



## 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 District 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.

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.
  - The District requests that the Proposer provide separate prices for each functional area/module in the proposed solution.
- 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. 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.

## II. PART II: TRAVEL AND EXPENSE EXHIBIT

The Respondent will be responsible for all of Respondent's costs including, without limitation, its travel and per diem expenses and its legal fees and costs. The District shall not be liable for travel costs or out-of-pocket costs incurred for any reason.

## III. PART III: PAYMENT AND RETAINAGE TERMS

The District requests that the following Payment and Retainage Terms be utilized for the District'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 District 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 District 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.*

Software Licensing Cost Statement:

- b. **Implementation Services Cost:** Implementation service costs typically include all costs related to implementation, configuration, data conversion, customization, and training.
  - i. The District prefers that implementation service costs be proposed as "not-to-exceed" amounts and that the District 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 District to expend the full amount.
  - ii. The District prefers that services be invoiced on a deliverable, phased, or milestone basis.
  - iii. The District prefers that twenty percent (20%) of each invoice for the implementation service costs will be retained (as a "holdback") until successful completion, and the District's written acceptance, of the Project.



Implementation Services Cost Statement:

- c. **Annual Maintenance Cost:** District expectation is that it will not pay maintenance fees on functional areas being implemented until formal District acceptance has been provided to approve live processing for the associated Project phase. *For example, the annual maintenance fees associated with Payroll will be paid upon District acceptance of the Project phase associated with the Payroll module.* **The District 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.**

Annual Maintenance Cost 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 District 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 District would expect to have payment for the Payroll module begin with the phase kickoff for Phase II. **The District 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.**

Software Subscription Cost Statement:

#### IV. 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 District 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 District 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. A description of available options for time clock hardware, including associated pricing.

Statement:

- g. A description of available options for cash register/drawer hardware, including associated pricing.

Statement:

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

Statement: