



16 July 2026

Ms. Cynthia Smolens
Senior Procurement Specialist
Arizona Health Care Cost Containment System (AHCCCS)
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Task Order: YH26-0090
Re: BAFO

Dear Ms. Smolens:

On behalf of Gartner, Inc., I am pleased to formally submit our Best and Final Offer (BAFO) in response to Task Order YH26-0090 for the AHCCCS Independent Verification and Validation (IV&V) Services engagement. We are incredibly grateful for the opportunity to have delivered our Oral Presentation last Friday, July 10, 2026. Engaging directly with your leadership team further intensified our passion for your vision and our commitment to helping AHCCCS successfully execute this critical modernization.

Gartner is deeply committed to partnering with AHCCCS. We recognize that this dual-track modernization, which concurrently implements a new Medicaid Eligibility System on ServiceNow and rolls out the HR-1 Community Engagement requirements across both legacy HEAplus and future platforms, is far more than a technical upgrade. It is a mission-critical initiative that directly impacts the health, welfare, and lives of Arizonans. Our entire team is personally and professionally inspired to help the Agency deliver a stable, secure, and fully certified solution that streamlines caseworker operations, enhances member experiences, and protects state interests.

As a concrete demonstration of our partnership and commitment to the success of this initiative, Gartner is pleased to offer a revised firm-fixed price of **\$7,120,000**, representing a reduction of **\$880,000** from our original proposed price of **\$8,000,000**. We achieved this significant savings entirely by **internally investing in this engagement to offer lower overall rates to AHCCCS**. We emphasize that this rate reduction is a pure investment on our part and is offered **without any reduction in our scope of services, senior leadership involvement, or project quality**. AHCCCS will receive the exact high-caliber team, comprehensive methodology, and proprietary platforms proposed, at a significantly reduced cost.



Contract Year	Original Proposal	BAFO Proposal	Reduction
Year 1	\$3,000,000	\$2,675,000	\$325,000
Year 2	\$3,000,000	\$2,675,000	\$325,000
Year 3	\$2,000,000	\$1,770,000	\$230,000
Total	\$8,000,000	\$7,120,000	\$880,000

Note: The BAFO pricing reflects Gartner's internal investment in the engagement and does not reduce the proposed scope of services, key personnel, leadership involvement, methodology, or quality of delivery

Why Gartner is the Ideal Partner to De-Risk Your Modernization

An initiative of this complexity requires an IV&V partner that goes beyond passive compliance check-boxing. To help AHCCCS successfully govern this initiative, Gartner delivers unique, tangible value in five key areas:

- **Certification-First, Outcome-Driven Framework:** We embed CMS certification requirements (including the Seven Standards and Conditions and Streamlined Modular Certification guidance) from Day 1. This ensures that all testing evidence, requirements traceability matrices (RTMs), and operational metrics withstand intense federal scrutiny and secure enhanced federal funding. Our proposed Technical SMA, Jason Kelly, has successfully led certification efforts across more than 30 Medicaid Enterprise System (MES) modules nationwide.
- **Dual-System Cross-Project Visibility via V-Assure™:** To eliminate siloed reporting, we provide integrated oversight that spans both HEAplus and ServiceNow. We will deploy our proprietary, cloud-based V-Assure Platform to give AHCCCS executive leadership a single, real-time, transparent dashboard of project health, testing progress, defect trends, and cross-project dependencies. V-Assure translates complex, fragmented program data into prioritized, actionable, "decision-grade" executive insights.
- **Deep National Medicaid Eligibility Expertise & Governance:** Gartner's Health and Human Services (HHS) practice has supported extensive public sector Medicaid technology projects throughout the United States. Erika Chahil, our national Eligibility & Enrollment SME and leader of Gartner's North American Public Sector HHS practice, brings over 25 years of experience specialized in policy alignment, UAT, and eligibility system replacement for SNAP, TANF, and Medicaid. Further strengthening our national



expertise, our Technical SMA, Jason Kelly, is a current, sitting member of the national MITA Governance Board, bringing direct, unparalleled insight into federal Medicaid Information Technology Architecture standards and alignment.

- **Strict, Objective Independence and Strong Governance:** Our role as your IV&V vendor is to represent AHCCCS's interests objectively, diligently, and independently. Because Gartner does not perform system integration, development, or design, we have zero delivery conflicts. Furthermore, we are backed by Gartner's Office of the Ombuds, which protects the absolute objectivity of our findings, delivering balanced, quantitative, data-driven assessments so you can make high-stakes readiness, remediation, and go/no-go decisions with absolute confidence.
- **Deeply Rooted Arizona Presence and Local Commitment:** We are a part of your local community. Our proposed team, including our Southwest State and Local Government Market Lead and Executive Quality Advisor (Yvette Toledo) and myself, are key members based out of our Phoenix, Arizona office. Having successfully delivered high-profile, complex IV&V and quality oversight projects for the City of Phoenix, Maricopa County, Maricopa County Sheriff's Office, the Arizona Department of Revenue, Arizona Department of Water Resources and the Arizona Secretary of State, we understand Arizona's unique operational, governmental, and regulatory environment firsthand.

Gartner is committed to helping AHCCCS successfully deliver this modernization initiative through proactive risk management, executive transparency, and actionable, outcome-focused recommendations. We are fully prepared to mobilize our proposed key personnel and launch this 36-month engagement on September 1, 2026, aligned with your roadmap and phase-gate milestones.

We deeply appreciate the opportunity to support AHCCCS on this landmark initiative and look forward to a successful and collaborative partnership.

Sincerely,

Matthew B. Arvay

Managing Partner, Gartner

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