

# BAFO - Cost and Pricing Analysis

## Business Proposal

### RFP reference: 7.3 Business Proposal – BAFO Cost and Pricing Analysis

The business proposal must contain a detailed breakdown of all costs incorporated into the final fixed fee proposed by the Bidder (see Appendix A – Bidder's Instructions and Forms: Project Cost Sheet). All payments will be on a key milestone (and associated deliverables) basis. The Bidder must state that the total cost is a firm fixed price and that it is valid from the time the proposal is submitted until either a final contract is negotiated or until the procurement is canceled. The Bidder must verify that the costs are current, comprehensive, and accurate.

Deloitte is pleased to present our Best And Final Offer (BAFO) business proposal for the Delaware FACTS II project. Our costing is based upon us transferring the DC FACES.NET solution with experienced staff supporting the implementation within our proposed time frame.

Per the RFP requirements, Deloitte confirms that our BAFO cost is a firm fixed price and is valid from the time of BAFO submission until the final contract is negotiated or until the procurement is canceled. Deloitte also confirms that these costs are current, comprehensive and accurate and takes into account the requirements stated in the RFP.

The required budget information form, found in RFP Appendix A, can be found on the following pages.

Immediately following the required budget forms, we have provided requested information related to:

- Development of additional reports
- Total cost for conversion strategy
- Performing additional conversion
- Provision of maintenance services under an optional contract period
- Total Cost of Ownership

In times of tough economic times such as what we are facing, we believe our solution approach provides the highest value for the Department:

- A business and technology solution where tax payers and federal partners have already invested costs in through work of other SACWIS states – DC FACES.NET, and its successful transfer to Alabama.
- Provides a standardized technology platform that is widely used in IT departments within Delaware, thereby allowing for ease of transition and operations of the system

- A easy to maintain, architecturally simplified Microsoft based technology platform where resources are more readily available and course work taught in local colleges
- A solid teaming arrangement with MAXIMUS that brings sound knowledge of the legacy system and minimizes the transition challenges from your FACTS I system to FACTS II
- An approach to transferring SACWIS.NET solutions as demonstrated in the recent successful transfers of DC FACES.NET to Alabama, and Pennsylvania (Allegheny), and applying similar principles for the Delaware FACTS II implementation
- A reliable level of effort assessment, resulting in competitive pricing that leverages the transfer approach, already SACWIS functional solution with close to 80% match, and a realistic schedule

Ultimately, our proposal provides the right combination of assets, along with competitive pricing to deliver a sound Delaware FACTS II system. The rest of this section provides a summary consistent with your RFP requirements for the cost proposal.

### BUDGET FORM AND INFORMATION

The Review Committee will examine all budget materials. Costs presented in the proposal will be considered as binding for successful applications. Documentation supporting all elements of the total bid cost should be included.

- Project Cost Sheet
- Supporting documentation of costs for each milestone.

All costs bid are to be fully-loaded and must include any travel or living costs. There shall be no additional costs beyond the bid price.

Each organization is required to submit one copy of its last full fiscal year's tax filing or audit, and non-profits must also submit one copy of last year's I.R.S. Form 990.

Payment will be made upon agreement by DSCYF that a milestone has been reached.

