



**CSC**

# Administration of the Central Finance Office Operations

**PROPOSAL TO PROVIDE:**

Administration of a Birth to Three Central Finance Office (CFO) for WV through managing and operating an existing integrated statewide Early Intervention data structure for establishing and maintaining electronic histories of all referrals, eligibilities, and services to children.

**PREPARED FOR:**

Department of Administration,  
Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130

**SUBMITTED BY:**

CSC – Angie Stevens  
10975 Grandview, Suite 500  
Building 27, Box 11  
Overland Park, KS 66210  
astevens7@csc.com  
800.786.7909, Ext. 4840

**RFP: MCH14027**

**DATE:**

February 18, 2014

**Cost Proposal  
Original**

## Attachment C: Cost Sheet

*Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked.*

### **CSC Response:**

This section describes CSC's cost proposal. CSC is also including additional brief comments on the pricing for each line item to assist WV BTT in understanding the assumptions that generated the cost entries in the figure.

### *Contract Years*

CSC anticipates that the new contract resulting from this RFP will begin on April 1, 2014, and Year One of the contract will last until March 31, 2015. Years Two through Five will each begin on April 1st of subsequent years. CSC has used this assumed set of contract year start and end dates to configure its pricing for many of the lines in the cost exhibit below.

### *Start Up Costs*

CSC is already fully operational for all CFO services. There are no transitional or implementation costs associated with start-up.

### *Yearly Operating Costs*

This line contains the annual, rate per claim for the services specified in the RFP. The rate is all inclusive except that, per RFP instructions, CSC proposes to pass through postage separately. The postage will be invoiced monthly at cost, with no "mark up." The per claim rate is based on 175,000 claims per year. In estimating costs for these lines, CSC assumes that the number of claims per year will not drop by more than 10%; if the number of claims does drop by more than 10%, CSC will work with WV BTT to evaluate cost saving measures or to review the feasibility of the per line pricing.

CSC has used a projection of a 3% per year increase in the cost of labor and materials in preparing its pricing for Years two through five.

CSC acknowledges that postage will be billed as a pass-through expense separately, and has not included it in the per line cost. The SSAE 16 SOC1 audit is included in the per line cost.

Years Two and Three also include additional temporary services related to the projected rollout date of the new Web based SPOE replacement system. These include additional technical and help desk support in the months immediately following rollout, in Year Two.

Also, in scheduling modernization costs, CSC has assumed the following dates:

- A new contract start date of April 1, 2014
- A SPOE replacement project start date of July 6, 2014
- A SPOE replacement system launch early in contract Year Two

In the event that any of these dates change, CSC will work with WV BTT in good faith to revise annual costing figures.

### Modernization Costs

CSC believes it is the intent of the Initial Enhancement and Modernization Costs Line to define how much of the Modernization cost is to be incurred in contract Year One and how much in Year Two. CSC has proposed modernization costs related to the Web-based SPOE replacement project, which is described in detail in our response to *Section 4, Subsection 4.6*. The allocation of these costs between Year One and Year Two is based on the project date assumptions described above.

The RFP did not ask for a specific invoice schedule with respect to the modernization costs. CSC has prepared the following table in Exhibit 1 with proposed invoice points in respect to the fixed price Modernization costs associated with lines seven and eight. The invoice points correspond to phase deliverables described in the work plan and narrative text in *Section 4, Subsection 4.6* and other portions of the RFP response.

Contract Year	Deliverable	Projected Invoice Date	Percent of Modernization Cost	Invoice Value
1	Requirements Document	August 15, 2014	15%	\$84,685.00
1	External Design	September 17, 2014	15%	\$84,685.00
1	Code and Unit Test Complete	January 9, 2015	20%	\$112,913.40
1	System Test Complete	March 6, 2015	20%	\$112,913.40
1	User Acceptance Test (UAT) Begins	March 13, 2015	10%	\$56,456.70
2	Production System Deployed	May 1, 2015	15%	\$84,685.00
2	Training Complete	May 1, 2015	5%	\$28,228.50

**Exhibit 1. Proposed Invoice Points for Modernization Costs**

Using these assumptions, CSC has proposed invoice points in both Year One and Year Two. If WV BTT cannot or does not choose to initiate the SPOE replacement project according to that schedule, or if the project schedule must change, then it will be important to remember that contract funding may need to be retained from one contract year to another, as the invoice schedule will shift between contract years. In the event that West Virginia would suspend the modernization effort in the middle of a phase, CSC proposes to invoice WV BTT for all work performed up to the termination date.

### *Additional Services*

Per the RFP instructions, CSC is providing a blended hourly rate for each year. CSC has not needed to travel to West Virginia in order to successfully deliver a change order for WV BTT. As such, CSC has assumed that if any travel is required to gather requirements or for other purposes under a change order, the travel will be combined with a regularly scheduled contractual visit to WV BTT. This assumption allows CSC to offer WV BTT lower hourly pricing for the change order pool. If substantial travel becomes required to implement a change order under these lines, CSC will work in good faith with WV BTT to find an acceptable pricing approach.

