

ATTACHMENT 5. Cost Proposal Form

Cost Proposal

Contractor's Cost Proposal shall include an all-inclusive, itemized, total cost in U.S. Dollars (including all travel, expenses, etc. in prices). All pricing to be FOB Destination, freight cost and all expenses included; and based on Net 60 Days Payment Terms. The following template is required. Please use additional pages to provide any additional narrative support for the costing information. The cost proposal shall include the following:

Vendor Fee. DNR wishes to pay a vendor fee (see definition in Section 1.2.7) as sole compensation to the vendor for the cost of ELSI 3. The vendor fee should cover all costs associated with the design, development, implementation, and operation of all ELSI 3 sales systems. These costs include but are not limited to at least the following: any sales devices (hardware, software, training, etc.); communications systems; database development, operation and maintenance; Help Desk; electronic funds transfer services; all support services and other costs necessary to implement and operate ELSI 3.

Contract period. Contractors may assume that the contract period will be 4 years with an option, at State's discretion, to renew for an additional 2 years.

Hours of operation. For purposes of preparing a cost proposal, contractors may assume that all sales systems and the Help Desk will operate 24x7x365. Possible reductions in hours of operation and services (as explained in Section 1.2.4.2) that may reduce costs will be discussed with the vendor during contract negotiations.

Sales volume – all systems. For the purposes of preparing a response to this RFP, contractors shall refer to attachment #13 for sales data for license years 2013, 2014 and 2015. Sales data is provided for information purposes only. Factors such as legislative action, the development of new programs or other factors unknown to DNR could change the number of privileges actually sold each year.

Convenience fees. DNR currently charges customers convenience fees (see definition in Section 1.2.7.1.B.) on each transaction completed through the internet and telephone sales systems to reduce the vendor fee paid by DNR. Vendors may propose to continue convenience fees and state what they will be for each system to keep the vendor fee lower.

Change Order Costs. Cost proposal must identify a cost structure for providing additional, future modifications, enhancements, configuration changes, or customizations that have not been specified in this RFP. This will include the procedure for requesting changes and enhancements.

Costs of alternate solutions. Contractors that propose alternate solutions to those suggested in this RFP should carefully document any additional costs or savings to DNR associated with those solutions. Contractors should carefully itemize the cost (additional or savings) involved in adding each value-added feature and compare it with the cost for ELSI 3 without the feature.

Other costs. Contractors may suggest paying some costs in other ways than in the vendor fee, but they must clearly describe the advantages and savings to DNR of these other payment strategies.

Final cost negotiated. DNR will use the cost proposals of contractors as one factor in selecting a vendor for ELSI 3 (See RFP Section 5 Evaluation and Selection). DNR reserves the right; however, to negotiate final costs based on changes in service or on information presented in the proposals.

Proposed Fees	Annual Average Volume	Vendor Fee	Estimated Annual Cost (Volume x Cost)
Hunting and Fishing Privileges	1,062,115		
Snowmobile/ATV User Permits	20,698		
Snowmobile/ATV Registrations & Renewals	64,558		
Boat Registrations and Renewals	77,770		
Harvest Reporting	113,999		
Convenience Fee Per Transaction- Internet	51,410		
Total	1,397,027		

Please provide your cost per proposed fee in the Vendor Fee field. Costs will be calculated for each proposed fee by multiplying Annual Average Volume and the Vendor Fee to determine Estimated Annual Cost. Fields will auto-calculate based upon the fee entered in the Vendor Fee field. Total cost for proposed fees will be used to determine cost proposal scoring.

Proposed Fee for Changes	Per Hour
Change Order Cost	

Please provide your cost for changes on a per hour basis. Change order costs will be a scored and points will be assigned in accordance with the Cost Proposal Scoring guidelines below. Change order costs will be assigned a percentage of the overall cost.

Optional Proposed Fee	Annual Average Volume	Vendor Fee	Estimated Annual Cost (Volume x Cost)
Convenience Fee Per Transaction - Telephone (Optional)	6,478		

*DNR has specified that the Telephone sales system may be optional in the proposal, however if a telephone sales system is proposed, please provide us with your cost. This cost will not be scored as part of the cost proposal. Please provide your cost per proposed fee in the "Vendor Fee" field. Costs will be calculated by multiplying Annual Average Volume and the Vendor Fee to determine Estimated Annual Cost. The Estimated Annual Cost field will auto-calculate based upon the fee entered in the Vendor Fee box.

Please explain all costs covered by each individual fee and any other costs left to negotiate.

Cost Proposal Scoring

The Cost Proposals will be ranked from cheapest to the most expensive. The cheapest shall receive the maximum number of points available in this section. To determine the number of points to be awarded all other Cost Proposals, the cheapest bid will be used in all cases as the numerator. Each of the other bids will be used as the denominator. The percentage will then be multiplied by the maximum number of points and the resulting number will be the cost points awarded to other compliant contractors. Percentages and points will be rounded to the nearest whole value.

Example:

Contractor A quotes \$35,000; Contractor B quotes \$45,000 and Contractor C quotes \$65,000.

Contractor A: $\frac{\$35,000}{\$35,000} =$ receives 100% of available points on cost.

Contractor B: $\frac{\$35,000}{\$45,000} =$ receives 78% of available points on cost.

Contractor C: $\frac{\$35,000}{\$65,000} =$ receives 54% of available points on cost.