<b>Milestone: Project Initiation and Management</b>		
Deliverable 6.5.1 Project Management Plan	8/1/2011	\$ 459,928.00
Deliverable 6.5.2 Weekly Status Report	7/14/2011 to 2/14/2014 *Weekly Submissions	No Cost Deliverables
Deliverable 6.5.3 Monthly Status Report	7/14/2011 to 2/14/2014 *Monthly Submissions	\$ 233,000.00 *Divided over 32 months
<b>Milestone Total</b>		\$ 692,928.00
<b>Milestone: System Hardware</b>		
Deliverable 6.6.1 System Hardware	8/30/2011	\$ 92,000.00
<b>Milestone Total</b>		\$ 92,000.00
<b>Milestone: System Planning and Analysis</b>		
Deliverable 6.7.1 Application Architecture	8/10/2011	\$ 255,000.00
Deliverable 6.7.2 Requirements Verification & System Design Schedule	7/25/2011	\$ 51,000.00
Deliverable 6.7.3 Design Orientation	8/8/2011	\$ 714,000.00
<b>Milestone Total</b>		\$1,020,000.00
<b>Requirements Verification</b>		
Deliverable 6.8.1 Requirements Traceability Matrix	11/1/2011	\$1,020,000.00
Deliverable 6.8.2 Conceptual Design	11/16/2011	\$723,800.00
Deliverable 6.8.3 Logical Data Model	11/3/2011	\$ 136,000.00
<b>Milestone Total</b>		\$1,879,800.00
<b>Milestone: System Design</b>		
Deliverable 6.9.1 Detailed Design Document	2/16/2012	\$1,540,000.00
Deliverable 6.9.2 Physical Data Model	2/14/2012	\$ 127,500.00
Deliverable 6.9.3 Data Dictionary	2/14/2012	\$ 255,000.00
Deliverable 6.9.4 System Architecture	2/24/2012	\$ 255,000.00
Deliverable 6.9.5 Document Management Design Specification	2/28/2012	\$ 127,500.00
<b>Milestone Total</b>		\$2,305,000.00

<b>Milestone: Reports</b>		
Deliverable 6.10.1 Reports Tools/Methodology Training	12/28/2011	\$ 119,000.00
Deliverable 6.10.2 Reports Design Specifications	4/20/2012	\$1,071,000.00
<b>Milestone Total</b>		<b>\$1,190,000.00</b>
<b>Milestone: Interface</b>		
Deliverable 6.11.1 Interface Analysis and Design Specifications	3/6/2012	\$1,190,000.00
<b>Milestone Total</b>		<b>\$1,190,000.00</b>
<b>Milestone: System Development</b>		
Deliverable 6.12.1 Application Standards	12/12/2011	\$ 81,600.00
Deliverable 6.12.2 System Backup and Recovery Plan	12/19/2011	\$ 81,600.00
Deliverable 6.12.3 IADE Design	12/26/2011	\$ 81,600.00
Deliverable 6.12.4 Configuration Management, Build & Release Management Plan	1/4/2012	\$ 204,000.00
Deliverable 6.12.5 Migration Plan	1/9/2012	\$ 81,600.00
Deliverable 6.12.6 Code Release	7/17/2012	\$3,203,500.00
<b>Milestone Total</b>		<b>\$3,733,900.00</b>
<b>Milestone: System Testing</b>		
Deliverable 6.13.1.1 Unit Test Plan	1/12/2012	\$ 61,200.00
Deliverable 6.13.1.3 Unit Test Results	7/16/2012	\$ 306,000.00
Deliverable 6.13.2.1 System Test Plan	1/19/2012	\$ 61,200.00
Deliverable 6.13.2.3 System Test Results	8/19/2012	\$ 306,000.00
Deliverable 6.13.3.1 Integration Test Plan	7/18/2012	\$ 163,200.00
Deliverable 6.13.3.3 Integration Test Results	12/3/2012	\$ 331,000.00
Deliverable 6.13.4.1 Regression Test Plan	1/20/2012	\$ 61,200.00
Deliverable 6.13.4.3 Regression Test Results	2/21/2012	\$ 326,000.00
Deliverable 6.13.4.1 UAT Plan	3/28/2012	\$ 61,200.00
Deliverable 6.13.4.3 UAT Results	1/22/2013	\$ 328,000.00
<b>Milestone Total</b>		<b>\$2,005,000.00</b>
<b>Milestone: System Training</b>		
Deliverable 6.14.1 Training Plan	2/29/2012	\$ 34,000.00
Deliverable 6.14.2 Instructional Design	3/12/2012	\$ 20,400.00
Deliverable 6.14.3 User Manual	4/27/2012	\$ 136,000.00
Deliverable 6.14.4 CBT Design	5/24/2012	\$ 68,000.00
Deliverable 6.14.5 CBT Modules	8/21/2012	\$ 68,000.00
Deliverable 6.14.6 On-Line Help	6/27/2012	\$ 68,000.00
Deliverable 6.14.7 Train the Trainer	9/28/2012	\$ 102,000.00
Deliverable 6.14.8 Training Evaluation Report	1/9/2013	\$ 15,800.00
Deliverable 6.14.9 Help Desk Training	10/3/2012	\$ 34,000.00
Deliverable 6.14.10 System Maintenance Training	3/20/2013	\$ 68,000.00
Deliverable 6.14.11 Reports Maintenance Training	4/22/2013	\$ 68,000.00
<b>Milestone Total</b>		<b>\$ 682,200.00</b>

