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October 9, 2010

Ms. Connie Oswald
West Virginia Department of Education
Building 6
1900 Kanawha Boulevard, East
Charleston, WV 25305-0330
Phone: (304) 558-3970

RE: Deloitte's Response to the West Virginia Department of Education Request for Proposal EDD398772 for the Design, Development, and Implementation of a Statewide Longitudinal Data System (P-12)

Dear Ms. Oswald:

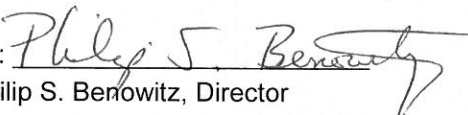
Deloitte Consulting LLP (Deloitte), along with our teaming partner eScholar, is pleased to submit this Cost Proposal in response to the Request for Proposal (RFP) EDD398772 for a P-12 Longitudinal Data System. We have thoroughly reviewed your request and prepared a proposal that responds to your needs for a proven, high quality, low risk solution.

As required by the RFP, we are submitting one original and six convenience copies of our completed Attachment C: Cost Sheet. In addition, we included one electronic copies of our response on CD-ROM.

We are looking forward to the opportunity to work with you on this important initiative. If you have any questions please contact me at (973) 602-5311 or email me at pbenowitz@deloitte.com.

Sincerely,

DELOITTE CONSULTING LLP

By: 
Philip S. Benowitz, Director

REQUEST FOR PROPOSAL

West Virginia Department of Education

RFP # EDD398772

Attachment C: Cost Sheet

RFP Reference: Vendor Proposal, page 34

Complete Attachment C: Cost Sheet included in this RFP and submit in a separate sealed envelope. Cost should be clearly marked.

Deloitte has been performing fixed price, deliverable-based information technology projects for state and local government agencies throughout the United States including the State of West Virginia for more than 40 years. In addition to our reputation as an industry-leading information technology services provider, we maintain a reputation within the industry for standing by our fixed pricing.

The prices contained in this Cost Proposal are valid for 120 days from the date of our proposal.

We are confident that the West Virginia Department of Education will find our Cost Proposal fair, complete, and consistent with our proposed solution and scope of services as described in this Proposal.

The balance of this Cost Proposal presents:

- Cost Assumptions
- Pricing Proposal including Attachments C and D
- Proposed Payment Schedule
- Exceptions

Cost Assumptions

The following assumptions were used in the development of this cost proposal.

General

- The project will begin around January 2, 2014 and will conclude 9 months later (i.e., pricing is based on a 9 month project duration).
- In the event any failure of an assumption identified in this proposal or any failure by WVDE to comply with any of its responsibilities creates a delay or otherwise adversely impacts Deloitte's cost or risk to perform the services, Deloitte may be entitled to a change order to eliminate the adverse impact.
- Over the course of the project, the Deloitte Consulting personnel will work on-site at WVDE an average of approximately 65% of the time and off-site an average of approximately 35% of the time.
- WVDE will provide office facilities including telephone, printer, fax, and copy equipment to the Deloitte team working on the project. These facilities will be made available during the hours of 7:00AM to 7:00PM Eastern Standard Time (EST), Monday through Friday during the weeks when members of the team are working on-site.
- WVDE will be responsible for creation and maintenance of all end user accounts.
- Deloitte Consulting will be responsible for all professional services delivered under the contract including any subcontractor(s), but will not be liable or responsible for any software or hardware (including but not limited to defects, errors, etc.).
- While Deloitte Consulting services may include advice and recommendations as a part of the work under this proposal, all decisions in connection with the implementation of such advice and recommendations are the responsibility of and will be made by WVDE.
- Deloitte Consulting will not have any production or implementation responsibilities. We will turn over the fully tested system in the WVDE development/test environment and complete all knowledge transfer activities.
- User Acceptance Testing (UAT) will be the responsibility of WVDE. Deloitte will provide facilitation and input to the UAT Plan.
- All data loaded to the SLDS will include common unique identifiers for students and staff. If we mutually determine that issues exist with existing identifiers including data quality challenges, we have included the eScholar Unique Identifier for Students and Staff as an optional service in Attachment D.
- No data subject to HIPAA will be loaded into the data warehouse.
- No historical data will be loaded. Data will be loaded starting with the 2014-2015 school year.
- Deloitte Consulting's performance has a number of dependencies that require, among other things, the timely and proper performance by WVDE. In the event these dependencies are not achieved, including the failure by WVDE to meet its responsibilities or the failure of other assumptions as set out herein, Deloitte Consulting's planned performance (price and schedule) may be impacted. While both parties have a duty

