

# **MERIT'S RESPONSE TO THE IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES**

Solicitation #: 005-RFP-0317-2023  
COST PROPOSAL

Merit's pricing structure is cost effective and considers the judicious use of public funds. In addition, Merit delivers "Software with a Service" (SwaS), not just software. This means our team will work to ensure program success, even as the goals evolve. We will invest the focus necessary to ensure that the technical integrations and solutions are executed and delivered. We will also work with the Department to ensure that staff, applicants, education partners, and Iowa's invested stakeholders are effectively and holistically engaged to achieve the Students First ESA program goals.

The cost for Merit's comprehensive administration solution for Iowa's Students First ESA program is **\$8 million for the initial three year term of the contract**. Merit's transparent price quote represents a three percent (3%) administration fee, based on the Iowa Legislative Services Agency's projected annual student enrollment for FY2024, FY2025 and FY2026. Merit's comprehensive administrative price quote is all-inclusive of the services outlined in the Proposal.

## **Initial Contract Term (\$8 million)**

- **Year 1 Costs (\$3.6 million)**
  - One-Time Implementation Fee: \$1.4 million
  - Yearly Comprehensive Administration Fee: \$2.2 million
- **Year 2 Costs (\$2.2 million)**
  - Yearly Comprehensive Administration Fee: \$2.2 million
- **Year 3 Costs (\$2.2 million)**
  - Yearly Comprehensive Administration Fee: \$2.2 million

## **Yearly Extension Costs (\$6.6 million)**

- **Year 4 Costs (\$2.2 million)**
  - Yearly Comprehensive Administration Fee: \$2.2 million
- **Year 5 Costs (\$2.2 million)**
  - Yearly Comprehensive Administration Fee: \$2.2 million
- **Year 6 Costs (\$2.2 million)**
  - Yearly Comprehensive Administration Fee: \$2.2 million

## **Merit's Commitment to Transparent Pricing: Zero Transaction Fees for Users**

Merit's transparent pricing includes comprehensive program administration without barriers to participation for users. Merit will never charge any transaction fees for users or education providers to participate in the education marketplace.