<b>Milestone: Conversion</b>		
Deliverable 6.15.1 Data Conversion Plan	10/19/2011	\$ 30,600.00
Deliverable 6.15.2 Data Conversion Specification & Mapping	2/3/2012	\$ 398,500.00
Deliverable 6.15.4 Conversion Test Plan	5/23/2012	\$ 30,600.00
Deliverable 6.15.5 Conversion Test Results (Integration)	10/8/2012	\$ 326,800.00
Deliverable 6.15.5 Conversion Test Results (UAT)	1/1/2013	\$ 153,000.00
Deliverable 6.15.6 Final Conversion Test Results	2/12/2013	\$ 153,000.00
<b>Milestone Total</b>		\$1,092,500.00
<b>Milestone: System Implementation</b>		
Deliverable 6.16.1 Implementation Plan	2/15/2012	\$ 42,500.00
Deliverable 6.16.2 Data Quality Plan	3/5/2012	\$ 42,500.00
Deliverable 6.16.3 Help Desk Operating Procedures	3/22/2012	\$ 85,000.00
Deliverable 6.16.4 System Transition Plan	4/10/2012	\$ 42,500.00
Deliverable 6.16.5 System Maintenance Plan	4/27/2012	\$ 42,500.00
Deliverable 6.16.6 Back Up & Recovery Plan	5/16/2012	\$ 42,500.00
Deliverable 6.16.7 Final System Documentation	7/17/2012	\$ 170,000.00
Deliverable 6.16.8 System Operations Manual	8/20/2012	\$ 170,000.00
Deliverable 6.16.9 Backout Plan	9/6/2012	\$ 42,500.00
Deliverable 6.16.10 Implementation Results Report	2/18/2013	\$ 42,500.00
Deliverable 6.16.11 FACTS II	2/15/2013	\$ 127,500.00
<b>Milestone Total</b>		\$ 850,000.00
<b>Milestone: Post Implementation Support</b>		
Deliverable 6.17.1 Final FACTS II Status & Transfer	1/5/2014	\$ 48,000.00
Deliverable 6.17.2 Federal Requirements Traceability Matrix	5/15/2013	\$ 62,000.00
Deliverable 6.17.3 Final System Documentation	1/5/2014	\$ 67,000.00
<b>Milestone Total</b>		\$ 177,000.00
<b>Milestone: Support Federal Review</b>		
Deliverable 6.18.1 Federal Review Readiness Plan	3/30/2013	\$ 36,000.00
<b>Milestone Total</b>		\$ 36,000.00
<b>Total BAFO Cost</b>		\$ 16,946,328.00

Provide supporting documentation for all costs for each milestone. Supporting documentation for all costs for each milestone is provided as our response are supplied within this section as Tables 1-6.

The proposal must conform to the requirements of the Proposal Procedures and the Required Information Sections of the RFP. The State specifically reserves the right to waive any informalities or irregularities in the proposal format. Each proposal must be accompanied by a cover letter, which briefly summarizes the proposing firm's interest in providing the required professional services. The cover letter must also clearly state and justify any exceptions to the requirements of the RFP which the applicant may have taken in presenting the proposal. The State reserves the right to deny any and all exceptions taken to the RFP requirements and to amend or withdraw the RFP at any time.

## Development of Additional Reports

RFP reference: 6.10.1 Associated Deliverables, Page 48

The following deliverables are required for this phase:

- Reports Tool/Methodology Training; and
- Reports Analysis and Reports Design Specifications

As requested, this section provides the unit costs for converting simple and complex reports.