### *Optional Annual Training*

Per RFP instructions, an all-inclusive hourly rate has been provided for each contract year. The rate includes labor, travel, and minimal materials related to delivering training to state and RAU staff at each of nine total state and RAU locations. See Exhibit 2.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Start-Up Costs</b>	\$0				
<b>Yearly Operating Costs</b>	(\$4.54/Paid Claim Line)	(\$5.54/Paid Claim Line)	(\$5.16/Paid Claim Line)	(\$5.30/Paid Claim Line)	(\$5.46/Paid Claim Line)
<b>Estimated 175,000 annual claim lines</b>	Total \$794,000.00	Total \$969,500.00	Total \$903,000.00	Total \$927,500.00	Total \$955,500.00
<b>Initial Enhancement and Modernization Costs</b>	\$451,653.50	\$112,913.50			
<b>Additional Services* \$____(all inclusive hourly rate) x 8,000 hours (estimated)</b>	\$760,000.00 (\$95/hr.x 8,000 hours)				
<b>Additional Services* \$____(all inclusive hourly rate) x 8,000 hours (estimated)</b>		\$792,000.00 (\$99/hr.x 8,000 hours)			
<b>Additional Services* \$____(all inclusive hourly rate) x 8,000 hours (estimated)</b>			\$808,000.00 (\$101/hr.x 8,000 hours)		
<b>Additional Services* \$____(all inclusive hourly rate) x 8,000 hours (estimated)</b>				\$832,000.00 (\$104/hr.x 8,000 hours)	
<b>Additional Services* \$____(all inclusive hourly rate) x 8,000 hours (estimated)</b>					\$856,000.00 (\$107/hr.x 8,000 hours)
<b>All Inclusive Hourly Rate for Training (Estimated 72 hours)</b>	\$ <u>168</u> /hr. Total \$12,096.00	\$ <u>171</u> /hr. Total \$12,312.00	\$ <u>175</u> /hr. Total \$12,600.00	\$ <u>178</u> /hr. Total \$12,816.00	\$ <u>181</u> /hr. Total \$13,032.00
<b>Yearly Not to Exceed Cost</b>	\$2,017,749.50	\$1,886,725.50	\$1,723,600	\$1,772,316	\$1,824,532
<b>Total Estimated Contract for five (5) Year Period:</b>					

**Exhibit 2 Hourly Rates Per Year**

Prepared for:  
 WV Department of Health and Human Resources – Bureau for Public Health  
 – Office of Maternal, Child and Family Health

Section Name: Attachment C: Cost Sheet

RFP: MCH14027  
 Date: February 18, 2014

**CSC**

10975 Grandview, Suite 500  
Overland Park, Kansas 66210  
913.469.8700

**Worldwide CSC Headquarters**

3170 Fairview Park Drive  
Falls Church, Virginia 22042  
703.876.1000

**About CSC**

*The mission of CSC is to be a global leader in providing technology-enabled business solutions and services.*

*With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.*

*CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.*

*For more than 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.*

*The company trades on the New York Stock Exchange under the symbol "CSC."*

Copyright © 2014 Computer Sciences Corporation. All rights reserved. Printed in U.S.A.

# REQUEST FOR PROPOSAL

000061

WV Department of Health and Human Resources  
Bureau for Public Health  
Office of Maternal, Child and Family Health  
MCH14027

**\*All-inclusive Hourly Rate for Pricing Additional Services:**

Contract will be open-end based on the estimates listed on the Cost Sheet. It is understood and agreed that the Contract shall cover the quantities actually ordered during the term of the Contract, whether more or less than the quantities shown. Agency and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each service. Vendor must agree to provide a Statement of Work and estimation of effort and receive Agency approval of the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning. Vendor's all-inclusive hourly rate will include all general and administrative staffing (secretarial, clerical, etc.), travel, supplies, and any other resource costs necessary to perform additional services within the scope of this project.

Vendor will invoice monthly in arrears using line items documented on Cost Sheet. Postage can be invoiced as pass through costs with appropriate documentation.

CSC Covansys Corporation  
\_\_\_\_\_  
(Company) *Robert [unclear]*  
\_\_\_\_\_  
(Representative Name, Title)  
913.469.8700, Ext. 4840/Fax: 913.469.5814  
\_\_\_\_\_  
(Contact Phone/Fax Number)  
1/30/14  
\_\_\_\_\_  
(Date)

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.

# REQUEST FOR PROPOSAL

000061

WV Department of Health and Human Resources  
Bureau for Public Health  
Office of Maternal, Child and Family Health  
MCH14027

**\*All-inclusive Hourly Rate for Pricing Additional Services:**

Contract will be open-end based on the estimates listed on the Cost Sheet. It is understood and agreed that the Contract shall cover the quantities actually ordered during the term of the Contract, whether more or less than the quantities shown. Agency and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each service. Vendor must agree to provide a Statement of Work and estimation of effort and receive Agency approval of the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning. Vendor's all-inclusive hourly rate will include all general and administrative staffing (secretarial, clerical, etc.), travel, supplies, and any other resource costs necessary to perform additional services within the scope of this project.

Vendor will invoice monthly in arrears using line items documented on Cost Sheet. Postage can be invoiced as pass through costs with appropriate documentation.

CSC Covansys Corporation

(Company)

*Robert Murphy*  
(Representative Name, Title)

913.469.8700, Ext. 4840 / Fax: 913.469.5814

(Contact Phone/Fax Number)

1/30/14  
(Date)

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.