**Attachment D – Cost Narrative**

1. COST WORKSHEETS

Proposer to submit and complete the Cost Worksheets as contained in Attachment C**.** Proposers shall not modify the worksheets in any way. The City 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.

**Brief Statement:** Please see Attachment C-Cost Worksheet

1. TRAVEL AND EXPENSE EXHIBIT

Proposer to submit a travel and expense policy that will apply for the duration of the Project up to final payment and for the future as it relates to any renewal terms. The City requests that vendors traveling to perform onsite services stay in lodging accommodations within City limits. The City expects that vendors do not charge professional services rates for time spent in connection with traveling to and from the City to perform services.

Confirm Exhibit attached in Price Proposal: Inovium is proposing a remote implementation approach, eliminating the need for travel-related costs. However, should travel become necessary, Inovium will fully comply with the City’s travel and expense policy, ensuring adherence to all guidelines, including lodging accommodations within City limits.

**Brief Statement:** We are proposing a remote project but typically when travelling onsite, we adhere to our customer’s travel policy.

1. PAYMENT AND RETAINAGE TERMS

Proposer to submit a brief statement of agreement with the payment and retainage terms identified herein for each Cost Worksheet submitted. If a Proposer does not agree with all items, a description should be provided for those items for which an exception is taken.

Proposer confirms that the RFP proposal is submitted in compliance with the payment and retainage terms provided below in Part III: Payment and Retainage Terms.

**Brief Statement:**

The City requests that the following Payment and Retainage Terms be utilized for the City’s Project:

1. **Software Licensing:** Use of an acceptance-based payment schedule for software licensing.
2. Potential milestones including system deployment, Phase Kickoff, Initial Module/System Configuration, Approval of Phase Go-Live, and Acceptance of System. The City 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 City would expect to have payment milestones for Module X begin with the phase kickoff for Phase II.
3. Proposer shall fully describe their proposed milestone-based payment schedule for software licensing as part of their Price Proposal.

**Brief Statement:** Inovium is proposing a time and materials based approach. We would be open to Milestone Payments but would want a certain percentage of the project costs upfront.

1. **Implementation Services Cost:** Implementation service costs typically include all costs related to implementation, configuration, data conversion, customization, and training.
2. The City prefers that implementation service costs be proposed as “not-to-exceed” amounts and that the City 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 City to expend the full amount.

**Brief Statement:** Inovium would be open to this language.

1. The City prefers that services be invoiced on a deliverable, phased, or milestone basis.

**Brief Statement:** Invoium is happy to discuss this, but given we use an Agile implementation model, phased milestones do not typically align. We prefer to bill on actual hours worked and on agreed upon deliverables each Agile sprint.

1. The City prefers that twenty percent (20%) of each invoice for the implementation service costs will be retained (as a “holdback”) until successful completion and the City’s written acceptance of the Project.

**Brief Statement:** Inovium's standard payment terms require full payment within 30 days of invoicing for the prior month’s hours worked. The SOW and MSA provide protection language if Inovium is not meeting requirements. We would not typically agree to 20% hold back.

1. **Annual Maintenance Cost:** TheCity expectation is that it will not pay maintenance fees on functional areas being implemented nor will the annual maintenance period begin until formal City acceptance has been provided to approve live processing for the associated Project phase. For example, the annual maintenance fees associated with the time and attendance module will be paid upon City acceptance of the Project phase associated with the time and attendance module.

**Brief Statement:** Not applicable

1. **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 City 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 City would expect to have payment for the payroll module begin with the phase kickoff for Phase II. The City expects to pre-negotiate any rates of increase in these costs in the first 10 years.

**Brief Statement:** The RFP proposal assumes all modules will be implemented as a single phase. The pricing is also structured the same way. Should the City wish to have a phased approach to module deployment, we would be happy to discuss module pricing around that model. Typically, it is more cost-effective to purchase the bundled pricing.