- Simple Report
  - 1-5 attributes
  - 1-2 metrics
  - 1-3 prompts
  - Mostly uses data tables to present data
  - Non-Interactive
  - Has just one-static view of the data
- Complex Report
  - 11 or more attributes
  - 6 or more metrics
  - 7 or more prompts
  - Highly interactive
  - Heavy usage of graphics
  - Provides drill-down functionality to detailed reports

Resource Type	Hourly Rate	Simple Complexity Hours	Simple Complexity Cost	High Complexity Hours	High Complexity Cost
Reports Developer	92.00	24 – 45	\$2,208 – \$4,140	54 – 90	\$4,968 – \$8,280
Reports Analyst	109.00	16 – 36	\$1,744 – \$3,924	36 – 72	\$3,924 – \$7,848
<b>Total</b>			<b>\$3,952 – \$8,064</b>		<b>\$8,892 – \$16,128</b>

Table 1. Unit Costs for Converting Simple and Complex Reports.

Each report requires the attention of a reports analyst and a reports developer. However, if the work is timed and structured correctly, it is possible for a single reports analyst to leverage up to multiple developers. The table above represents the unit cost range for a single report. If additional reports are required during the course of Delaware FACTS II base contract period, Deloitte will work with you to define a plan that maximizes reports analyst leverage and therefore minimizes your cost.

## Cost of Conversion Strategy

RFP reference: 6.15 Conversion, Page 56

Bidders are requested to cost out their proposed conversion strategies to assist the Department in assessing the proposed solutions. Proposed strategies must address the issue of access to historical case information. Strategies should provide an analysis of keeping FACTS and other supplemental systems operational. If parallel operations are proposed, the Bidder should identify how long the parallel operations will be required. Bidders should describe in detail the methods or processes that have been successfully used in other implementations of similar size, scope, and diversity to the FACTS II project. Bidders should also describe the manual and automated approaches that they have used successfully.

Deloitte leverages our teaming arrangement with MAXIMUS to determine level of effort that is consistent with our understanding of the legacy processes to finalize our conversion approach. As provided above, the deliverables associated with the tasks and activities for the Deloitte conversion strategy as provided in *Section 4.15, Conversion*, our conversion strategy costs are provided below.

Cost of Conversion Strategy		
Deliverable	Due Date	Amount
<b>Milestone: Project Initiation and Management</b>		
Deliverable 6.15.1 Data Conversion Plan	10/19/2011	\$30,600.00
Deliverable 6.15.2 Data Conversion Specification & Mapping	2/3/2012	\$398,500.00
Deliverable 6.15.4 Conversion Test Plan	5/23/2012	\$30,600.00
Deliverable 6.15.5 Conversion Test Results (Integration)	10/8/2012	\$326,800.00
Deliverable 6.15.5 Conversion Test Results (UAT)	1/1/2013	\$153,000.00
Deliverable 6.15.6 Final Conversion Test Results	2/12/2013	\$153,000.00
<b>Milestone Total</b>		<b>\$1,092,500.00</b>

**Table 2. Cost of Conversion Strategy.**

## Additional Conversion Rates

RFP reference: 6.15 Conversion, Page 57

In the Bidders' Cost Proposal, Bidders must identify an hourly rate for performing any additional data conversion activities.

We understand that conversion from additional legacy system may be required beyond those identified within the RFP. The following table presents our hourly rates for additional conversion analysts and conversion developers.

Conversion Resource	Hourly Rate
Conversion Architect	\$132.00
Conversion Developer	\$80.00
Senior Conversion Developer	\$97.00
Senior Conversion Analyst	\$118.00

**Table 3. Hourly Rate for Additional Conversion Analysts and Developers.**

Each conversion task will require the attention of a conversion analyst, plus an appropriate number of conversion developers. A single conversion analyst is capable of leveraging up to multiple conversion developers. Deloitte will work with you to plan and structure any additional conversion work in order to maximize the analyst leverage and minimize your overall cost.

## Option Years

RFP reference: 6.13 Technical Requirements, Page 41

For ongoing system maintenance, Bidders are requested to provide a cost estimate and to offer such services as an option in their proposal. Bidders should propose an option that incorporates a minimum of State staff, as well as an option that incorporates a maximum of State staff. The State reserves the right to accept or reject any such option offered.

