

# The West Virginia Purchasing Division on behalf of West Virginia Department of Health and Human Resources (DHHR), and Bureau for Medical Services (BMS)

FEA Support to Self-Direction Members

## Cost Proposal

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December 12, 2017

RFP#: CRFP 0511 BMS1800000002

**ORIGINAL**

Charles D. Barnette  
2019 Washington Street, East  
Charleston, WV 25305



40 Broad Street, 4th Floor, Boston, Massachusetts 02109  
Tel: (617) 426-2026, Fax: (617) 426-4632  
[www.publicconsultinggroup.com](http://www.publicconsultinggroup.com)

# Attachment C: Cost Sheet

Vendor may elect to provide discounts based on increases in enrollment volume.

		A			B		C		
Base Contract Year 1		Tiered Volumes		Estimated Monthly Participants*	Estimate PMPM Bid	Estimate Total Annual Cost (A*B)*12 = C		Cell Number	
Start-up Cost						\$300,000.00		7	
Fiscal Agent Support	0 to 2,000 Members			1,000	\$100.00	\$1,200,000.00		8	
	2,001 to 4,000 Members			3,000	\$100.00	\$3,600,000.00		9	
	> 4,001 Members			5,000	\$75.00	\$4,500,000.00		10	
Fiscal Agency Support for ADW Community Transition Services	N/A			Not to exceed 100 Membes per Fiscal Year	\$260.00	\$26,000.00		11	
Fiscal Management Services for Processing TBIW Community Transition Services	N/A			Not to exceed 100 Membes per Fiscal Year	\$260.00	\$26,000.00		12	
Resource Consulting	0 to 2,000 Members			1,000	\$160.00	\$1,920,000.00		13	
	2,001 to 4,000 Members			3,000	\$160.00	\$5,760,000.00		14	
	> 4,001 Members			5,000	\$120.00	\$7,200,000.00		15	
Ad hoc Reporting		Hourly Rate		Estimated Hours				16	
*Ad hoc Reporting \$_____ (all inclusive hourly rate) X 20 hours) (Estimated)		\$200		20		\$4,000.00		17	
Additional Services		Hourly Rate		Estimated Hours				18	
*Additional Services \$_____ (all inclusive hourly rate) X 40 hours) (Estimated)		\$200		40		\$8,000.00		19	
Estimate Subtotal - Base Year 1 (Add Cells C7 through C20)						\$24,544,000.00		20	
Optional Renewal: Year 1									21
Fiscal Agent Support	0 to 2,000 Members			1,000	\$103.00	\$1,236,000.00		24	
	2,001 to 4,000 Members			3,000	\$103.00	\$3,708,000.00		25	
	> 4,001 Members			5,000	\$77.00	\$4,620,000.00		26	
Fiscal Agency Support for ADW Community Transition Services	N/A			Not to exceed 100 Membes per Fiscal Year	\$268.00	\$26,800.00		27	
Fiscal Management Services for Processing TBIW Community Transition Services	N/A			Not to exceed 100 Membes per Fiscal Year	\$268.00	\$26,800.00		28	
Resource Consulting	0 to 2,000 Members			1,000	\$165.00	\$1,980,000.00		29	
	2,001 to 4,000 Members			3,000	\$165.00	\$5,940,000.00		30	
	> 4,001 Members			5,000	\$124.00	\$7,440,000.00		31	
Ad hoc Reporting		Hourly Rate		Estimated Hours				32	
*Ad hoc Reporting \$_____ (all inclusive hourly rate) X 20 hours) (Estimated)		\$200		20		\$4,000.00		33	
Additional Services		Hourly Rate		Estimated Hours				34	
*Additional Services \$_____ (all inclusive hourly rate) X 40 hours) (Estimated)		\$200		40		\$8,000.00		35	
Estimate Subtotal - Optional Year 1 (Add Cells C24 through C35)						\$24,989,600.00		36	
Optional Renewal: Year 2									
Fiscal Agent Support	0 to 2,000 Members			1,000	\$106.00	\$1,272,000.00		39	
	2,001 to 4,000 Members			3,000	\$106.00	\$3,816,000.00		40	
	> 4,001 Members			5,000	\$79.00	\$4,740,000.00		41	
Fiscal Agency Support for ADW Community Transition Services	N/A			Not to exceed 100 Membes per Fiscal Year	\$276.00	\$27,600.00		42	
Fiscal Management Services for Processing TBIW Community Transition Services	N/A			Not to exceed 100 Membes per Fiscal Year	\$276.00	\$27,600.00		43	
Resource Consulting	0 to 2,000 Members			1,000	\$170.00	\$2,040,000.00		44	
	2,001 to 4,000 Members			3,000	\$170.00	\$6,120,000.00		45	
	> 4,001 Members			5,000	\$128.00	\$7,680,000.00		46	
Ad hoc Reporting		Hourly Rate		Estimated Hours				47	
*Ad hoc Reporting \$_____ (all inclusive hourly rate) X 20 hours) (Estimated)		\$200		20		\$4,000.00		48	
Additional Services		Hourly Rate		Estimated Hours				49	
*Additional Services \$_____ (all inclusive hourly rate) X 40 hours) (Estimated)		\$200		40		\$8,000.00		50	
Estimate Subtotal - Optional Year 2 (Add Cells C39 through C50)						\$25,735,200.00		51	

