

## Cost Proposal Narrative

Syra Health Corp. is pleased to present our BAFO-Cost Proposal, based on the services requested in **RFP-24-78490**.

Our BAFO cost proposal offers the State of Indiana the best value by proposing the optimal technology platform and a right-sized team with staff experienced in implementing and maintaining the FSSA – Home and Community Support Professional Training Services.

Syra Health provides the completed ***Attachment D – Cost Proposal Template\_BAFO*** as a separate Excel workbook. According to the instructions for Attachment D, we have filled in the Respondent Name and the information requested in the associated tabs.

## Staff Hourly Pricing

We are able to provide a discount to staff rates in our BAFO due to several strategic measures. Firstly, our comprehensive market rate analysis conducted by the Compensation team has identified efficiencies and competitive wage benchmarks within the Indiana market. By aligning our wage rates with these benchmarks, we can offer competitive and fair compensation while maintaining cost-effectiveness. These measures, combined with our commitment to operational efficiency and cost management, enable us to pass on the savings to FSSA, **resulting in a 1.5% reduction in the hourly wage rate per position from original cost submission.**

Additionally, we have optimized our administrative overhead expenses. This includes refining processes related to fringe benefits, recruitment, onboarding, training, technology, and compliance. Through these optimizations, **we have reduced the overall administrative overhead from 28% to 27.5%.**

## Training Development Deliverable Costs

We have not included a BAFO for the indicated costs because these costs represent the essential and non-negotiable efforts required to develop three comprehensive curricula, associated competency assessments, and micro-credential learning courses. The development of these educational materials necessitates a specialized and extensive team, including a project manager, training development manager, IT systems coordinator, instructional designers, LMS developers, Spanish translators, medical content writers, and HCSP subject matter experts.

Furthermore, the costs include the creation of checklists and any necessary adjustments for printing materials required for classroom training. These components are integral to the overall success of the training program and do not offer flexibility for cost reductions without compromising quality.

Given the critical nature of these tasks and the specialized skills required, it is not feasible to provide a BAFO for these costs without affecting the scope, quality, and effectiveness of the deliverables.

## System Implementation Costs

The cost summarized in this section includes System Implementation Costs for the Learning Management System (LMS) and Training Registry, specifically related to the setup and deployment of these systems. These expenses cover configuration tailored to meet the specific FSSA training program requirements, integration with databases, and initial training for administrators and users. Non-staffing costs pertain to the software and licenses needed for the initial implementation phase, constituting one-time expenses.

We were able to **decrease the non-staffing costs** by carefully evaluating and optimizing our system implementation and deployment strategies. Please find below a breakdown of these changes:

1. **Elastic Beanstalk (UI and API):**
  - We chose t3.medium instances, which provide a balance of compute, memory, and network resources for various applications, at a cost-effective rate.
  - Both the UI and API deployments used t3.medium instances, and in speaking with our vendor, we have **reduced the costing from \$840 to \$630** each for 8 units.
2. **RDS (PostgreSQL):**
  - We selected db.t3.medium instances for our PostgreSQL database, which offers a good balance of performance and cost for the required database workloads.
  - The cost was **reduced to from \$2,700 to \$2,200** for 2 units.
3. **Lambda:**
  - Using 512MB memory configurations for AWS Lambda allows us to handle our functions efficiently while controlling costs.
  - This setup was priced at \$300 for 2 units.
4. **CloudWatch:**
  - Standard monitoring services with CloudWatch were used to ensure the necessary logging and alerting capabilities, priced at \$300 for 2 units.
5. **Rise Articulate:**
  - The licenses for Rise Articulate, essential for creating e-learning content, were optimized to \$1,200 for 3 units.
6. **Website Hosting:**
  - The hosting costs, including URL and certificates, were streamlined to \$2,000 for the entire implementation.

By selecting the appropriate instance types and licensing options, we managed to control and reduce the non-staff rates effectively, ensuring cost-efficiency without compromising on the quality and functionality of the systems.

## Program Operations Cost

We are not providing a BAFO for the recurring program operations expenses because these efforts are essential and non-negotiable. They cover critical tasks such as contract management, curricula review, training registry maintenance, quality assurance, compliance activities, health equity planning, gap analysis, and marketing. These functions require specialized expertise and consistency to ensure the program's success and regulatory compliance. Reducing these efforts would compromise the program's quality and effectiveness, which is not recommended.

## Customer Support Services

We are not providing a BAFO for the staffing and technical costs for call support managers, agents, multilingual translators, and online chat monitoring because these are essential services. These costs are necessary to maintain high-quality, responsive customer support and robust technical infrastructure. Reducing these expenses would compromise service quality and effectiveness, which is not recommended.

## LMS and Registry – Maintenance and Operations Costs

The expenses for staffing to maintain and operate the LMS and Training Registry are outlined. **We are now providing a reduction in LMS license costs from \$0.90 to \$0.88 per learner per month.** Licensing costs are specified per learner per month, with a maximum count set at 40,510 as per the RFP in this cost proposal (always scalable based on-demand). We are flexible to negotiate a fixed price for 25,000 learners, with the option to transition to an on-demand licensing model, offering cost-effective solutions to the State. We have included the fixed annual systems staffing price increase at 2.5%. Similarly, we reduced the non-staff rates by carefully evaluating and optimizing our system implementation and deployment strategies.

### Website Hosting:

- The hosting costs were **reduced by streamlining from five to two** (URLs and Certificates) and optimizing the cost to \$1,500 each.

## Payment Processing Gateway Costs

The costs outlined indicate staffing costs for implementation, maintenance, and operations for payment processing. No BAFO is presented for these costs and open for negotiation at a point when state is ready for such implementation.