The following table sets our proposed costs for maintenance services provided under an option year contract. As requested, we have provided a range of proposed costs that represent a minimum and maximum utilization of state IT staff.

	Cost (Maximum State Staff)	Cost (Minimum State Staff)
Option Year 1	\$1,400,000 to \$2,200,000	\$2,200,000 to \$3,200,000
Option Year 2	\$1,470,000 to \$2,310,000	\$2,310,000 to \$3,360,000

**Table 4. Proposed Costs for Utilization of State IT Staff.**



The costs for maintenance services based upon a maximum state involvement are necessarily estimates, since at this time it is not clear which state resources (and which skill sets) will be available to perform maintenance services.

Deloitte will be happy to tailor these estimates to suit your available resources and skills profile once we reach that stage of the project.

Initial Cost of Setting Up FACTS II consists of procuring new Hardware and Software. Following table provides the hardware list price which is inclusive of cost of maintenance for three years.

## Hardware Costs

Hardware	OS - All 64 bit	Model and Type	Configuration	RAM	HDD	Unit Cost (Includes 3 Years Support)	Qty	Cost
<b>Production</b>								
Application Server/Web Server	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	4	\$23,052
Web Servers - Customer Facing	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	2	\$11,526
State Management Server	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
State Management Server for Customer Facing App Servers	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Database Server	Red Hat Linux Enterprise	Dell PE 2950 – Intel Xeon Server	M710 BLADE (Dual Quad Core)	64 GB	250 GB	\$14,820.00	1	\$14,820
Reporting Server	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Reporting Database	Red Hat Linux Enterprise	Dell PE 2950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393

Hardware	OS - All 64 bit	Model and Type	Configuration	RAM	HDD	Unit Cost (Includes 3 Years Support)	Qty	Cost
Network Switch		Cisco Catalyst 3750E, 48 1GbE Ports, 2 Exp.Slots	Ethernet			\$29,057.96	1	\$29,058
Total Production H/W								\$105,137
Disaster Recovery [includes Conversion]								
Application Server/Web Server	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	4	\$23,052
Application Server - Customer Facing	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	2	\$11,526
State Management Server	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
State Management Server for Customer Facing App Servers	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Database Server	Red Hat Linux Enterprise	Dell PE 2950 – Intel Xeon Server	M710 BLADE (Dual Quad Core)	64 GB	250 GB	\$14,820.00	1	\$14,820
Reporting Server	Windows Server 2008 R2 Enterprise	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.00	1	\$5,762
Reporting Database	Red Hat Linux Enterprise	Dell PE 2950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393
Network Switch		CISCO Catalyst 3750G-24TS	24 Ethernet 10/100 ports			\$29,057.96	1	\$29,058

Hardware	OS - All 64 bit	Model and Type	Configuration	RAM	HDD	Unit Cost (Includes 3 Years Support)	Qty	Cost
Total Disaster Recovery H/W								\$105,137
Training								
Application Server/Web Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	2	\$11,526
State Management Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Database Server	Red Hat Linux Enterprise	Dell PE 1950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393
Reporting Server	Windows Server 2008 R2 Standard	Dell PE 2950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Network Switch		CISCO Catalyst 3750G-24TS	24 Ethernet 10/100 ports		180 GB	\$29,057.96	1	\$29,058
Total Training H/W								\$61,503
User Acceptance Test								
Application Server/Web Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	2	\$11,526
State Management Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Database Server	Red Hat Linux Enterprise	Dell PE 1950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393
Reporting Server	Windows Server 2008 R2 Standard	Dell PE 2950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Conversion Test Server	Red Hat Linux Enterprise	Dell PE 2950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393