1. NARRATIVE DESCRIPTION OF PRICE PROPOSAL

Proposers are encouraged to include a narrative description of the proposed costs, including, at a minimum the following;

1. Any optional services/offerings for professional services

**Brief Statement:** Inovium would be open to discounted upfront payment terms.

1. Any discounts that have been offered

**Brief Statement:** Inovium is proposing bundled discount pricing for the entire HCM/WFM suite of products that Infor offers.

1. 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 city to the vendor during implementation.

**Brief Statement**: The bundled solution does contain modules that may not be implemented. This would include modules such as Ocupational Health and Safety which is part of the Core HR product. Modules not specifically part of this RFP are out of scope for the estimates provided.

1. Any projected or cost savings or cost avoidance considerations related to the proposed software and services (savings in City staff time, savings in ongoing hardware acquisition/maintenance costs, etc.).

**Brief Statement**: None at this time

1. 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).

**Brief Statement**: Being multitenant SaaS, upgrades are included in the subscription services. In some cases, the city may wish to engage Inovium on implementing new functionality. This is typically decided on a case-by-case basis.

1. A description of the estimated travel costs, including the number of trips, average duration of trips and number of staff included per trip, average cost per trip, and whether seasonality in pricing has been considered in the travel estimate.

**Brief Statement**: Inovium intends to do this product entirely remotely. Should the city wish to have us onsite, we would be happy to adhere to the City’s travel policy.

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

**Brief Statement**: The following assumptions were used when estimating this project. Additionally, we leveraged internal resources that have worked with City of Surprisedirectly.

* All supporting documentation work products will be developed for industry-standard Microsoft Windows-based PCs using applicable (as reasonably determined by Inovium) Microsoft Office applications (Word, Excel, and PowerPoint).
* Unless otherwise expressly stated, no software code development will be made under this SOW.
* Unless otherwise expressly stated 1, any data cleansing or data cleanup is wholly the responsibility of the Customer.
* The Customer will provide knowledgeable, decision-empowered resources that are available to work on the Project as part of the Project team.
* The Project will be sponsored by the Customer’s senior management, who will be available on a timely and regular basis to monitor the Project's progress and make policy decisions and resolve issues.
* When/If Onsite is needed, the Customer will provide a working environment and facilities adequate for Inovium to perform their assigned duties. This includes but is not limited to, adequate conference rooms, cubicle space, and telephone access. The Customer will provide Inovium with all necessary authorizations.
* The Customer will support the use of the Inovium team laptops on its network or the Customer will provide PCs with the Microsoft Office Suite and e-mail capability for the Project team.
* Project team members will be given access to the Customer’s Infor environment. The Customer shall provide secure dial-in and/or direct access to Customer networks as necessary.
* Inovium will be provided with the necessary access to all of the Customer’s facilities necessary for the Project, including all necessary identification material (badges, cards, etc.), subject to the terms and conditions of the PSA. This includes necessary access to such buildings and systems during and after normal business hours, on weekends, and on holidays. Limitation of Inovium access during these times may reduce Inovium’s ability to maintain the proposed schedule. Inovium will also be provided with the necessary authorizations for remote access to Customer’s systems. The responsibilities and assumptions are considered to be material contract duties of the Customer. The Customer agrees that any estimates provided in this SOW may be subject to change if Customer’s responsibilities and Project assumptions are not fulfilled.
* Infrastructure installation is not in scope. Please note that this service agreement does not cover any configurations or software deployments related to physical clocks. Any activities pertaining to the installation, configuration, or management of software on physical clocks, or any related hardware deployments or configurations, are expressly outside the scope of the services as described in this agreement. Clients are therefore responsible for managing these activities independently or through third-party resources.

1. STANDARD QUOTE FORMAT

Proposer to include at the end of Attachment D, as supporting documentation aligning with the total costs proposed within Attachment C, a copy of any relevant quote/order form using the Proposer’s standard format.

**Brief Statement:** An order form is not typically generated until selection.