to mitigate such impacts where reasonably possible, Deloitte Consulting will be entitled to schedule and cost/price relief in the event it's planned performance is impacted. The parties shall work in good faith to address such issues, including the use of the change order or amendment process, as well as escalation and dispute processes.

Deliverables

- As defined in this proposal:
 - A Deliverable is tangible work product or milestone that is tied to a specific payment to Deloitte Consulting and is subject to the Deliverable acceptance process defined below.
 - The review and acceptance of all Deliverables will adhere to the following process:
 - WVDE and Deloitte Consulting will agree in advance on outlines for all Deliverables.
 - All Deliverables submitted by Deloitte Consulting to WVDE shall be subject to the review and approval of the WVDE Project Manager or his or her designee.
 - The WVDE Project Manager shall review each Deliverable to confirm that the Deliverable conforms to the requirements of this proposal and the agreed upon Deliverable outline.
 - The WVDE Project Manager shall have five (5) business days from the date of receipt of a Deliverable to complete the review.
 - If the Deliverable is accepted as a result of the review, Deloitte Consulting will be notified of the acceptance in writing by the WVDE Project Manager on or before the fifth (5) business day.
 - If the Deliverable or any portion(s) thereof does not comply with the requirements of the proposal, the WVDE Project Manager shall notify Deloitte Consulting in writing of the deficiencies preventing approval within five (5) business days from the date of receipt of that Deliverable. This written notification shall identify in reasonable detail the applicable Deliverable acceptance criteria in this proposal, all deficiencies, and the corrective actions or changes to be made by Deloitte Consulting in order to make the deliverable conform to such acceptance criteria. In the event additional time is required by the WVDE Project Manager, then upon the mutual agreement of the parties, the period may be extended for a specific Deliverable to ten (10) business days.
 - Deloitte Consulting shall have thirty (30) business days to complete all such corrective actions or changes in order for such Deliverable to conform to the requirements set forth herein.
 - WVDE shall have 5 (5) business days to complete a review of the corrective actions or changes made to the Deliverable in response to WVDE's written statement of deficiencies and notify Deloitte Consulting in writing of acceptance or rejection. WVDE's review and approval of such corrected or changed Deliverable shall be solely for the purpose of determining that corrections have been made to bring the Deliverable into compliance with the acceptance criteria in this proposal and not for any other purpose, including, without limitation, for format, style or the incorporation of additional ideas or functionality.

- If WVDE does not provide Deloitte Consulting with either a written notice of acceptance or a written notice of Deficiencies within the applicable time period for review set forth above, the applicable Deliverable will be deemed accepted.
 - To the extent that any Deliverables are or have been approved by WVDE pursuant to this Deliverable acceptance process at any stage of Deloitte Consulting's performance under this contract, Deloitte Consulting shall be entitled to rely on such approval for purposes of all subsequent stages of Deloitte Consulting's performance.
 - Upon WVDE's approval of each Deliverable, WVDE agrees that in the event of a contradiction between the relevant specifications and the approved Deliverable, the contradiction shall be resolved by the approved Deliverable controlling.
- The Deloitte/eScholar team will only produce the Deliverables listed in this Cost Proposal.
 - Our firm fixed Deliverable-based pricing was developed using our highly interactive methodology that enables the WVDE members of the project team to be fully aware of the content of each Deliverable as the Deloitte Consulting Team professionals are producing them.
 - WVDE project staff will be empowered to accept/approve Deliverables and make decisions regarding the testing and implementation of major releases, as well as to review and approve other submissions that are designated as Deliverables. Those approvals and decisions will be binding upon WVDE and Deloitte Consulting will be entitled to rely upon such approvals and decisions.
 - Any requested modifications to accepted Deliverables and releases, or to this proposal, will be subject to mutual agreement utilizing an agreed upon change control process that will address schedule and cost impacts, if any, associated with the change.