Hardware	OS - All 64 bit	Model and Type	Configuration	RAM	HDD	Unit Cost (Includes 3 Years Support)	Qty	Cost
Network Switch		CISCO Catalyst 3750G-24TS	24 Ethernet 10/100 ports			\$29,057.96	1	\$29,058
<b>UAT</b>								<b>Total UAT H/W \$70,896</b>
<b>Integration Test [Includes Development &amp; Unit Testing]</b>								
Application Server/Web Server	Windows Server 2008 R2 Standard	Dell PE 1950vIntel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
State Management Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Database Server	Red Hat Linux Enterprise	Dell PE 1950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393
Reporting Server	Windows Server 2008 R2 Standard	Dell PE 2950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Conversion Test Server	Red Hat Linux Enterprise	Dell PE 2950 – Intel Xeon Server	M710 BLADE (single quad core)	32 GB	250 GB	\$9,393.27	1	\$9,393
Source Code Control Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Source Code Control Database Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
SDLC Tracking Tool Server	Windows Server 2008 R2 Standard	Dell PE 1950 – Intel Xeon Server	Dell M610 Blade	32 GB	180 GB	\$5,762.91	1	\$5,763
Desktops	Windows 7 Professional	OptiPlex 980 Minitower Base Standard PSU	Dual Core Processor 550, 3.20GHz,	8 GB	250 GB	\$935.45	50	\$46,772

Hardware	OS - All 64 bit	Model and Type	Configuration	RAM	HDD	Unit Cost (Includes 3 Years Support)	Qty	Cost
Total Integration [Development] H/W								\$100,136
Common Hardware								
Hubs/Switches/ keyboard/Mouse		NA	NA				N/A	
Racks and Accessories [Includes CAT5 Cable & Accessories]		NA	NA			\$2,163.00	N/A	\$2,163
Blade Chasssis M1000e			Blade Chasssis M1000e			\$24,922.80	3	\$74,768
Primary Storage SAN			HDS Adaptable Modular Storage 2100 with Brocade 7800 4/2 Extension Switches		4.1TB	\$121,727.04	1	\$121,727
Secondary Storage SAN			HDS Adaptable Modular Storage 2100 with Brocade 7800 4/2 Extension Switches		2.2TB	\$101,727.04	1	\$101,727
Load Balancers		F5 Networks	BIG-IP (Latest)			\$42,315.00	3	\$126,945
Racks, Chassis, SAN and Load Balancer								\$427,330
Total Estimated Hardware Cost:								\$870,140

Table 5. Delaware FACTS II Hardware Cost.

NOTE: Freight, Insurance and Sales Tax not included – State may be eligible for tax credits.

## Software Costs

Following table provides the software list price which is inclusive of cost of maintenance for the first year.

Software	Quantity	Unit Cost	Total Cost	First Year Support Cost
<b>Operating Systems</b>				
Windows 7 Professional	50	\$150	\$7,500	\$2,850
Windows Server 2008 R2 Standard	13	\$976	\$12,688	\$130
Red Hat Linux Enterprise	10	\$1,949	\$19,490	\$0
Windows Server 2008 R2 Enterprise	18	\$3,770	\$67,860	\$20,700
<b>GIS/Maps</b>				
Google Maps API Premier License - For External Applications (public facing, non-paid sites) 1 million page views per year	1	\$10,000	\$10,000	\$0
Google Maps API Premier License - For Internal Facing Applications(For internal use only) 500K views per year	1	\$20,000	\$20,000	\$0
<b>Online Help</b>				
Adobe RoboHelp	5	\$950	\$4,750	\$0
<b>Reporting Tool</b>				
SAP BusinessObjects Enterprise Premium Suite	Package – 150 Info View Users, 4 Developers and 20 Web Intelligence users		\$245,264	\$53,958
<b>Database</b>				
Oracle Standard Edition	6	\$13,000	\$78,000	\$24,000
Oracle Enterprise Edition (Production DB – 8 Cores)	1	\$28,000	\$112,000	\$24,000

