PREPARED FOR THE STATE OF IOWA
DEPARTMENT OF HUMAN SERVICES
IOWA MEDICAID ENTERPRISE

RESPONSE TO REQUEST FOR PROPOSAL (RFP) MED-12-001: IOWA MEDICAID ENTERPRISE SYSTEM SERVICES PHARMACY POINT-OF-SALE (POS) SYSTEM AND POS OPERATIONS

COST PROPOSAL: BEST AND FINAL OFFER RESPONSE

Small Company. Big Results.
Quality Partnerships.

Goold Health Systems
45 Commerce Drive, Suite 5
PO Box 1090
Augusta Maine, 04332-1090

800-832-9672 (p)
207-623-5125 (f)

www.ghsinc.com

Submitted on November 17, 2011
© 2011 Goold Health Systems

This page intentionally left blank.

This proposal has been formatted for double-sided printing.

Cover Photo Credit: ©2010 Carl Wycoff
Licensed under Creative Commons 2.0 Generic: http://creativecommons.org/licenses/by/2.0/deed.en

Goold Health Systems

PO Box 1090
Augusta, Maine
04332-1090
www.ghsinc.com

Tel: 207.622.7153
800.832.9672
Fax: 207.623.5125

November 17, 2011

Mary Tavegia
Issuing Officer
Iowa Department of Human Services
Iowa Medicaid Enterprise
200 Army Post Road, Suite 2
Des Moines, Iowa 50315

Dear Ms. Tavegia:

On behalf of Goold Health Systems (GHS), I am pleased to submit our Best and Final Offer (BAFO) to the State of Iowa's Department of Human Services in our response to the Pharmacy Point-of-Sale (POS) and POS Operations component of the Iowa Medicaid Enterprise (IME) Systems Services Request for Proposal (RFP) MED-12-001.

GHS has carefully reviewed the requirements and clarifications to questions. We have identified additional savings that can be obtained during the Design-Development-Implementation (DDI) phase by leveraging existing administrative staff and, in some cases, technical staff through synergies with existing work and processes.

GHS understands the tight fiscal pressures of the Department and is pleased to pass on these savings, which have been documented in our reviewed pricing schedules contained in this document. GHS is responding to the November 15th BAFO request by lowering our costs by 2%. Please be assured that no compromises will be made regarding the level of quality or performance of services.

Should we be fortunate enough to receive the contract award, GHS is prepared to discuss an alternative approach to DDI that could more significantly reduce those costs than by the 2% savings represented here. We would be pleased to discuss them with you now, if that is your expressed wish, or we would be pleased to provide additional detail during contract negotiations. The theme for this alternative DDI approach is that we would deploy our Goold Rx (6.0) products and services as described in the RFP and the Goold proposal by late 2012, integrating with the present MMIS vendor; we would then be less involved during the next ten months of the 32-month "MMIS DDI" phase, until the last 10 months or so, when we would work with IME staff and the new MMIS staff to integrate all products and data files among and between Goold and your selected MMIS vendor.

We have been honored to be the Iowa POS vendor since 2005. It is our objective to continue providing the State of Iowa, the Department and the Iowa Medicaid Enterprise (IME) with excellent customer service and cost-effective services that will improve outcomes and increase savings for Iowa tax payers. We believe our solution will continue to meet or exceed the Department's requirements.

As CEO of GHS, I am authorized to sign this price proposal and enter into any subsequent contract negotiations. We look forward to working with the Department and the IME as this procurement process continues.

Sincerely,

James A. Clair
Chief Executive Officer
Goold Health Systems
45 Commerce Drive, Suite 5
PO Box 1090
Augusta, ME. 04332-1090
800.832.9672
207.326.5125(fax)
jclair@ghsinc.com

9.3.1 TABLE OF CONTENTS

9.3.1 Table of Contents 3
9.3.3 Pricing Schedules 5

This page intentionally left blank.