Training and Change Management

- WVDE or their designees will be responsible for the delivery of all training to LEA's and change management services (except for WVDE train-the-trainer).
- The Deloitte/eScholar team will conduct the following training sessions:
 - System Administration Training
 - Data Extract Training
 - Data Quality Engine Training
 - Source System SME Training
 - Installation and Configuration Training
 - Reporting and Analysis (Train-the-Trainer)
 - EDEN/EDFacts Training
- All training content will be developed solely in English. Any costs related to translation of materials into other languages will be the responsibility of WVDE.
- All training materials will be provided by the Deloitte/eScholar team to WVDE in electronic format.
- WVDE is responsible for the printing and distribution of all training materials, including the appropriate processes to access the training materials and .access to an internet-connected computer for each trainee.

- The training sessions will take place at training centers equipped with internet-connected workstations for each training participant.
- The WVDE trainers will attend the System Level Training sessions, the Data Submission training sessions and the Train-the-Trainer sessions.

Reporting

- Deloitte will design and develop up to 35 Cognos reports, 5 Cognos cubes (OLAP) and 5 data extracts for the P-20 system.
- Reports available to parents, students or the general public will be published on a WVDE public web site and will not require a user account or login.
- The 5 Cognos cubes will have up to 5 measures and 12 dimensions per cube.
- The 5 P-20 extract files will include up to 20 data elements per file.
- We assume the following mix of report complexity for Cognos reports:
 - Simple: 25% (an average of 8 hours per report for requirements, development, and testing)
 - Moderate: 40% (an average of 24 hours per report for requirements, development, and testing)
 - Complex: 35% (an average of 40 hours per report for requirements, development, and testing)
 - All reports with cell suppression requirements will be considered Complex Reports

Data Migration and Data Loading

- Assessment results to be loaded into the SLDS will be provided by WVDE or the assessment vendor on a timely basis consistent with the project schedule presented in the associated Technical Proposal.
- All data will be provided by WVDE will be in the eScholar Data Integration Template format. Data will not be sourced directly from the Local Education Agencies.
- WVDE will be responsible for providing their data in the correct format and correcting any data or file formatting errors.

Hardware and Software Costs and Performance

- WVDE will enter into software license agreements with eScholar and IBM for their respective software products on a timely basis consistent with the project schedule included in the associated Technical Proposal.
- We have provided costs for the hardware for the production and development/test environments in Attachment D (Optional Costs). Our understanding is that WVDE intends to acquire this hardware outside of this RFP.
- WVDE will be responsible for the acquisition, installation and configuration of all required hardware. Hardware uptime will be the responsibility of the hardware vendor.
- Deloitte's solution does not include any network components. Network performance is the responsibility of WVDE.

Other WVDE Responsibilities

- WVDE is responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to the Deloitte team for purposes of the performance of the services.
- WVDE will designate a single point of contact with full authority to make timely decisions.
- Our Price Proposal does not include any direct labor costs for WVDE. However, to be successful WVDE should provide staff that can be fully integrated into the project team as an important part of the knowledge transfer process to allow WVDE to take full ownership of the project. During refinement of the project plan, we will work closely with WVDE to define the participation requirements and expectations for these staff. We expect WVDE personnel assigned to the project will complete their detail assignments as defined in the mutually agreed-to project plan within the timeframes identified.
- WVDE will make all required subject matter experts available (to help clarify requirements, document business rules, answer design questions, review work products, assist with testing, etc.) to participate as required so project plan tasks can be completed as scheduled.
- WVDE will resolve issues and answer questions in a timely manner.

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.