Software	Quantity	Unit Cost	Total Cost	First Year Support Cost
Oracle Enterprise Edition (Production Reporting DB, 4 Cores)	1	\$28,000	\$56,000	\$24,000
Microsoft SQL Server 2008 R2 Standard (4 Cores)	1	\$7,171	\$28,684	\$0
<b>Search</b>				
Intelligent Search Technology, NameSearch (Production DB, 8 cores)	1	\$35,000	\$42,000	\$0
<b>Scheduler (Batch)</b>				
ORSYP Dollar Universe (Non-Production DB, 4 Cores)	2	\$826	\$6,606	\$0
ORSYP Dollar Universe (Production DB - 8 cores)	1	\$1,238	\$9,904	\$0
ORSYP Dollar Univiewer	1	\$10,900	\$10,900	\$0
ORSYP Dollar Universe - Packaged maintenance for 5 years				\$86,496
<b>IDE</b>				
Microsoft Visual Studio 2010 – ultimate with MSDN	21	\$10,819	\$227,199	\$0
Microsoft Visual Studio 2010 – Professional with MSDN	9	\$1,085	\$9,765	\$0
<b>PL/SQL Editor</b>				
Toad for Oracle Base Edition	33	\$800	\$26,400	\$0
Toad DBA Suite for Oracle	1	\$4,995	\$4,995	\$0
<b>Spell Check</b>				
RapidSpell Web .Net	1	\$1,050	\$1,050	\$0
<b>Training Content Development</b>				
Macromedia Captivate	5	\$760	\$3,800	\$0
Macromedia Studio	5	\$1,712	\$8,560	\$0
<b>Data Modeling</b>				
CA ALLFUSION ERWIN DATA MODELER 7.3 LIC W/ 1YR ENT MNT	1	\$2,823	\$2,823	\$0
<b>Source Code Control</b>				
Microsoft Team Foundation Server 2010	1	\$499	\$499	\$0



Software	Quantity	Unit Cost	Total Cost	First Year Support Cost
<b>Monitoring Tool</b>				
Operations Manager Server 2007 R2	1	\$579	\$579	\$0
Standard Server ML	9	\$157	\$1,413	\$0
<b>Imaging</b>				
AtalaSoft DotImage Document Imaging SDK	1	\$3,000	\$3,000	\$0
AtalaSoft DotTwain	1	\$525	\$525	\$0
AtalaSoft 1-4 Core Production Servers	6	\$2,000	\$12,000	\$0
<b>File Compression Utility</b>				
Winzip	69	\$32	\$2,208	0
<b>Miscellaneous</b>				
Microsoft Office	50	\$484	\$24,200	\$0
Microsoft Visio	11	\$502	\$5,522	\$0
Microsoft Project	11	\$906	\$9,966	\$0
FXCop - Free	21	\$0	\$0	\$0
NAnt (open source)	1	\$0	\$0	\$0
Nunit	21	\$0	\$0	\$0
JAWS 64 bit Professional with Software Maintenance Agreement (SMA)	1	\$1,095	\$1,095	\$0
SnagIT	50	\$18	\$900	\$800
iText	1	\$0	\$0	\$0
GOVT NETBACKUP		\$13,751	\$13,751	\$0
			\$1,091,895	\$236,933
<b>Total Estimated Software Cost for 1st year:</b>				<b>\$1,328,828</b>

**Table 6. Delaware FACTS II Software Cost.**

NOTE: Freight, Insurance and Sales Tax not included – DSCYF may be eligible for State tax credits for the purchase of Delaware FACTS II software.

## Total Cost of Ownership

RFP reference: 5 Technical Architecture Concepts, Page 36

- **Cost-effective:** The FACTS II solution will be cost-effective. Bidders must identify high-level Total Cost of Ownership and Return On Investment metrics as part of their cost proposal.

Questions and Answers – Addendum #12, #83		RFP Reference: Section 7.3 Page 6	
Question		Answer	
<p>The instructions for the cost proposal direct the vendor to use Appendix A to provide cost information. Appendix A calls for a list of deliverables and a price for each deliverable. Throughout the proposal, the State refers to goals and criteria related to costs that are not related to deliverables. For example, on page 30 the State indicates it desires a solution that „will minimize ongoing maintenance costs“. On page 35, bidders are directed to „identify high-level Total Cost of Ownership and Return on Investment metrics“ as part of their cost proposal.</p> <ol style="list-style-type: none"> <li>1. Please provide additional clarity on what factors bidders should include in these calculations so that the State is able to consider „apples to apples“ when comparing vendor proposals.</li> <li>2. Please provide a format for including this information in the cost proposal.</li> <li>3. Please provide additional clarity on how these non-deliverable based cost factor into the cost proposal evaluation.</li> </ol>		<p>We would anticipate that the vendors provide us with a total cost of ownership by year, e.g. Cost of associated software licensees and projected maintenance support costs, recommended hardware and replacement schedules with associated costs. DSCYF is responsible for the cost benefit analysis. Providers may suggest how there solution could provide opportunities for benefit from their solutions which DSCYF could elect to evaluate and include in the cost benefit analysis. The costs may be documented in narrative form with tables highlighting compoument costs based on the bidders suggested approach.</p>	