**Optional Renewal: Year 3**

Fiscal Agent Support	0 to 2,000 Members	1,000	\$110.00	\$1,320,000.00	54
	2,001 to 4,000 Members	3,000	\$110.00	\$3,960,000.00	55
	≥ 4,001 Members	5,000	\$82.00	\$4,920,000.00	56
Fiscal Agency Support for ADW Community Transition Services	N/A	Not to exceed 100 Members per Fiscal Year	\$285.00	\$28,500.00	57
Fiscal Management Services for Processing TBIV Community Transition Services	N/A	Not to exceed 100 Members per Fiscal Year	\$285.00	\$28,500.00	58
Resource Consulting	0 to 2,000 Members	1,000	\$175.00	\$2,100,000.00	59
	2,001 to 4,000 Members	3,000	\$175.00	\$6,300,000.00	60
	≥ 4,001 Members	5,000	\$132.00	\$7,920,000.00	61
<b>Ad hoc Reporting</b>	<b>Hourly Rate</b>	<b>Estimated Hours</b>			62
*Ad hoc Reporting \$ (all inclusive hourly rate) X 20 hours) (Estimated)	\$200	20		\$4,000.00	63
<b>Additional Services</b>	<b>Hourly Rate</b>	<b>Estimated Hours</b>			64
*Additional Services \$ (all inclusive hourly rate) X 40 hours) (Estimated)	\$200	40		\$8,000.00	65
<b>Estimate Subtotal - Optional Year 3 (Add Cells C54 through C65)</b>				\$26,589,000.00	66
<b>Estimate Total Contract Price** (C21+C36+C51+C66)</b>				\$101,857,800.00	

**\*All-inclusive Hourly Rate for Additional Services and Ad hoc Reporting:**

The Bureau and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each Additional Service and/or Ad hoc report. The Vendor must agree to provide a Statement of Work (SOW) and estimation of effort and receive Bureau approval of the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning.

