

May 14, 2012 - Revisions Highlighted in Yellow

RFP Appendix E – Volume II – Cost Volume Instructions

Appendix E: Instructions for Volume II – Cost Volume

WCB requires that cost information be provided using the Microsoft Excel spreadsheet included in the RFP packet as Appendix E, Cost Volume Workbook. The purpose of Appendix E is to reinforce the instructions provided in Section 4.6 of the Workers' Compensation System Business Process Reengineering RFP for the Cost Volume. Offerors must provide both a hard copy for recordation purposes with the electronic copy (in Microsoft Excel) of each of the worksheets within this workbook as part of their response. The accuracy of calculations and formulas in the spreadsheet are the sole responsibility of the Offeror.

The Offeror's Cost Volume instructions and forms contained herein requires that the Offeror propose a fixed price that must represent its fee for the Workers' Compensation System Business Process Reengineering Project. The Cost Volume form is broken into two worksheets. The first worksheet contains the Offeror's fixed price for the delivery of the BPR Reengineering Planning Phase activities, deliverables, and services. The second worksheet contains the Offeror's proposed hourly rates for the defined labor categories (roles). These are the hourly rates that will be used for the BPR Reengineering Implementation Phase. The exact cost for the Implementation Phase activities and deliverables will be determined through a Project Change Request process (defined in Section 6.9 of the RFP) once the exact scope of the work has been defined during the Planning Phase. The evaluation of the Offeror's Cost Volume is based upon both the fixed cost for the Planning Phase and the hourly rates for the Implementation Phase.

BPR Reengineering Planning Phase

This Request for Proposals (RFP) seeks proposals from qualified and responsible Offerors for the acquisition of services to perform a large-scale business process reengineering of its core processes. This phase will define the required business process changes as well as requirements for a technology solution and will include: outreach and discovery, assessment, communication and outreach, develop BPR recommendations, develop target environment description, develop business case/project proposal, and develop roadmap. During this phase, the WCB will examine all options for process and systemic changes recommended by the BPR vendor, determine whether to build or buy elements of the proposed solution and may pursue the necessary procurements to acquire additional implementation services for the Reengineering Implementation phase.

The evaluation of the Offerors cost proposal will include the following factors to allow the WCB to estimate the Total Cost for the BPR Reengineering Planning Phase:

- Cost of Services to provide the BPR Reengineering Planning Phase activities and deliverables (as described in Section 3 of the RFP)
- Proposed Additional Work Hourly Rates of Offeror staff
- Detailed explanation of the pricing structure and assumptions used to determine the cost, and all related materials to provide a detailed cost basis

BPR Reengineering Implementation Phase

The detailed work to be performed for the BPR Reengineering Implementation phase will be defined during the course of the BPR Reengineering Planning Phase. The high level scope of activities to be performed by the BPR Vendor during the Implementation Phase are described in Section 3.3.3 of the RFP.

The evaluation of the Offerors cost proposal will include the following factors to allow the WCB to estimate the Total Cost for the BPR Reengineering Implementation Phase:

- Proposed Additional Work Hourly Rates of Offeror staff
- Detailed explanation of the pricing structure and assumptions used to determine the cost, and all related materials to provide a detailed cost basis.

Cost Volume Requirements

The Offeror shall include the cost for all services needed to support its proposed solution. These services must comply with, and fulfill, all requirements, activities, deliverables, and specifications described in this RFP. The Offeror shall provide a detailed and comprehensive description of the services required to support its proposed solution.

