

CGI

**Additional Cost
Breakdown**

CGI Cost Clarification for RFP 2010-0200-9388

State of Alaska

Department of Administration

Division of Administrative Services

STATEWIDE ADMINISTRATIVE SYSTEMS REPLACEMENT PROJECT

November 05, 2010

Proprietary & Confidential



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We are pleased to provide answers to the cost breakdown request related to CGI's proposal to the State of Alaska RFP# 2010-0200-9388. Our response below is formatted with each cost breakdown request followed by our response. Our Project Manager has formulated responses to these questions and is ready to provide clarification to the PEC as requested by State of Alaska (the State).

1 QUESTION 1 – SPLIT COST INTO COMPONENTS

- 1) Split the Offeror's financial proposal into the following components:
- i. Total Cost
 - ii. Software
 - iii. Hardware
 - iv. Technical Support
 - v. Management
 - vi. Contingency

Response:

Table 1 below splits the originally submitted CGI Cost Proposal into the components requested by the State. The following brief provides rationale on how costs have been apportioned to the requested component areas:

- ▶ **Total Cost (Item i)** – represents the 10 year total cost for State of Alaska. This includes items requested for in Exhibit E (One-time system costs, One-time implementation costs, and Recurring costs years 1 through 10).
- ▶ **Software Costs (Item ii)** - have been further itemized to show license and maintenance costs in Table 1 below.
 - Software license costs in our proposal correspond to the projects phases such that the State of Alaska pays for development licenses and then production licenses. This maximizes the value to the State and minimizes risk associated with paying for software before it is ready to be used.
 - Maintenance costs are shown for years 1 through 10. Maintenance costs correspond to the project phases such that the State pays for maintenance only on those software modules in production. Our maintenance fees include upgrading to the new release of the application including enhancements that our client base has requested, and training Alaska on these new release features.
- ▶ **Hardware Costs (Item iii)** – the base cost proposal has no hardware costs incorporated based on the direction provided in the RFP.
- ▶ **Technical Support (Item iv)** – We have provided a breakdown of the services that are necessary to support the implementation of the entire project including both technical and business resources and activities. These costs include all project activities related to implementing and then supporting the application before transition to the State.

- ▶ **Management (Item v)** – the management hours described reflect the project oversight and project management office activities that are focused on the project delivery and success.
- ▶ **Contingency (Item vi)** – We have estimated the project with a built in management contingency to allow for the project manager to use these dollars and hours to navigate through the project’s risks and issues. This contingency was estimated based on our review of the State’s requirements and our experience with “like size” State implementations. This contingency allows us to adequately manage the project and meet the State’s needs and was built into our overall cost, schedule and staffing estimates for Alaska. Because of multiple interdependencies, the cost associated with this contingency were not split out in our original proposal.

Table 1 – Cost Split

Cost Item	Subtotal Cost	Total Cost
i. Total Cost		\$37,562,248
ii. Software License		\$3,387,752
	Financial	\$1,664,320
	Procurement	\$443,800
	Human Resources and Payroll	\$639,800
	OEM Bundle	\$639,832
Maintenance		\$9,567,938
	Yr 1-4	\$3,533,543
	Yr 5-6	\$1,879,721
	Yr 7-8	\$2,008,368
	Yr 9-10	\$2,146,306
iii. Hardware		\$0
iv. Technical Support		\$22,079,349
	Technical Resources / Tasks	\$12,755,958
	Business Resources / Tasks	\$9,323,391
v. Management		\$2,527,209
vi. Contingency		\$0

2 QUESTION 2 – IDENTIFY STATE PAYMENT POINTS

- 2) Identify State payment points, associated major modules (Financial, Procurement, HR/payroll, etc.), and map:
- i. Where are the major risks financially?
 - ii. Where are the major risks to the client, and how are you accounting for them?
 - iii. How will State user growth affect your current pricing?

Response:

The payment points associated with each of the major modules and phases of the project directly roll-up to Table E which was submitted in the original CGI proposal. In Tables 2, 3 and 4 below, CGI has outlined for each of the associated major modules of the project the associated payment points. This information is based upon our detailed project plan and we have presented the payment points aligned to the same 27 task groups originally identified in Table E in Exhibit E- Offeror’s Cost Proposal Forms.