9.3.3 PRICING SCHEDULES

This cost proposal contains the following POS pricing schedules:

- N-8 pricing Schedule for POS Implementation
- N-9 Pricing Schedule for POS Software Costs
- N-10 Pricing Schedule for POS Hardware Costs
- N-11 Pricing Schedule for POS Operational Services
- N-12 Pricing Schedule for Summary of Total POS Proposal

This page intentionally left blank.

Pricing Schedule N-8

POS Implementation

Milestones	Total Phase Price
Project Initiation Activities (5%)	$ 159,856.33
Requirements Analysis (15%)	$ 479,568.98
Business and Technical Design (10%)	$ 319,712.65
Comprehensive Testing Plan (5%)	$ 159,856.33
Conversion Activities (10%)	$ 319,712.65
Development Activities (15%)	$ 479,568.98
System Testing (10%)	$ 319,712.65
Acceptance Testing (10%)	$ 319,712.65
POS Implementation (15%)	$ 479,568.98
Certification of POS (5%)	$ 159,856.33
Other Costs (ex: rent)	
Rent and Facilities*	$ 234,432.33
Desk and Office Equipment	$ 107,800.00
Total	$ 3,539,358.85

AN AUTHORIZED CORPORATE OFFICIAL OF THE VENDOR MUST SIGN THIS FORM.

THE OFFICIAL'S TITLE AND THE DATE THIS FORM WAS SIGNED MUST BE ENTERED.

Signature of Corporate Official	Title	Date
	CEO	11/17/2011

* Rent and facilities are for all 32 months of DDI

Pricing Schedule N-9

POS Software Costs

Software Product	Number of Licenses	License Type Concurrent, Named or Site	COTS or Proprietary	Costs Purchase Price	Costs Annual Maintenance Fee*
GHS COTS Software Package PBSA and Rebate **	1	Site	COTS	N/A	$ 440,000.00
Drug Reference File ***	1	Site	COTS	$ 15,000.00	$ 15,000.00
Xen Server 5.5 Licenses	2	Server	COTS	$ 16,000.00	$ 2,304.00
Windows 2k8 R2 SP1 Licenses	10	Server	COTS	$ 22,000.00	$ 3,168.00
Windows 2k8 CALS	25	Concurrent, CALS	COTS	$ 2,500.00	$ 360.00
Intersystems Cache Elite Licenses	50	Concurrent, CALS	COTS	$ 39,000.00	$ 5,616.00
TS/RDP Licenses	25	Concurrent, CALS	COTS	$ 2,000.00	$ 288.00
Citrix XenApp 5.0 Licenses	25	Concurrent, CALS	COTS	$ 9,000.00	$ 1,296.00
BE 12 licenses w/server plugins and clients	1	Server	COTS	$ 12,000.00	$ 1,728.00
MSSQL 2008 R2 Ent. Licenses	1	Server	COTS	$ 20,000.00	$ 2,880.00
MSSQL 2008 R2 Ent. CALS	25	Concurrent, CALS	COTS	$ 5,300.00	$ 763.20
Misc Licensing, Antivirus, Monitoring, etc	1	Multi-server	COTS	$ 5,000.00	$ 720.00
Microsoft Desktop Licenses	20	Seat	COTS	$ 9,600.00	$ 1,440.00
Total				$ 157,400.00	$ 475,563.20

* Enter if applicable

AN AUTHORIZED CORPORATE OFFICIAL OF THE VENDOR MUST SIGN THIS FORM.

THE OFFICIAL'S TITLE AND THE DATE THIS FORM WAS SIGNED MUST BE ENTERED.

