Cougaar
Software Inc.

February 24, 2010

John Abbott (32)
Department of Administration
Purchasing Division
Building 15
2019 Washington Street, East
Charleston, WV 25305-0130

Subject :   RFQ HSE000101 – Cougaar Software Cost Proposal

Dear Mr. Abbott;

Cougaar Software, Inc. (CSI) is pleased to submit the following Cost Proposal which supports our Technical Proposal in response to RFQ HSE000101.

Based on our capabilities and understanding CSI has assembled a world class team for this effort and are able to provide the State of West Virginia with a fully compliant solution meeting all your mandatory requirements. Team CSI is composed of Cougaar Software, Inc. (CSI) as the prime; Information Research Corporation (IRC), a small West Virginia technical services company; and SAIC, a large technology services company.

We have provided our Cost Proposal plus one convenience copy along with a CD containing the Cost Proposal in electronic form.

Should you have any questions concerning this proposal or shipment, please contact Dr. Todd Carrico via email at tcarrico@cougaarsoftware.com or telephone (703) 506-1700.

Sincerely,

// tmc //

Todd Carrico Ph. D.
President & CEO

Modeling and Simulation (M&S) Capability for Consequence Management Services

Cost Proposal

Request for Proposal #: HSE000101

February 23, 2010

Cougaar Software, Inc.
7600 B Leesburg Pike, Suite 105
Falls Church, VA 22043
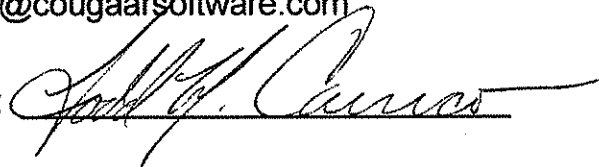Phone: (703) 506-1700
Fax: (703) 506-8010

CSI Document #CSI-2010-07

Point of Contact:
Dr. Todd Carrico, President and CEO
tcarrico@cougaarsoftware.com

Signed:

4 Cost Proposal

Cougaar Software, Inc. (CSI) is pleased to provide the following Firm Fixed Price (FFP) Proposal in response to the State of West Virginia RFQ HSE000101. This cost proposal will be valid for 180 days after the submission date of the overall proposal to the State of West Virginia - currently February 24, 2010.

Cost Category	Description of Services/Support	Cost ($)
Research	Requirements gathering; customer interaction; data gathering and research.	$ 115,395
Development	Architecture development, design, software development including VIPER code implementation; data layer development.	$ 835,576
Integration	Integration of the ConSim application with data layer integration and presentation layer.	$ 338,543
Test	Full system testing for entire prototype, including various spiral development efforts for the team; deployment.	$ 110,071
	Total all-inclusive fee (Project):	**$1,399,585**

The above FFP cost includes the following:

- Two laptops containing necessary software to run a remote demonstration of the M&S capabilities. Assumption is made that the specifications for this will be a high-end Intel-based PC.
- The M&S Capabilities software, above the ActiveEdge layer, are being provided with non-exclusive government use rights.
- Per Addendum #02, we have not included any costs for ESRI licensing and assumption is made that ESRI licensing expenses will be covered by the State of West Virginia.
- Our FFP cost assumes that the State of West Virginia will provide all the data necessary to design, develop and demonstrate the mandatory requirements per RFP Part 3 Paragraph 2 (Page 14 of 30) and Section 3.1.3 (Page 15 of 30).

4.1 Workers Compensation Statement

Per Section 3.3.3 of the RFQ License Requirements, Cougaar Software complies with all Federal and Virginia State laws relating to Workers Compensation certification. We do not employ any Cougaar Software staff in the State of West Virginia and it is our understanding that for this procurement no Workers Compensation certification will be required from Cougaar Software.

4.2 General Terms & Conditions

Team CSI pricing has assumed the aggressive schedule proposed by the state and we have planned our resources accordingly. However, if for any reason the State of West Virginia has to adjust the timing of the three demonstrations beyond December 31, 2010, CSI reserves the right to revisit the mandatory requirements and pricing with the State of West Virginia.

4.3 Soft Match

CSI proposes the following Soft Match to our above pricing based on:

Type of Match	Description	Value
CSI Licenses -	An Enterprise Application License for the State of West Virginia and the RCPGP stakeholder partners (Pennsylvania, Delaware, Maryland, District of Columbia and Virginia) as well as the Federal Emergency Management Agency (FEMA) of the US Federal Government. This will also include 2 years of ActiveEdge software maintenance.	$200,000
CSI Licenses -	Three (3) ActiveEdge Site Development Licenses; one for West Virginia, one for FEMA and one additional license for use as determined appropriate by the RCPGP stakeholders.	$150,000
IRC Services	Additional services to be provided by IRC, primarily for Mr. Robert Wentz, Deputy Program Manager.	$54,000
	TOTAL PROPOSED SOFT MATCH	$404,000

4.4 Payment Schedule and Progress Payments

CSI proposes the following progress payments against the defined list of deliverables outlined in our technical proposal. These progress payments have been based on the specific deliverable identified and the percentage of work completed. Each proposed payment will be adjusted with a 10% holdback with the holdback invoiced after the final milestone/deliverable (FEMA Showcase Demonstration) has been completed.

DESCRIPTION	DUE DATE	PROGRESS PAYMENT	PERCENTAGE COMPLETE
Detailed Development and Integration Schedule	10 days after contract award	5%	5%
Software Requirements Specification (including requirements and acceptance Criteria)	05/17/10	10%	15%
Software Acceptance Test Plan	05/31/10	5%	20%
Preliminary Design Review (PDR)	06/20/10	20%	40%
Final DoDAF Products	07/06/10	5%	45%
Software Design Document (SDD)	07/20/10	10%	55%
Critical Design Review (CDR) Presentation	08/17/10	15%	70%
EB Demo	09/28/10	15%	85%
WV DMAPS Demo	10/26/10	10%	95%
FEMA Showcase (Final)	11/30/10	5%	100%

Due to the aggressive nature of the schedule proposed by the State of West Virginia, deliverables provided by Team CSI shall be considered accepted and approved if no written feedback is provided to Team CSI within five (5) business days of the date of submission.