**Notes:**

- 1.) \*The estimated monthly participants are for cost bid evaluation purposes only.
- 2.) The cost bid will be inclusive of all anticipated training, travel and related expenses, including supplies.
- 3.) The vendor will invoice monthly in arrears at the PMPM rate for the number of participants served in the previous month.
- 4.) The Ad hoc reporting section will cover special reports requested by BMS that are not covered as part of the original contract.
- 5.) The additional service section will cover externally driven changes and requirements including any state or federal laws, rules and regulations that would result in BMS policy changes.
- 6.) The Vendors Total will include all general and administrative staffing (secretarial, clerical, etc.), travel, supplies and other resource costs necessary to perform all services within the scope of this procurement.
- 7.) Vendor must receive an approved delivery order before beginning any work for additional services and the ad hoc reporting.
- 8.) The cost bid will be evaluated on the Estimated Total Cost for the four (4) year period.
- 9.) The additional services section will be calculated by multiplying the hourly rate by 40 hours.
- 10.) The ad hoc reporting section will be calculated by multiplying the hourly rate by 20 hours.
- 11.) Estimate Total Contract Price for four (4) Year Contract Period is calculated by adding estimate Subtotal-Base Year 1 (C21)+ Estimate Subtotal-Optional Year 1 (C36) + Estimate Subtotal-Optional Year 2 (C51) + Estimate Subtotal-Optional Year 3 (C66)
- 12.) Ad hoc reporting will be invoiced upon successful completion and acceptance by agency of report.
- 13.) Additional services will be invoiced monthly upon successful completion and acceptance by agency of service.
- 14.) Vendor will be ineligible to invoice for operations while start-up is ongoing.

PCG Public Partnerships, LLC  
(Company)

Will Weddleton, President  
(Representative Name, Title)

Phone 617-717-1262 / Fax 617-717-0083  
(Contact Phone/Fax Number)

*Wm Weddleton*  
Signature

12/8/17  
(Date)

**Public Partnerships LLC respectfully submits an official Cost Sheet that demonstrates our good faith commitment to offering the best value to the State of West Virginia despite the potential for vendors to score higher points by exploiting flexibility in the Cost Sheet.** As required, our Estimated Total Contract Price is indexed to the Estimated Monthly Participants listed as the multipliers for scoring the Cost Sheet. However, as mentioned in our submission of Question #60, the Estimated Total Contract Price on the Cost Sheet overstates the actual costs to the State. Based on current enrollment of approximately 2,300 participants our Tiered Volume Pricing bid of \$260 PMPM (Combined Fiscal Agent Support and Resource Consulting) represents an actual price reduction of 22.1% below our current combined pricing. This significant reduction in costs reflects our commitment to sharing in the budget challenges currently facing the State. These cost savings are made possible by the increase in the ratio of Participants to Resource Consultants and operational efficiencies we have been able to implement based on our experience in West Virginia.

**For purposes of illustration, we have included an Alternate Cost Sheet Example that includes a disproportionate share of the Estimated Total Contract Price as Year 1 Start-Up Costs and zero dollar PMPM rates in Tiered Volumes that are not likely to be realized during the Contract term based on past performance and future estimates.** This example is intended to demonstrate ways in which vendors can maximize scoring but not offer best value to the State. The Purchasing Division's response to question #60: "A zero dollar bid from one vendor would not be grounds for another vendor to protest the contract award" appears to leave open the opportunity for vendors to submit the Cost Sheet in this manner. We have specifically chosen not to do so. We believe that if the Purchasing Division elected to consider such dissimilar bids it would preclude a fair and honest evaluation and would likely not represent best value for the State. As demonstrated in the Alternate Cost Sheet Example we have provided, the actual costs to the State would be much higher than a good faith bid such as ours. In addition, a bid that proposes all costs as Start-Up Costs in Year One would not provide the Bureau for Medical Services the opportunity to pay PMPM rates based on actual Monthly Participant enrollment volumes across the life of the Contract.

**We trust that our official Cost Sheet submitted in good faith will allow the Purchasing Division to fairly evaluate our bid relative to the bids of other vendors consistent with the intent to procure best value for the State.** In the unlikely event that another vendor submits a bid that exploits the flexibility in the Cost Sheet to maximize scoring as described above, and the Purchasing Division considers such bids to be legitimate, we respectfully request the opportunity to explain our pricing position or to provide additional information in an oral interview at the request of the Purchasing Division.

