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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, BAFO 1

Dear Mr. Hartman,

Deloitte Consulting LLP ("Deloitte") is pleased to submit our Best and Final Offer (BAFO) 1 to the CalSAWS Consortium and become the contractor that supports your move to a modernized architecture that will be easier to maintain, allow for changes to happen more swiftly, and continuously enhance CalSAWS with the mindset of putting humans at the center.

In preparing our revised cost proposal, we evaluated the pace at which the latest technology is disrupting and transforming how contractors deliver services, married with our most recent experiences modernizing, maintaining and enhancing eligibility and enrollment systems. We also incorporated changes from the confidential discussions, as well as increases in scope. As a result we able to present the Consortium with a revised price that is **11% lower for transition and the base 6 years** from what we submitted as our initial price. In our initial submission, we highlighted the following factors that contributed to us being able to offer you an aggressive price and an improved risk tolerance relative to the status quo that still holds true:

- 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.

[REDACTED]

Our cost proposal continues to reflect the same number of hours per month on average for SCRs with the addition of the ABAWD SCR.

For M&E software, in our initial submission we 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. [REDACTED]

[REDACTED]

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 are aware that the Consortium has entered into a new contract with an AWS service provider that will allow the Consortium to take advantage of additional discounts that may be realized during the execution of the project.

We noted in our previous submission that there is an opportunity to reduce the total cost of ownership with the current imaging solution. California's current cost is significantly higher than spend we are seeing nationally. With advancements in iOCR, and integrated machine learning and natural language processing capabilities, we are seeing operational improvements leapfrog technologies that implemented just a year or two ago. 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