Signature of Corporate Official	Title	Date
[signature]	CEO	1/17/2011

** GHS' POS and Rebate software package will not have any software costs until the Operations Phase and has been included in Table N-11

Pricing Schedule N-10

POS Hardware Costs

Hardware Product	Number of Licenses	COTS or Proprietary	Costs: Purchase Price	Costs: Annual Maintenance fee*
Officeconnect Firewall, Router, VPN	2	COTS	$ 1,523.34	$ 228.50
24 port Switch for office	2	COTS	$ 6,000.00	$ 900.00
Fax Machine	1	COTS	$ 300.00	$ 45.00
Local LAN wiring	1	COTS	$ 5,000.00	$ -
Server, Low grade for local DC	1	COTS	$ 3,000.00	$ 450.00
Rail Rack	1	COTS	$ 1,131.59	$ -
UPS Rack mount	1	COTS	$ 927.24	$ -
Black Box Horizontal Rackmount Remote Power Manager power control unit	1	COTS	$ 605.39	$ -
WAP	1	COTS	$ 311.97	$ -
Phone system	1	COTS	$ 25,000.00	$ 3,750.00
Workstations	12	COTS	$ 14,400.00	$ 2,160.00
Desktop Phone	22	COTS	$ 6,600.00	$ 990.00
Rack, Power, and accessories	1	COTS	$ 5,000.00	$ 375.00
Rack switches	2	COTS	$ 16,000.00	$ 1,200.00
Database servers	2	COTS	$ 8,000.00	$ 1,200.00
Application Servers	2	COTS	$ 8,000.00	$ 1,200.00
SAN array	1	COTS	$ 66,000.00	$ 9,900.00
Total			$ 167,799.53	$ 22,398.50

* Enter if applicable

AN AUTHORIZED CORPORATE OFFICIAL OF THE VENDOR MUST SIGN THIS FORM.

THE OFFICIAL'S TITLE AND THE DATE THIS FORM WAS SIGNED MUST BE ENTERED.