Other Option Pricing- Vendors should use the pricing page found in Attachment D: Optional Cost Sheet

DELIVERABLE (includes all requirements as described in specifications and mandatories)	COST
Project Management Components	\$245,000
Installation of software	Included in data warehouse item for eScholar software license and Customizable Reporting Tools for Cognos.
Installation of hardware	Installation is the responsibility of WVDE. Hardware costs are included in this Attachment.
Data Warehouse	\$634,250**
Print-ready documentation explaining how the DWRS provides protection of educational student and staff data through data encryption, adherence to user-access roles, privacy requirements, and suppression rules	Documentation is included with the license fees for the eScholar and Cognos products.
Within-system, pre-requisite electronic training modules related to security and privacy	There are no training modules specific to security and privacy. Security will be addressed as part of technical training.
Style Guide for web-based interface and print-on-demand reports	To be determined during reporting requirements. Cost included in Standard Reports.
Implementation of proofing process with signature sign-off procedures for publication readiness	To be determined during reporting requirements. Cost included in Standard Reports.
Designed web-based interface with a topic-driven menu with public-level dashboard display as default with adjustable parameters and a drillable interface for onscreen and downloadable reports	Public level access would be through use of PDF files on a public WVDE web site. Costs for the reports are included in Standard Reports.
Customizable Reporting Tools at all user levels (e.g., WVDE programmers, WVDE trainers, WVDE general users, LEA users, school users, public) with adherence to user-access roles, privacy requirements, and suppression rules	\$372,000***
Customizable reports (online and print-ready) from an intuitive and topic-driven menu in exportable formats for various user groups (e.g., WVDE programmers, WVDE trainers, WVDE general users, LEA users, school users, public) with adherence to user-access roles, privacy requirements, and suppression rules Standard reports available through the web-based interface	To be determined during reporting requirements. Cost included in Standard Reports.
Standard reports available through the web-based interface	\$400,000
Tools for the analysis and interpretation of data in reports	To be determined during reporting requirements. Cost included in Standard Reports

DELIVERABLE (includes all requirements as described in specifications and mandatories)	COST
Implementation of training sessions for WVDE programmers with print-ready Training Resources and Training Guide for WVDE programmers	\$250,000
Implementation of training sessions for WVDE train-the-trainers with print-ready Training Resources and Training Guide for WVDE train-the trainers	\$250,000
Print-Read support documentation for end users	Included in documentation and training
Electronic End-User Training Modules	Included in Implementation of training sessions
Process Documentation, Business Rules, and Code for the following: <ul style="list-style-type: none"> • Data Architecture/Model Data Structure • Data Management/Mapping • Extract, Transform , Load (ETL) • Data Staging • Data Validation • Data Certification • Metadata/Data Dictionary 	\$395,750
Delivery of the DWRS and all related materials to WVDE	\$376,000
Hardware (provide a complete list of items)	\$94,600****
Minor Adjustments (e.g., design elements, report)*	Hourly Rate: \$170.00*****

*Will not be considered in the overall award of the RFP

**Includes the eScholar Complete Data Warehouse, eScholar EDEN/EdFacts module and eScholar Framework for Cognos

***Includes Cognos licenses for administrators (2), developers (15) and users (4 processor server)

**** See list of hardware below.

***** This rate represents a blended rate of multiple positions and skillsets. We will determine the appropriate hourly rate and level of effort based on the specific need and skills.

Grand Total Cost: \$3,017,600

Invoices need to be worded according to the cost sheet to ensure payment.

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal. Payment for maintenance and support may only be billed in arrears.

Hardware List – The following hardware was included in our hardware pricing.

