror has read, understands, and will comply with each requirement in this section.

5.3 Payments

During the DDI phase of the Contract, the Contractor will be paid for each successful payment milestone identified in Attachment G, Pricing Schedule B – DDI Payment Milestones, based on the approval and acceptance of the milestone by DPHHS. The Contractor will submit an invoice for each milestone after DPHHS acceptance. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

During operations, Contractor may submit monthly invoices equal to 1/12 of the fixed price proposed for that contract year as identified in Attachment G, Pricing Schedule C – Cost of Operations. The Contractor will submit an invoice at the beginning of the month following the month for which services were performed. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

Enhancement pool hours for both the DDI and Operations phase will be paid for each enhancement upon acceptance and approval by DPHHS. The Contractor will submit a monthly System Enhancement Pool Report itemizing the hours for accepted and approved enhancements during the previous month. The Department shall pay for associated hours in the approved System Enhancement Pool Report within 30 calendar days based on the proration of rates provided in Attachment G, Pricing Schedule D – Enhancement Pool Hours.

☒ Offeror has read, understands, and will comply with each requirement in this section.

5.4 Additional Information

5.4.1 Place of Performance

Team CNSI's pricing is based on contractor work locations being used for all participating states other than specific key staff as identified in the participating addenda. This enables us to offer competitive services solutions that achieve favorable rates for staff, ability to recruit qualified staff, and access to facilities and infrastructure to support operations. Additionally, this allows us to offer the most efficient and competitive pricing, taking advantage of economies of scale and existing infrastructure.

5.4.2 Period of Performance

In accordance with Section 1.2 of the RFP, Team CNSI understands that the contract period is seven (7) years, beginning the Contract effective date, and ending 84 months following the contract effective date. We acknowledge that the parties may mutually agree to a renewal of this contract in one (1) year intervals, or any interval that is advantageous to the State. Additionally, we recognize that the contract, including any renewals, may not exceed a total of ten (10) years from the contract effective date, at the State's option.

5.4.3 Acceptance Period

Per Section 1.5.7 of the RFP, Team CNSI agrees that it may not modify, withdraw, or cancel its proposal for a 200-day period following the RFP closing date or receipt of best and final offer, if required.

5.4.4 Accounting System

CNSI utilizes the Deltek Costpoint accounting system. Deltek Costpoint has been evaluated by the Defense Contract Audit Agency (DCAA) and found fully compliant with government accounting standards and regulations. Costpoint is a fully-integrated, enterprise solution developed specifically for leading sophisticated project-based businesses, and offers market-leading functionality in project and financial accounting, personnel administration, materials management and enhanced industry reporting tools. Costpoint was designed from the start to function as a project financial management system, which enables our users to record, bill, collect, and report costs and revenue at any level of a work breakdown structure (WBS).

The built-in applications within this system incorporate powerful project accounting and organizational accounting features to meet the business needs of CNSI. These applications feature traditional accounting products, including General Ledger, Accounts Payable, Accounts Receivable, Purchasing, Fixed Assets, Travel, Timesheets, Payroll, Human Resources, Employee Self Service, and Materials Management.

Costpoint tracks all of the costs and revenues associated with the performance of any project or activity, in part or in whole. CNSI can automatically generate billings for all of our projects and customers, as well as distribute reliable financial information to our financial and project managers.

5.4.5 Banking Information

Kevin McCormack

Senior Vice President

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5.4.6 Other Information

- DUNS Number: 86-885-0215
- Federal ID Number: 52-1872098

5.5 Assumptions

Team CNSI's pricing is based on the following assumptions.

- CNSI has completed Attachment G manually.
- CNSI is proposing its standard full-time equivalent of 1,920 hours in response to this solicitation. These are productive hours, exclusive of vacation and holidays.
- Participating states and their vendors will provide conversion file layout and extracts in a timely manner.
- Participating states and their vendors will provide interface file layout and sample files in a timely manner.
- Participating states and their vendors will provide interface test files in a timely manner to meet release schedules.
- Participating states and their vendors will perform timely review and approval of deliverables.
- Team CNSI may use its own SDLC methodology as long as all processes and resulting deliverables conform to participating state standards.
- Load testing is performed for a maximum of 1,000 concurrent users.
- Fee collection pricing is based on a 5% per year re-enrollment rate.
- The following reflects our assumed participating state Enterprise Content Management (ECM) user count for each Group:
 - Group 1 - 30 Users
 - Group 2 - 35 Users
 - Group 3 - 45 Users
 - Group 4 - 60 Users
 - Group 5 - 70 Users
 - Group 6 - 85 Users
 - Group 7 - 100 Users

Additional Assumptions for Option A

- A Learning Management System (LMS) is not required to deliver training videos to providers.

Additional Assumptions for Option B

- Provider enrollment staff will be located at contractor site locations with the exception of site visit coordinators, which will be located in the participating states.
- Second "B" notices or other mandated correspondence will be provided either electronically or via a state-supplied print/mail service.
- Providers will be encouraged by participating states to use the self-service portal for all enrollments and modifications.