



Attachment C2 – Cost Narrative

Proposer is instructed to complete and submit the Price Proposal under separate cover as identified herein. Proposer to use the following subheader format as provided below.

I. PART I: COST WORKSHEETS

Proposer to submit and complete the Cost Worksheets as contained in **Attachment C1**. Proposers shall not modify the worksheets in any way. The County understands that there will be potentially four primary types of costs associated with procuring a new system: software licensing, implementation services, annual maintenance costs, and annual subscription costs.

A cost worksheet should be completed for each functional area.

The below statements are provided to further guide the Proposer on how to fill out the cost worksheets.

- a. **Software Licensing Cost:** Software license costs include all costs related to licensing the software application and include third-party software license fees, where applicable. In presenting software license fees, the Proposer shall:
 - Explain all factors that could affect licensing fees in the Vendor Notes field of **Attachment C1**.
 - To the extent possible, the Proposer shall show any applicable discounts separately from the prices for products and Services.
- b. **Implementation Services Cost:** Implementation service costs typically include all costs related to professional services (including general implementation, project management, configuration, and other professional services), data conversion, customization, and training. It is important to note the following:
 - In the event the product or service is provided at no additional cost, the item should be noted as "No charge."
 - In the event the product or service is not being included in the Proposal, the item should be noted as "No bid."
 - Proposer shall make clear the basis of calculation for all fees and costs.
- c. **Annual Maintenance Cost:** Annual maintenance costs include the annual maintenance and support fees for the application environment. **The County expects software maintenance costs will not increase in the first five (5) years upon go-live operation and will increase by no more than 3% annually thereafter, and that maintenance costs will not be payable until after go-live sign-off.** Unless a standard offering or otherwise included in scope of the Proposal, Proposers shall list



any disaster recovery, enhanced support, or annual hosting server upgrade or other costs as optional.

- d. **Ongoing Software Subscription Cost (If SaaS Deployment):** Ongoing software subscription costs include the annual payments for access to the software, hosting costs, backup costs, and potentially disaster recovery provisions. The County expects to pre-negotiate any rates of increase in these costs in the first 10 years. **The County expects annual subscription costs will not increase in the first five (5) years upon go-live operation, and will increase by no more than 3% annually thereafter.**

I. PART II: PAYMENT AND RETAINAGE TERMS

Proposer to submit a brief statement of agreement with the payment and retainage terms identified herein for each Cost Worksheet submitted. If a Proposer does not agree with all items, a description should be provided for those items for which an exception is taken.

Proposer confirms that the RFP proposal is submitted in compliance with the payment and retainage terms provided below in Part III, Payment and Retainage Terms.

Brief Statement:

The County requests that the following Payment and Retainage Terms be utilized for the County's Project:

- a. **Software Licensing:** Use of an acceptance-based payment schedule for software licensing.
- i. Potential milestones including system deployment, Phase Kickoff, Initial Module/System Configuration, Approval of Phase Go-Live, and Acceptance of System. The County expects that licensing for any software modules will not be payable until the associated project phase for that module begins. For example, if Module X were a part of a potential Phase II to the project, the County would expect to have payment milestones for Module X begin with the phase kickoff for Phase II.
 - ii. *Proposer shall fully describe their proposed milestone-based payment schedule for software licensing as part of their Price Proposal.*

Brief Statement:

- b. **Implementation Services Cost:** Implementation service costs typically include all costs related to implementation, configuration, data conversion, customization, and training.
- i. The County prefers that implementation service costs be proposed as "not-to-exceed" amounts and that the County will be charged for Services as incurred



up to the not-to-exceed amounts. Establishment of a not-to-exceed amount does not obligate the County to expend the full amount.

- ii. The County prefers that services be invoiced on a deliverable, phased, or milestone basis.
- iii. The County prefers that twenty percent (20%) of each invoice for the implementation service costs will be retained (as a “holdback”) until successful completion, and the County’s written acceptance, of the Project.

Brief Statement:

- c. **Annual Maintenance Cost:** The County expectation is that it will not pay maintenance fees on functional areas being implemented nor will the annual maintenance period begin until formal County acceptance has been provided to approve live processing for the associated Project phase. *For example, the annual maintenance fees associated with the accounts payable module will be paid upon the County acceptance of the Project phase associated with the accounts payable module.*

Brief Statement:

- d. **Ongoing Software Subscription Cost (If SaaS Deployment):** Ongoing software subscription costs include the annual payments for access to the software, hosting costs, backup costs, and potentially disaster recovery provisions. The County expects that subscription costs for software modules will not be payable until the associated project phase for that module begins. For example, if payroll were a part of a potential Phase II to the project, the County would expect to have payment for the payroll module begin with the phase kickoff for Phase II. The County expects to pre-negotiate any rates of increase in these costs in the first 10 years.

Brief Statement:

II. NARRATIVE DESCRIPTION OF PRICE PROPOSAL

Proposers are encouraged to include a narrative description of the proposed costs, including, at a minimum the following;

- a. Any optional services/offerings for professional services

Brief Statement:

- b. Any discounts that have been offered

Brief Statement:

- c. Any additional service offerings that may be out of scope, but may be available on an



optional basis to serve to shift some of the implementation work effort from the County to the vendor during implementation.

Statement:

- d. Any projected or anticipated cost savings or cost avoidance considerations related to the proposed software and services (savings in the County staff time, savings in ongoing hardware acquisition/maintenance costs, etc.)

Statement:

- e. A description of any future upgrade costs, including upgrades to hardware, software, and related professional services costs (such as training, configuration, and other anticipated services costs related to upgrades in the future)

Statement:

- f. Other topics or statements related to the price proposal that the Proposer feels will help the County better understand the pricing structure or key differentiators for the proposed products and services

Statement:

III. STANDARD QUOTE FORMAT

Proposer to include at the end of Attachment C2, as supporting documentation aligning with the total costs proposed within Attachment C1, a copy of any relevant quote/order form using the Proposer's standard format.