Component	Description	Hardware			Software	
		CPU – Cores	Storage	Ram	Operating System	Database
1. Staging Database Server	RDBMS	8 cores	500 GB capacity	32GB RAM	MS Windows Server 2008 R2 (64-bit) Standard Edition	MS SQL Server 2008 Enterprise Edition
2. Production Database Server	RDBMS	8 cores	500 GB capacity	32GB RAM	MS Windows Server 2008 R2 (64-bit) Standard Edition	MS SQL Server 2008 Enterprise Edition
3. eScholar Application ETL Server	Runs eScholar's Data Manager Software – Batch Manager and Data Flow ETL	8 cores	100 GB capacity	8GB RAM	MS Windows Server 2008 R2 (64-bit) Standard Edition	
4. eScholar Application Data Integration Server	Runs eScholar's Data Manager Software – File Manager and Tomcat	4 cores	80 GB capacity	4GB RAM	Microsoft Windows Server 2008 R2 (64 bit) Standard Edition	
5.eScholar Web Server	Runs Apache Web Server	2 cores	40+ GB capacity	2GB RAM	Microsoft Windows Server 2008 R2 (64 bit) Standard Edition	
6.Cognos 10 Server	Runs Cognos 10 server software	4 cores	32 GB	12GB RAM	Microsoft Windows Server 2008 R2 (64 bit) Standard Edition	

Attachment D: Optional Cost Sheet

This form is intended for use by the bidder to organize optional costs beyond the base specification of this RFP. These will not be considered in the evaluation of the RFP.

Component	Description	Quantity	Unit Cost	Extended Cost
Vulnerability Assessment	Perform vulnerability assessment of SLDS solution components as described in section 4.4.1.8 of our Proposal.	1	\$67,500	\$67,500
eScholar Unique ID Application	eScholar UniqlD applications for Students and Staff license and first year support (does not include implementation services)	1	\$257,250	\$257,250
Report Maintenance Services	Report maintenance and enhancements over a 3 month period following Deloitte's turnover of the system to WVDE.	1	\$187,000	\$187,000
eScholar myTrack	eScholar myTrack presents educators with individualized and graphical views of student data, connects the data to student goals, and recommends resources that are best suited to meet those goals.	1	\$3 per student annually plus onboarding fee	\$3 per student annually plus onboarding fee
Security Requirements and Options Analysis	Develop options for a future security solution with the rollout to larger groups including teachers, parents, students and public. See section 4.4.1.4.a of the Technical Proposal for more information.	1	\$103,750	\$103,750
Microsoft SQL Server RDBMS	Microsoft SQL Server Relational Database Management System	2	\$27,000	\$54,000
DQE Advanced Business Rules Setup	Consulting for creation of advanced business rules in DQE (purchased in bundles of 10 business rules)	10 business rules	\$30,000	\$30,000

Options Grand Total: N/A – Each item is a stand-alone option

Proposed Payment Schedule

Deloitte is proposing the following payment schedule. We will work with WVDE during contract negotiations to finalize the payment schedule including the definition of acceptance criteria for each deliverable.

Deliverable	Payment Amount
Delivery of Hardware	\$94,600
Installation of Cognos Components	\$375,000
Installation of eScholar Components	\$635,000
Requirements Document	\$343,000
Design Document	\$300,000
Test Plan	\$150,000
Communications Plan	\$150,000
Reports	\$400,000
Training Delivery	\$300,000
Monthly Status Reports (9 @ \$30,000 each)	\$270,000
Total	\$3,017,600

Exceptions

Deloitte Consulting has reviewed RFP # EDD398772 and, in accordance with the General Terms and Conditions Section 11 (Exceptions and Clarifications), identifies below items and issues that we seek to discuss in the event selected for award. Deloitte Consulting accepts in principle the contract terms and conditions included in the RFP as drafts of certain provisions of a contract, the final terms of which will be negotiated between WVDE and Deloitte Consulting if we are selected for award of the contract. Deloitte Consulting also reserves the right to negotiate clarifications, changes and additional provisions to cover the circumstances of the engagement as finally awarded.

