

## 2.5 COST PROPOSAL

### Cost Proposal Narrative

The Respondent should provide a brief narrative (not longer than two pages) in support of each Cost Proposal item. The narrative should be focused on clarifying how the proposed prices correspond directly to the Respondent's Technical Proposal. For example, evaluators will expect detailed explanation of Maintenance and Support to correspond to Maintenance and Support items if described in the Technical Proposal. Please compose and return this document in a PDF format, labeled as "Cost Proposal Narrative".

The items explained below are included in the hourly rates shown in our cost proposal, which calculate our Base Four Year Bid Amount. Many of these costs are also included in our transition cost proposal. Those costs that are unique to the transition period are explained in the transition section of this narrative.

#### Personnel

The wages for the positions outlined in our Cost Proposal are based on a wage study completed by our Compensation team for areas throughout the State of Indiana. This wage study provides wage rates paid for comparable positions based on job descriptions. In addition, our costs include fringe benefits including FICA, FUTA, SUTA, Health Insurance, Worker's Compensation, Retirement match, and Tuition Reimbursement Benefits.

#### Other Operating Expenses

**Communications and Insurance** – Equus provides a monthly cell phone stipend for the following employees: Project Director, Project Accountant, Project Manager, Regional Managers, and Human Resources Manager. These are provided to allow our team members to effectively communicate and promptly respond to external customers, internal management, partner organizations, and the State while away from the office, traveling for business, or during non-business hours. In addition, we have budgeted for five hot spot devices to be shared by our staff to ensure internet connection when away from the office.

Equus carries General and Professional Liability Insurance for each project, a necessary cost of doing business. This project's portion of the cost of insurance is based on revenue.

**Supplies** – We have included supplies for job fairs and copier paper and ink for Equus equipment in our hourly rates. We have also included costs for postage and courier fees for communication with Equus' corporate office and other mailing activities.

**Professional Services** – Equus is required to conduct an annual audit for schedule of federal expenditures and indirect cost review. We have included a portion of the cost of the audit in our hourly rates.

Employee payroll processing is performed by ADP. Costs related to the preparation and distribution of employee payroll is included in our cost proposal.

Quickbase is a data management system we use to improve daily operations, monitoring, and reporting. We have included costs for Quickbase as well as costs for Microsoft Office licenses in our cost proposal.

To support mobile operations, we have included costs related to the Mobile App.

**Indiana Department of Administration, Indiana Family and Social Services Administration,  
Department of Family Resources (DFR)  
Employment and Training Services**

The Work Number is the world's largest employment verification site. Equus utilizes The Work Number to verify the employment of job seekers to meet benchmarks or to determine if the job seeker is currently employed. Costs for The Work Number are built into our hourly rates.

Our hourly rates include all costs as presented by our subcontractors, which include Diversified Services Network, Inc., Koehler Partners, Inc., Professional Management Enterprises, Inc., and RADcube. The scope of services provided by each subcontractor is outlined in our technical proposal.

**Miscellaneous** - We have included a small amount for professional development for our staff as well as costs associated with meetings.

To stay abreast of national and local workforce development industry trends, we have included costs for staff educational opportunities in our cost proposal. In addition, Equus offers robust training that includes professional development through our proprietary online library. With more than 1,500 professional and personal skill development courses including business skills, compliance, leadership, personal, and professional development, and management training employees. This standardized learning platform ensures training is consistent across all operations which makes our processes measurable. Curriculum and content can be updated immediately, making us highly flexible. All completed training is automatically tracked, which ensures peak compliance documentation. Equus invests in its people by increasing knowledge and encouraging professional development of team members to ensure job seekers receive quality services with meaningful outcomes. There are no direct costs associated with our online library.

Equus employment is contingent upon the results of background checks and drug screens before hire. As such, we have included costs related to background checks, including additional checks to account for failed testing and turnover.

### **Indirect Costs**

Indirect costs represent those common costs associated with the efforts of Equus overhead staff that support our projects nationwide, including our National Director of Workforce Solutions, Regional Director, Regional Business Manager, Regional Human Resources Manager, and Service Delivery Team. Additionally, it covers administration, professional services, and other miscellaneous items. Our indirect also represents the costs associated with our proprietary workforce tools and materials. Our indirect rate also covers such items as LinkedIn Learning, Career Pathways Explorer, and Essential Education products such as GED Academy, and Money Essentials are included in indirect expenses. We have included indirect costs in both our base period proposal and transition costs to cover these items.

### **Transition Budget**

We have included many of the items listed above in our transition budget. In addition, we have included costs related to equipment, including desktop copiers for our Project Director, Project Accountant, and Human Resources Manager. We have also included laptops and accessories for our Project Director, Project Accountant, Accounting Specialist, Quality Assurance Manager, Human Resources Manager, and Project Trainer.