## Alternative Cost Sheet Example for Illustrative Purposes

	A	B	C	
Summary of Public Partnerships Cost Sheet	"Estimate Monthly Participant" (Cost Sheet Factor)	"Estimate PMPM Bid" (Cost Sheet)	"Estimated Total Annual Cost (A*B)*12= C" (Raw Points)	Projected Total Cost at Tier 2 Volume
<b>Base Contract Year 1</b>				
Start-Up		\$ 300,000	300,000	\$ 300,000
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ 260.00	3,120,000	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 260.00	9,360,000	\$ 9,360,000
Tier 3 (Combined PMPM)	5,000	\$ 195.00	11,700,000	\$ -
All Community Transition Services	200	\$ 260.00	52,000	\$ 52,000
<b>Optional Renewal: Year 1</b>				
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ 268.00	3,216,000	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 268.00	9,648,000	\$ 9,648,000
Tier 3 (Combined PMPM)	5,000	\$ 201.00	12,060,000	\$ -
All Community Transition Services	200	\$ 268.00	53,600	\$ 53,600
<b>Optional Renewal: Year 2</b>				
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ 276.00	3,312,000	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 276.00	9,936,000	\$ 9,936,000
Tier 3 (Combined PMPM)	5,000	\$ 207.00	12,420,000	\$ -
All Community Transition Services	200	\$ 276.00	55,200	\$ 55,200
<b>Optional Renewal: Year 3</b>				
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ 285.00	3,420,000	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 285.00	10,260,000	\$ 10,260,000
Tier 3 (Combined PMPM)	5,000	\$ 214.00	12,840,000	\$ -
All Community Transition Services	200	\$ 285.00	57,000	\$ 57,000
AdHoc Reporting (20 Hours X 4 Years)	80	\$ 200	16,000	\$ 16,000
Additional Services (40 Hours X 4 Years)	160	\$ 200	32,000	\$ 32,000
<b>"Estimate Total Contract Price"</b>			<b>101,857,800</b>	<b>\$ 39,769,800</b>

Alternative Cost Sheet Example	"Estimate Monthly Participant" (Cost Sheet Factor)	"Estimate PMPM Bid" (Cost Sheet)	"Estimated Total Annual Cost (A*B)*12= C" (Raw Points)	Projected Total Cost at Tier 2 Volume
<b>Base Contract Year 1</b>				
Start-Up		\$ 10,000,000	10,000,000	\$ 10,000,000
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ -	-	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 400.00	14,400,000	\$ 14,400,000
Tier 3 (Combined PMPM)	5,000	\$ -	-	\$ -
All Community Transition Services	200	\$ 400.00	80,000	\$ 80,000
<b>Optional Renewal: Year 1</b>				
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ -	-	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 400.00	14,400,000	\$ 14,400,000
Tier 3 (Combined PMPM)	5,000	\$ -	-	\$ -
All Community Transition Services	200	\$ 400.00	80,000	\$ 80,000
<b>Optional Renewal: Year 2</b>				
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ -	-	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 400.00	14,400,000	\$ 14,400,000
Tier 3 (Combined PMPM)	5,000	\$ -	-	\$ -
All Community Transition Services	200	\$ 400.00	80,000	\$ 80,000
<b>Optional Renewal: Year 3</b>				
<b>Fiscal Agent Support &amp; Resource Consulting:</b>				
Tier 1 (Combined PMPM)	1,000	\$ -	-	\$ -
Tier 2 (Combined PMPM)	3,000	\$ 400.00	14,400,000	\$ 14,400,000
Tier 3 (Combined PMPM)	5,000	\$ -	-	\$ -
All Community Transition Services	200	\$ 400.00	80,000	\$ 80,000
AdHoc Reporting (20 Hours X 4 Years)	80	\$ 200	16,000	\$ 16,000
Additional Services (40 Hours X 4 Years)	160	\$ 200	32,000	\$ 32,000
<b>"Estimate Total Contract Price"</b>			<b>57,968,000</b>	<b>\$ 57,968,000</b>

PPL Cost Sheet Vs Alternative Cost Sheet Example: Raw Point Difference	<b>33,889,800</b>
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PPL Cost Sheet Vs Alternate Cost Sheet Example: Projected Cost Difference	<b>\$ (28,198,200)</b>
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