



Deloitte Consulting LLP
Suite 1800
980 9th Street
Sacramento, CA 95814
USA

January 18, 2023

Tel: +1 (916) 288-3100
Fax: +1 (866) 719-2934
www.deloitte.com

CalSAWS M&O Services RFP
Attention: Tom Hartman
11290 Pyrites Way
Suites 150 and 175
Rancho Cordova, CA 95670

RE: CalSAWS M&O Services RFP #01-2022

Dear Mr. Hartman,

Deloitte Consulting LLP ("Deloitte") is pleased to submit our proposal to the CalSAWS Consortium and be the team that helps you achieve a more modern solution for California and move you toward your goal of true service delivery transformation.

In preparing our cost proposal, we integrated our two and a half years on the ground at CalSAWS with our national integrated eligibility experience, to present the Consortium with a price that is **more than \$5,000,000 below** your published average annual M&E services budget. We are offering you with an aggressive price and an improved risk tolerance relative to the status quo, resulting from:

- An operating environment that has fewer incidents requiring Tier 3 intervention.
- Use of shared services for specialized and predictable operations (e.g., vulnerability testing, monitoring, and performance testing).
- [REDACTED]
- Use of code quality tools to reduce costs attributed to defects.
- [REDACTED]
- Generation of consumable system documentation (e.g., design specifications, operations/batch runbooks) as part of transition that reduce M&E effort and improve overall customer service.

While our cost proposal reflects the same number of hours per month on average for SCRs, we staffed our team and based our approach on continuous improvement and automation (e.g., evolving from batch to real-time architecture and operations) that

over time will shift the effort from “keeping the lights-on” to implementing new policies and enhancements.

For M&E software we have included additional tooling that is needed to deliver a high-quality experience for the Counties to encompass User Centered Design, Code Quality and Testing Automation. As a guiding principle, we moved from high-cost licensed products to open source tools and cloud native services, reducing the total cost of ownership for maintaining and enhancing CalSAWS. Per the Consortium's request, we followed the guidance for pricing AWS IaaS using on-demand pricing which results in higher AWS pricing. We have worked with other clients to leverage AWS Cost Savings Plans, AWS Migration Assistance Programs and Deloitte's Global AWS Enterprise Agreements to bring exponential cost savings to our client's existing and future AWS cloud costs.

Another area where we see an opportunity to reduce the total cost of ownership is with the current imaging solution. California's current cost is significantly higher than spend we are seeing nationally. We do anticipate further cost containment by moving to an alternative platform that will be defined as part of the imaging solution assessment.

We look forward to continuing to support the Consortium and the Counties with transforming the delivery of health and human services to California's most vulnerable.

Yours sincerely,



Rachel Frey

Principal, Deloitte Consulting LLP