The Total Cost of Ownership costs are provided below and include the hardware and software costs at project start-up and ongoing costs through the base contract period of July 5, 2011 to February 14, 2014. Hardware is not expected to require replacement during the base contract period, therefore, replacement costs and schedules are not provided.

	Initial Purchase for Implementation 2011-2012	Maintenance/ Support 2012-2013	Maintenance/ Support 2013-2014	Totals	Comments
<b>Hardware</b>	\$870,140	\$0	\$0	\$870,140	<ul style="list-style-type: none"> <li>• Cost of hardware includes maintenance cost for 3 years from the date of procurement.</li> <li>• Maintenance/support costs are provided in 3 year increments. Ongoing maintenance/support for hardware is approximately 17% of initial 3 year cost.</li> </ul>
<b>Software</b>	\$1,328,828	\$286,264	\$286,264	\$1,901,356	<ul style="list-style-type: none"> <li>• Annual maintenance costs estimated for all software except Dollar Universe where maintenance is included for 5 years from date of purchase.</li> <li>• First year of maintenance/ support is included in purchase price. As a result, ongoing annual software maintenance costs total more than the initial purchase costs.</li> </ul>
<b>Totals</b>	<b>\$2,198,968</b>	<b>\$286,264</b>	<b>\$286,264</b>	<b>\$2,771,496</b>	

Table 6. Total Cost of Ownership Costs.

## Cost Assumptions

Deloitte is providing the DSCYF the following cost assumptions in response to the Delaware FACTS II RFP Document. The costs as provided were defined by the approach to the Scope of Services as requested.

### Cost

1. The deliverables listed in the cost sheet total the firm fixed fully loaded total project cost for the scope of services as requested in the RFP.

2. Our firm fixed price is based upon receipt of deliverable payment amounts defined on the Budget and Cost Form above and in accordance to the project schedule submitted in *Section 8, Project Work Plan*.
3. The rates as requested and provided for the following services will expire at the end of the base contract period of February 14, 2014. Upon request, new rates may be provided that reflect the current market rates for the labor categories and service of work requested.
  - a. Unit Cost for Simple Report
  - b. Unit Cost for Complex Report
  - c. Additional Conversion Rates
  - d. Annual Ongoing System Maintenance Cost

## Hardware and Software

1. We have sized our hardware specifications based upon the statistics provided in the RFP for user counts, record counts and our experience with the DC FACES.NET technical infrastructure.
2. We have assumed that the State will procure all components in a timely manner to support the project schedule – irrespective of the route through which procurement is performed.
3. If the state elects to purchase hardware or software through Deloitte, ownership of those assets will be transferred to the state immediately upon delivery. Warranty for any assets so purchased will be provided by the original manufacturer.
4. The SAP Business Objects Enterprise quote as provided is based on a “Per Person” licensing structure for 150 Infoview users. If DSCYF has more than 150 users, a subsequent quote will be obtained that is based on DSCYF needs. As requested in the RFP, the Business Objects Enterprise software costs are provided in the hardware/software list provided in Table 5, Delaware FACTS II Software Costs.
5. The SAP Business Objects Web Intelligence quote as provided is based on a “Per Person” licensing structure for 20 web Intelligence users. If DSCYF has more than 20 users, a subsequent quote will be obtained that is based on DSCYF needs. As requested, in the RFP, the SAP Business Objects Web Intelligence software costs are provided in the hardware/software list provided in Table 5, Delaware FACTS II Software Costs.