When completing the spreadsheet, Offerors should follow these instructions:

- The cost of services the Offeror provides within the Cost Volume must include ANY AND ALL one-time and recurring fees, charges, or costs for the duration of the contract, including:
 - All direct and indirect costs, as well as all overhead, fees, and profit, including but not limited to:
 - Labor, parts, shipping, material and equipment cost
 - Emergency work; maintenance services as specified herein
 - Repairs and replacement of major or minor parts as necessary
 - Administrative, reporting, or other requirements, overhead costs, and profit
 - Travel costs, parking fees, and any other ancillary fees and costs including permits, licenses, insurance, etc.
 - Services not explicitly stated in these specifications, but necessarily attendant thereto as applicable to the associated item for which the rate/fee is being quoted
- If an Offeror indicates compliance with a requirement in the RFP (including all attachments), the costs related to that requirement must be included in the Cost Volume.
- Terminology used in the pricing spreadsheets for services must be consistent with the terminology used in the rest of the response.
- **All worksheets must be completed** in order for the response to be considered complete.
- Offerors must not make entries in colored cells.
- Changes should not be made to the spreadsheet format or formulas, but the Offeror should attach additional worksheets or other documentation to explain its pricing.

In the Cost Volume, the Offeror must present for evaluation their costs for all worksheets as fixed lump sum prices. For Worksheet 2, - BPR Reengineering Planning Services, the Offeror must present the required information and WCB will calculate those cost elements based upon that information and add them to the total Contract Cost basis. For Worksheet 3 - Additional Work Hourly Rate, the Offeror must provide fixed lump sum prices for the information requested, and WCB will calculate the resulting ratio.

While not part of the cost evaluation, Offerors must attach as an appendix to their cost proposal additional pages to include their cost basis which provides a record of the procedures, ground rules and assumptions, data, environment, and assumptions used to calculate the fixed price cost, an explanation as to how the assumptions relate to the project plans. Good documentation supports the cost volume's credibility and enables reviewers to effectively assess the costs. Include an explanation of the pricing structure, including the features and functionality of that pricing structure. Attach as many pages as necessary. Additionally, Offerors should provide their standard pricing information (product licenses, daily rates, overhead, fees, etc.).

Worksheet 1 - Offeror Cost Summary

The Offeror shall fill out their name and address information in the Cost Summary worksheet, print and sign the sheet for inclusion as their hardcopy version of the Cost Proposal. All other cost information is calculated from the other worksheets. (The accuracy of calculations and formulas in the spreadsheet are the sole responsibility of the Offeror, and should be verified before submission). Note: The Offeror should NOT FILL IN any entries in the colored cells.

Offeror Cost Information Summary	
Offeror Name:	
Offeror Address:	
Total Contract Cost:	\$ -
Total BPR Planning Phase Costs:	\$ -
Total Implementation Phase Costs:	\$ -

Cost Basis of Estimate:

The Cost Basis of Estimate provides a record of the procedures, ground rules and assumptions, data, environment, and assumptions used to calculate the fixed price cost, an explanation as to how the assumptions relate to the project plans. Good documentation supports the cost volume's credibility and enables reviewers to effectively assess the costs. Include an explanation of the pricing structure. Attach as many pages necessary.

Offeror's Authorized Representative:

<i>Print name</i>	<i>Title</i>
<i>Signature</i>	<i>Date</i>

Worksheet 2 - BPR Reengineering Planning Phase Services

The Cost of Services includes all work to fulfill the BPR Reengineering Planning requirements and deliverables specified in Section 3 of the RFP. This does NOT include any costs associated with the fulfillment of the requirements for the BPR Reengineering Implementation Phase as defined in Section 3.3.3.

Worksheet 2, labeled BPR Planning Services, covers all the services, tasks, deliverables and activities to be performed by the successful BPR vendor during the execution of the BPR Reengineering Planning Phase. All the requirements from Section 3 that comprise the work to be performed during the Planning Phase have been mapped to activities in the table in worksheet 2 to assist the Offeror with providing any additional information in support of their Cost Volume. The Offeror will enter the total cost of services in the bottom row of the worksheet, and the distribution of the payment for services for the completion of each activity will be automatically calculated.

Payment is made only upon acceptance by WCB of all the deliverables and fulfillment of all work defined for each activity. The payment for the successful completion of each activity is based on a percentage of the total BPR Reengineering Planning Phase cost of services. The Offeror may not adjust percentages.

