9 PRICING SCHEDULE

9.1 Overview

Client Network Services, LLC ("CNSI") is pleased to present its cost proposal in response to the Request for Proposal (RFP) for a Provider Management System issued by the Arizona Health Care Cost Containment System Administration (AHCCCS), Solicitation #YH18-0033, dated January 16, 2018 and amended on February 14, 2018. Our cost proposal was prepared in accordance with the instructions contained in the RFP, its requirements, and all exhibits and attachments required by the solicitation are included in this proposal. CNSI's cost proposal includes Attachment B, Pricing Schedule as identified in Section 3.3, Special Instructions of the RFP. Please note that this includes pricing for Option 1 and Option 2, which are described in section 9.3 of this Pricing Schedule.

9.2 Period of Performance

CNSI anticipates a period of performance of 60 months and has used an estimated start date of August 1, 2018, and concluding July 31, 2023, for planning purposes. CNSI understands that the performance period will be effective for a contract term of three (3) initial years with two (2) one-year options to extend from the date of contract award.

9.3 Release Schedules

Per Section 3.1.3, Special Instructions of the RFP, CNSI is proposing two options for separate release schedules to implement the Provider Management System for both the State of Arizona (AZ) and the State of Hawaii (HI). Option 1 will implement the Provider Management System simultaneously for both AHCCCS and Med-QUEST. Option 2 will implement the Provider Management System for Med-QUEST two (2) months later than AHCCCS. A separate Attachment B, Pricing Schedule, is included for each release, Option 1 and Option 2.

In either option, Planning, Solutioning, and Configuration phases will occur simultaneously for both systems. In Option 2, there is a two-month break after Solutioning for the Med-QUEST timeline, which moves the implementation and release date out by two months. The targeted release date for AHCCCS in Option 1 and in Option 2 is June 1, 2019, while the targeted release date for Med-QUEST in Option 1 is June 1, 2019, and Option 2 is August 3, 2019.

9.4 Place of Performance

CNSI anticipates that work will be performed in CNSI facilities located in Lansing, MI; Rockville, MD; and Phoenix, AZ.

9.5 Travel

CNSI understands the travel requirements in Attachment B, Implementation Pricing, of the RFP and has included travel in its pricing. CNSI's travel pricing is in in accordance with the Joint Travel Regulations.

9.6 Taxes

Per Section 5.2, Uniform Instruction to Offerors, of the RFP, CNSI understands AHCCCS's request to include all applicable transaction privilege and/or use taxes. CNSI consulted with its tax consultants, BDO, and our pricing does not include State of Arizona transaction privilege and use taxes.

Further, CNSI assumes that an exemption certificate will be provided by the AHCCCS/Med-QUEST for certain Federal Excise Tax on manufactured goods as described in Section 3.5, Uniform Instructions to Offerors, of the RFP, if required.

CNSI's pricing does not include any further state sales tax or State of Hawaii General Excise Tax (GET).

Should this or tax implications change, CNSI will work with the State through the change management process to obtain a change order as required,

9.7 Pricing Schedules

9.7.1 Summary

Per the requirements of Attachment B to the RFP, CNSI is providing its summary pricing schedule inclusive of implementation costs and software costs.

9.7.2 Software

CNSI is providing its detailed software pricing in the Software Pricing Schedule. This schedule includes the required labor to support operations. Please note that Maintenance Year 1 includes two (2) months of support as our implementation timeline is 10 months and the overall contract period of performance is five (5) years.

9.7.3 Implementation

CNSI has included a breakdown of its implementation labor cost by phase by quarter by State Fiscal Year in this schedule.

9.7.4 Implementation Deliverables

Per the RFP Attachment B, Pricing Schedule, Implementation Deliverables worksheet, CNSI has mapped its proposed list of labor categories and associated level of effort to support each deliverable and CNSI is also including a blended hourly rate by deliverable. CNSI's rates are fully loaded and inclusive of all costs required to perform the work specified in Section 5 of the RFP. The blended hourly rate is based on the sum of the effort of each deliverable by all staff titles in the deliverable divided by the total hours to perform each deliverable. Additionally, CNSI has included the proposed timeline for each deliverable in this pricing schedule. CNSI will work with the State to finalize a project plan upon contract award.

9.8 Acceptance Period

Per Evaluation Section 5.5, Uniform Instruction to Offerors, of the RFP, CNSI's pricing is firm for not less than 120 days from the proposal due date.

9.9 Statement of Financial Stability

An award-winning systems integrator, CNSI is a Maryland business with 24 years of providing exemplary information technology (IT) service to state and federal government clients. CNSI possesses the technology and resource expertise to reduce costs and improve the productivity of government IT systems.

CNSI has a stringent cash management process, including weekly projections, to ensure that we are balancing our planned expenditures with our incoming cash and available access to capital through our established financing relationships. For every opportunity that we pursue, we develop a projected cash flow based on planned expenditures and overlay that with existing commitments to ensure our ability to support the new capital requirements.

CNSI has undergone annual financial audits by an independent accounting firm for all its years of operation.

If requested in writing by AHCCCS, CNSI will provide substantiation of our financial stability.

9.10 Payment Schedule

In accordance with Sections 4.1 and 8.1 of the RFP, CNSI will invoice AHCCCS monthly for work performed under the contract during the prior month. CNSI's pricing is based on the assumption that we will invoice AHCCCS on a monthly basis. Should this assumption be incorrect, CNSI will work with the State on a mutually agreed upon payment schedule between AHCCCS and CNSI, subsequent to contract award. Invoices will be submitted to the payment office identified in Section 8.4 of the RFP unless otherwise described in the contract.

9.11 Proposed Terms and Conditions and/or Assumptions

CNSI's pricing is based on the following assumptions:

1. CNSI assumes that load testing is performed for a maximum of 1,000 concurrent users.
2. CNSI assumes that fee collection pricing is based on a 5% per year re-enrollment rate.
3. CNSI assumes that Enterprise Content Management (ECM) Software is licensed for a maximum of 60 users for Arizona and 20 users for Hawaii.
4. CNSI assumes that reporting software is licensed for a maximum of 15 users for Arizona and 10 users for Hawaii.
5. CNSI assumes that SSO Solution (Identity Management) is priced for 50 concurrent State users and 500 concurrent Provider Users.
6. CNSI assumes that Screening Services are priced for a maximum of 75,000 Providers for Arizona and 10,000 Providers for Hawaii.
7. CNSI assumes that a Learning Management System (LMS) is not required to deliver training videos to providers.
8. An optional Identity Proofing solution is available for the AHCCCS/Med-QUEST PMS solution. This solution is based on LexisNexis' Risk Defense Platform and is charged on a per transaction basis.
9. CNSI assumes all solutions sessions related to the common features and Arizona specific features will be conducted in Arizona while the solution sessions related to Hawaii specific features will be held in Hawaii.
10. CNSI assumes that one set of Design documents will be submitted to the states of Arizona and Hawaii with an addendum housing Hawaii specific details.
11. CNSI assumes that per the Requirement Section 5.16.11.6 of the RFP, CNSI's price includes costs related to the annual security assessment which covers vulnerability testing (application and network) and penetration testing.
12. CNSI assumes that AHCCCS/Med-QUEST will provide sufficient number of trained resources to conduct and complete UAT activities to validate the fully configured evoBrix PMIS.

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