Per the referenced Section 11 of the General Terms and Conditions, we identify the terms below as items that require further discussion and should be considered under Section 11 as “exceptions, clarifications, or proposed modifications” to the other referenced terms from the General Terms and Conditions. We also identify some additional issues that should be discussed and included in the final contract. The items are as follows:

1. General Terms and Conditions Section 8, Insurance - we will confirm and validate the insurance requirements as part of contract negotiation, including any additional requirements that are not stated but that may be required per Section 8 (our insurance has been accepted previously by the State of West Virginia and our other state government so we do not anticipate issues);
2. General Terms and Conditions Section 12, Liquidated Damages - we understand that per Addendum No. 2 this section will not be applicable and that in lieu of this section, WVDE has requested a \$250,000 performance bond. We agree to provide a performance bond (but do note that the issuing surety may require the contract to be agreed to prior to issuance).
3. General Terms and Conditions Section 17, Payment - we would like to discuss and include in the contract the applicable acceptance terms and process(es) and the associated payment obligations and schedule;
4. General Terms and Conditions Section 26, Time is of the Essence - we would like to discuss the provision and its implications. We will agree to diligent performance and a termination for default process where we fail to perform in material compliance with the contract terms (and as indicated we will also agree to post the performance bond as well);
5. General Terms and Conditions Section 35, Warranty - this provision requires further discussion and revision, including revision to align with industry standards and to clarify and address the warranty(ies) applicable to the third party products (including material conformance with the design and approved deliverables, events or causes outside of the warranty or that void the warranty, process and duration of warranty, etc.);
6. General Terms and Conditions Section 39, Confidentiality - we will want to confirm the applicable processes to identify, use and protect confidential information (including Deloitte's) and we will want to understand and address liability associated with breach/disclosure;
7. General Terms and Conditions Sections 45 and 46, Vendor Relationship and Indemnifications - we would like to adjust/clarify the scope of all requested indemnities;

8. For purposes of additional terms that we request be included, we believe the following areas should be addressed in the final Contract for the project (including adjustments to existing terms to the extent necessary to reconcile differences): limitation of liability; acceptance processes and terms; terms that address ownership of IP and work product (pre-existing and derivative) consistent with the changes made to the RFP as authorized per Addendum No. 2; the resell and licensing process of the third party products to WVDE consistent with the revisions to the RFP as made via Addendum No. 2; WVDE responsibilities and the parties duty to cooperate; a cure and termination process for a parties' material breach of the agreement; clarification of payment obligations in connection with any termination; and, clarification of certain terms of WV-96A and/or the application of those terms.

Deloitte Consulting has successfully negotiated contracts with the State of West Virginia in the past and is confident we can come to prompt agreement with the State on terms and conditions for this project. As permitted by Section 11 of the General Terms and Conditions, we have set out our "Exceptions, clarifications and proposed modifications" above and we further understand that the signing of our proposal and the certification in Attachment B are made subject to those exceptions and the changes made via Addendum No. 2 (including changes to the mandatory requirements around ownership, licensing, and the removal of the prohibition around a proprietary solution). We further understand that in the unlikely event we cannot come to agreement on the applicable terms and conditions, the State will disqualify our bid and move to the next vendor in line for award.

Deloitte Consulting provides the additional information below concerning its resell process. We also set out below certain required disclosures and restrictions in connection with the resell of a product from the Microsoft, a restricted entity of Deloitte. We routinely address these items as part of our public sector practice and we are fully confident that we can do so here as well.

All obligations, if any, to purchase and deliver hardware, software and other tangible products shall be assigned by us to Deloitte Consulting Product Services LLC (DCPS). DCPS will perform all activities contemplated by the associated Technical Proposal that are or may be deemed to be a resale of tangible products for any purpose, although Deloitte Consulting may serve as an agent for DCPS solely for the purposes of invoicing, and collecting payment. Hardware, software and other tangible products will be provided to the Client under the third-party vendor's agreement accompanying such hardware, software or product, and its use will be governed by such terms. In addition, all warranty and support offered by the third party manufacturer or software developer will be governed by such an agreement, and WVDE shall look directly to such third party manufacturer or software developer with respect to such warranty and support obligations. WVDE shall permit Deloitte Consulting to access and use such hardware, software, and other tangible products as necessary for purposes of Deloitte Consulting's performance of the services described in the associated Technical Proposal.

Deloitte has provided sample pricing for the Microsoft SQL Server Relational Database Management System. Because Microsoft is considered a restricted entity by Deloitte, we are unable to resell any Microsoft software. WVDE will directly acquire the software from Microsoft or a third party reseller.