Worksheet 2 - BPR Reengineering Planning Phase Services

Activity	Deliverables and Services	% of Services Cost	\$ Amount	Related RFP Reqmts
Project Initiation				
	Refined project plans, including:			3.1.0-1, 3.1.0-2
	• Scope Statement			
	• Work Breakdown Structure (WBS)			
	• Project Schedule			
	• Staffing Plan			
	• Quality Management Plan			
	• Risk Management Plan			
	• Change Management Plan			
	• Issue Management Plan			
	• Communication Plan			
	Participate in mandatory WCB training classes			3.1.0-10
Project Initiation Completed	Payment upon acceptance by WCB of all the above deliverables in this activity			
Outreach and Discovery				
	Collaborate with Stakeholders to develop the new stakeholder vision			3.2.1.0-1, 3.2.1.0-2
	Define the stakeholder business needs, establish goals and objectives, and align stakeholder expectations			3.2.1.0-3, 3.2.1.0-4, 3.2.1.0-5

Activity	Deliverables and Services	% of Services Cost	\$ Amount	Related RFP Reqmts
	Understand and document the current (as-is) processes, challenges, and barriers			3.2.1.0-6
	Understand the current (as-is) WCB organization and its physical space			3.2.1.0-7
	Consider and apply best practices from other states workers' compensation systems, other health care reporting systems, and emerging medical reporting technologies			3.2.1.0-8
	Develop a Strategic Vision Document			3.2.1.0-8, 3.2.1.0-9
Outreach and Discovery Completed	Payment upon acceptance by WCB of all the above requirements and deliverables for Outreach and Discovery			
Assessment				
	Assess the current organization, processes, technology and the challenges of the current workers' compensation system			3.2.2.0-1, 3.2.2.0-2, 3.2.2.0-3
	Identify and benchmark key performance metrics for New York State based on best practices for other workers' compensation systems, other healthcare systems, and emerging medical reporting technologies			3.2.2.0-4, 3.2.2.0-5, 3.2.2.0-6, 3.2.2.0-7, 3.2.2.0-8
	Establish baseline metrics to provide reliable measurements for tracking process improvements			3.2.2.0-9, 3.2.2.0-10
	Recommend potential key performance indicators (KPIs) and best practices			3.2.2.0-11
	Document an Assessment Report			3.2.2.0-12, 3.2.2.0-13, 3.2.3.0-4, 3.2.3.0-5
Assessment Completed	Payment upon acceptance by WCB of all the above deliverable in this phase	30% of Total Cost of BPR Planning Services	\$0.00	calculated from total cost of BPR Services
Communication, Information, and Training				

Activity	Deliverables and Services	% of Services Cost	\$ Amount	Related RFP Reqmts
	Develop a communications plan that includes information sharing and education plans for the planning and implementation phases			3.2.3.0-1, 3.1.0-2
	Conduct communication, information, and training activities to engage stakeholders and manage stakeholder expectations			3.2.3.0-2, 3.2.3.0-3, 3.2.3.0-6
Communication, Information, and Training Completed	Payment upon acceptance by WCB of all the above deliverable in this phase			
Develop BPR Recommendations				
	Recommend strategies in the area of organizational planning, business processes, stakeholder outreach and communication, information technology, workforce transition and training			3.2.4.0-1, 3.2.4.0-2
	Identify and compare alternatives for implementing the strategies			3.2.4.0-7, 3.2.4.0-8, 3.2.4.0-9
	Analyze the costs, benefits, impacts, risks and return on investment (ROI) associated with each strategy			3.2.4.0-3, 3.2.4.0-4, 3.2.4.0-5, 3.2.4.0-6
	Consider and propose governance structures for decision making based on best practices			3.2.4.0-10, 3.2.4.0-11, 3.2.4.0-12, 3.2.4.0-13
	Develop envisioned process solutions and technology recommendations			3.2.4.0-14, 3.2.4.0-15, 3.2.4.0-16, 3.2.4.0-17