Signature of Corporate Official	Title	Date
[signature]	CEO	11/7/2011

Pricing Schedule N-11

POS Operational Services

Line Item Description	Year 1	Year 2	Year 3	Year 4	Year 5**	Opt 1	Opt 2	Opt 3	Total
Operations									
Salaries and Benefits	$ 970,175.99	$ 1,293,567.98	$ 1,332,375.02	$ 1,372,346.27	$ 1,526,766.66	$ 1,572,569.66	$ 1,619,746.75	$ 1,668,339.15	$ 11,355,887.50
Administrative Overhead	$ 165,136.34	$ 220,181.78	$ 226,787.24	$ 233,590.86	$ 259,875.18	$ 267,671.43	$ 275,701.57	$ 283,972.62	$ 1,932,917.02
Other Costs (Itemized in the following rows)	$ 482,961.70	$ 482,961.70	$ 482,961.70	$ 482,961.70	$ 482,961.70	$ 507,109.79	$ 507,109.79	$ 507,109.79	$ 3,936,137.86
GHS COTS Software Package PBSA and Rebate	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 462,000.00	$ 462,000.00	$ 462,000.00	
Xen Server 5.5 Licenses	$ 2,304.00	$ 2,304.00	$ 2,304.00	$ 2,304.00	$ 2,304.00	$ 2,419.20	$ 2,419.20	$ 2,419.20	
Windows 2k8 R2 SP1 Licenses	$ 3,168.00	$ 3,168.00	$ 3,168.00	$ 3,168.00	$ 3,168.00	$ 3,326.40	$ 3,326.40	$ 3,326.40	
Windows 2k8 CALS	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 378.00	$ 378.00	$ 378.00	
Intersystems Cache 2011.1 Licenses	$ 5,616.00	$ 5,616.00	$ 5,616.00	$ 5,616.00	$ 5,616.00	$ 5,896.80	$ 5,896.80	$ 5,896.80	
TS/RDP Licenses	$ 288.00	$ 288.00	$ 288.00	$ 288.00	$ 288.00	$ 302.40	$ 302.40	$ 302.40	
Citrix 5.0 Licenses	$ 1,296.00	$ 1,296.00	$ 1,296.00	$ 1,296.00	$ 1,296.00	$ 1,360.80	$ 1,360.80	$ 1,360.80	
BE 12 licenses w/server plugins and clients	$ 1,728.00	$ 1,728.00	$ 1,728.00	$ 1,728.00	$ 1,728.00	$ 1,814.40	$ 1,814.40	$ 1,814.40	
MSSQL 2008 R2 Ent. Licenses	$ 2,880.00	$ 2,880.00	$ 2,880.00	$ 2,880.00	$ 2,880.00	$ 3,024.00	$ 3,024.00	$ 3,024.00	
MSSQL 2008 R2 Ent. CALS	$ 763.20	$ 763.20	$ 763.20	$ 763.20	$ 763.20	$ 801.36	$ 801.36	$ 801.36	
Misc Licensing, Antivirus, Monitoring, etc	$ 720.00	$ 720.00	$ 720.00	$ 720.00	$ 720.00	$ 756.00	$ 756.00	$ 756.00	
Microsoft Desktop Licences	$ 1,440.00	$ 1,440.00	$ 1,440.00	$ 1,440.00	$ 1,440.00	$ 1,512.00	$ 1,512.00	$ 1,512.00	
Officeconnect Firewall, Router, VPN	$ 228.50	$ 228.50	$ 228.50	$ 228.50	$ 228.50	$ 239.93	$ 239.93	$ 239.93	
24 port Switch for office	$ 900.00	$ 900.00	$ 900.00	$ 900.00	$ 900.00	$ 945.00	$ 945.00	$ 945.00	
Fax Machine	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 47.25	$ 47.25	$ 47.25	
Local LAN wiring	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Server, Low grade for local DC	$ 450.00	$ 450.00	$ 450.00	$ 450.00	$ 450.00	$ 472.50	$ 472.50	$ 472.50	
Phone system	$ 3,750.00	$ 3,750.00	$ 3,750.00	$ 3,750.00	$ 3,750.00	$ 3,937.50	$ 3,937.50	$ 3,937.50	
Workstations	$ 2,160.00	$ 2,160.00	$ 2,160.00	$ 2,160.00	$ 2,160.00	$ 2,268.00	$ 2,268.00	$ 2,268.00	
Desktop Phone	$ 990.00	$ 990.00	$ 990.00	$ 990.00	$ 990.00	$ 1,039.50	$ 1,039.50	$ 1,039.50	
Rack, Power, and accessories	$ 375.00	$ 375.00	$ 375.00	$ 375.00	$ 375.00	$ 393.75	$ 393.75	$ 393.75	
Rack switches	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,260.00	$ 1,260.00	$ 1,260.00	
Database servers	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,260.00	$ 1,260.00	$ 1,260.00	
Application Servers	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,200.00	$ 1,260.00	$ 1,260.00	$ 1,260.00	
SAN array	$ 9,900.00	$ 9,900.00	$ 9,900.00	$ 9,900.00	$ 9,900.00	$ 10,395.00	$ 10,395.00	$ 10,395.00	
Total	$ 1,618,274.03	$ 1,996,711.47	$ 2,042,123.96	$ 2,088,898.83	$ 2,269,603.54	$ 2,347,350.88	$ 2,402,558.11	$ 2,459,421.56	$ 17,224,942.39

AN AUTHORIZED CORPORATE OFFICIAL OF THE VENDOR MUST SIGN THIS FORM.

THE OFFICIAL'S TITLE AND THE DATE THIS FORM WAS SIGNED MUST BE ENTERED.

Jan 8 A. [illegible] CEO 11/17/2011

Signature of Corporate Official | Title | Date

* Transition costs have been included in Year 5 of the cost tables and would shift to whichever is the last actual contract year.

Pricing Schedule N-12

SUMMARY OF TOTAL POS PROPOSAL

Component	Implementation Price*	Base Operational Price	Extension (36 months) Operational Price	Total
POS	$ 3,864,558.38	$ 10,015,611.83	$ 7,209,330.56	$ 21,089,500.77

AN AUTHORIZED CORPORATE OFFICIAL OF THE VENDOR MUST SIGN THIS FORM.

THE OFFICIAL'S TITLE AND THE DATE THIS FORM WAS SIGNED MUST BE ENTERED.

Signature of Corporate Official	Title	Date
James A. [illegible]	CEO	11/17/2011

* GHS has included the initial Purchase Price for hardware and software costs into the Implementation Price as clarified in the Question and Answers, number 106.