Activity	Deliverables and Services	% of Services Cost	\$ Amount	Related RFP Reqmts
Develop BPR Recommendations Completed	Payment upon acceptance by WCB of all the above deliverable in this phase			
Develop Target Environment Description				
	Develop detailed process models and descriptions			3.2.5.0-1, 3.2.5.0-13
	Develop organization and facilities design plans aligned with the reengineered process			3.2.5.0-2, 3.2.5.0-3, 3.2.5.0-4, 3.2.5.0-5
	Identify and compare alternative approaches for a technology solution that enables the reengineered business processes			3.2.5.0-6, 3.2.5.0-7, 3.2.5.0-8
	Define and document requirements for a technology solution			3.2.5.0-9, 3.2.5.0-10, 3.2.5.0-11, 3.2.5.0-12
	Document requirements for transitioning from the current state to the target state			3.2.5.0-14
	Document a Target Environment Description			3.2.5.0-15, 3.2.5.0-16, 3.2.5.0-17, 3.2.5.0-18, 3.2.5.0-19
Develop Target Environment Description Completed	Payment upon acceptance by WCB of all the above deliverable in this phase	40% of Total Cost of BPR Planning Services	\$0.00	calculated from total cost of BPR Services
Develop Business Case and Project Proposal				
	Provide a business case for the proposed transformation			3.2.6.0-1, 3.2.6.0-4

Activity	Deliverables and Services	% of Services Cost	\$ Amount	Related RFP Reqmts
	Provide a project proposal, including cost, benefits, and risks; for the transformation activities			3.2.6.0-2, 3.2.6.0-3
Develop Business and Project Proposal Completed	Payment upon acceptance by WCB of all the above deliverable in this phase			
Develop a Roadmap				
	Develop a roadmap that defines the approach, key actions, resource requirements and timeline for implementing the proposed solution			3.2.7.0-1, 3.2.7.0-2, 3.2.7.0-3, 3.2.7.0-4
	Identify opportunities for quick wins			3.2.7.0-5
	Assess stakeholder readiness for the proposed changes			3.2.7.0-6
Develop Roadmap Completed	Payment upon acceptance by WCB of all the above deliverable in this phase	20% of Total Cost of BPR Planning Services	\$0.00	calculated from total cost of BPR Services
Project Management				
	Attend meetings at WCB as required, before major phases and for monthly status			3.1.0-3, 3.1.0-4, 3.1.0-6, 3.1.0-7, 3.1.0-9
	Provide meeting minutes for all meetings and monthly status reports			3.1.0-5, 3.1.0-8
Project Management Completed	Payment upon acceptance by WCB of all the above deliverable in this phase	10% of Total Cost of BPR Planning Services	\$0.00	calculated from total cost of BPR Services
Total Cost of BPR Reengineering Planning Phases Services		100% of Total Cost of BPR Planning Services		

Worksheet 3 - BPR Reengineering IV&V Implementation Phase Hourly Rates

The Offeror shall provide salary rates for the defined labor categories (roles) on the project, inclusive of any associated overhead, fees, and travel for each job title as defined in Worksheet 3. If the Offeror has additional labor categories (roles) proposed for their solution, they should add rows to the bottom of the table on Worksheet 3 along with a detailed description of the labor category (role). For the optional out-years of the Contract's term, prospective Consultants shall hold annual salary rate adjustments to the CPI-U (Consumer Price Index – Northeast Region).

The hourly rates proposed in Worksheet 3 will be used for the development of the detailed cost for the Project Change Requests (see Section 6.9 of the RFP) that will be developed to define the detailed Implementation Phase activities as defined at a high level in Section 3.3.3 of the RFP.

Worksheet 3 BPR Implementation IV&V Phase Hourly Rate

TITLE	2012-2013 BILLING RATE	2013-2014 BILLING RATE	2014-2015 BILLING RATE	2015-2016 BILLING RATE	2016-2017 BILLING RATE
Project Manager					
Lead Business Analyst					
Outreach Specialist					
Legal Liason					
Technical Writer					
Quality Assurance Specialist					
IV&V Specialist					
Business Analyst(s)					