Table E - Professional Services

Implementation Function (task group)	Hours	Blended Rate ¹	Cost
(1) Baseline Detailed Project Work Plan	828	\$ 174.00	\$ 144,072
(2) Project Status Reports	2,121	\$ 174.00	\$ 369,054
(3) Weekly Risk Reporting System (WRRS)	1,840	\$ 174.00	\$ 320,160
(4) Satisfaction Surveys	312	\$ 174.00	\$ 54,288
(5) System Configuration Reports	16,094	\$ 174.00	\$ 2,800,356
(6) Business Process Modification Recommendations	2,960	\$ 174.00	\$ 515,040
(7) Configured Software Ready for Test	32,845	\$ 174.00	\$ 5,715,030
(8) Accepted Workflows	9,530	\$ 174.00	\$ 1,658,220
(9) Hardware Specification	2,614	\$ 174.00	\$ 454,836
(10) Application Architecture Documentation	5,940	\$ 174.00	\$ 1,033,560
(11) Installation Certification Document	2,760	\$ 174.00	\$ 480,240
(12) Data Conversion Plan	2,140	\$ 174.00	\$ 372,360
(13) Validated Migrated Data	3,120	\$ 174.00	\$ 542,880
(14) Reports	9,030	\$ 174.00	\$ 1,571,220
(15) Interface Specifications	2,680	\$ 174.00	\$ 466,320
(16) Tested Interfaces	10,340	\$ 174.00	\$ 1,799,160
(17) Test Plan	3,420	\$ 174.00	\$ 595,080
(18) Volume/Stress Testing Report	2,300	\$ 174.00	\$ 400,200
(19) Training Plan	630	\$ 174.00	\$ 109,620
(20) Training Materials	4,770	\$ 174.00	\$ 829,980
(21) Training	3,030	\$ 174.00	\$ 527,220
(22) Knowledge Transfer Plan and Activity	2,976	\$ 174.00	\$ 517,824
(23) Go-Live and Stabilization Plans	1,800	\$ 174.00	\$ 313,200
(24) Technical Operations Manual	950	\$ 174.00	\$ 165,300
(25) Business User Manual	1,670	\$ 174.00	\$ 290,580
(26) Configured and Licensed Software in Productive Use	3,590	\$ 174.00	\$ 624,660
(27) Stabilization Services	11,127	\$ 174.00	\$ 1,936,098
(xx) Other Deliverables (if any)	-	\$ -	\$ -
Flexible use hours ²	-	\$ -	\$ -
Total Hours	141,417	Total Professional Services Cost	\$ 24,606,558

Our pricing model allows the State of Alaska to pay for deliverables when they are completed and fully measurable, as well as paying for software and licenses only as they become necessary for the project. Our pricing model schedules these payments when the software is needed, spreading these costs throughout the lifecycle of the project.

The Table 2 below outlines the specific deliverables for the Financial phase of the project.

Table 2-Financial Payment Schedule

Implementation Function (task group)	Hours	Cost	Date
(1) Baseline Detailed Project Work Plan	276	\$48,024	7/12/2011
(2) Project Status Reports	758	\$131,892	1/4/2013
(3) Weekly Risk Reporting System (WRRS)	800	\$139,200	1/8/2013
(4) Satisfaction Surveys	84	\$14,616	8/6/2012
(5) System Configuration Reports	6,212	\$1,080,888	1/16/2012
(6) Business Process Modification Recommendations	1,120	\$194,880	12/12/2011
(7) Configured Software Ready for Test	8,820	\$1,534,680	4/30/2012
(8) Accepted Workflows	3,190	\$555,060	9/6/2012
(9) Hardware Specification	872	\$151,728	10/27/2011
(10) Application Architecture Documentation	1,060	\$184,440	3/7/2012
(11) Installation Certification Document	920	\$160,080	12/13/2011
(12) Data Conversion Plan	700	\$121,800	3/19/2012
(13) Validated Migrated Data	190	\$33,060	10/3/2012
(14) Reports	3,080	\$535,920	4/30/2012
(15) Interface Specifications	800	\$139,200	3/4/2012
(16) Tested Interfaces	3,260	\$567,240	7/15/2012
(17) Test Plan	940	\$163,560	4/26/2012
(18) Volume/Stress Testing Report	760	\$132,240	9/5/2012
(19) Training Plan	230	\$40,020	4/20/2012
(20) Training Materials	1,510	\$262,740	7/6/2012
(21) Training	920	\$160,080	10/11/2012
(22) Knowledge Transfer Plan and Activity	1,332	\$231,768	7/26/2012
(23) Go-Live and Stabilization Plans	620	\$107,880	9/7/2012
(24) Technical Operations Manual	250	\$43,500	9/20/2012
(25) Business User Manual	250	\$43,500	9/13/2012
(26) Configured and Licensed Software in Productive Use	340	\$59,160	10/1/2012
(27) Stabilization Services	4,340	\$755,160	10/7/2013
(xx) Other Deliverables (if any)			
Flexible use hours ²			
Total Hours	43,634	\$7,592,316	Total Cost

Note: The task group (2), (3), and (27) are to be billed monthly ending with the date specified above.

The Table 3 below outlines the specific deliverables for the Procurement phase of the project.

Table 3-Procurement Payment Schedule

Implementation Function (task group)	Hours	Cost	Date
(1) Baseline Detailed Project Work Plan	276	\$48,024	7/7/2011
(2) Project Status Reports	529	\$92,046	3/29/2013
(3) Weekly Risk Reporting System (WRRS)	240	\$41,760	3/29/2013
(4) Satisfaction Surveys	84	\$14,616	7/5/2013
(5) System Configuration Reports	3,210	\$558,540	2/2/2012
(6) Business Process Modification Recommendations	720	\$125,280	12/29/2011
(7) Configured Software Ready for Test	6,345	\$1,104,030	1/11/2013
(8) Accepted Workflows	1,970	\$342,780	3/6/2013
(9) Hardware Specification	870	\$151,380	11/2/2011
(10) Application Architecture Documentation	1,620	\$281,880	3/26/2012
(11) Installation Certification Document	920	\$160,080	1/18/2013
(12) Data Conversion Plan	620	\$107,880	4/5/2012
(13) Validated Migrated Data	190	\$33,060	4/8/2013
(14) Reports	2,110	\$367,140	5/17/2012
(15) Interface Specifications	760	\$132,240	3/22/2012
(16) Tested Interfaces	1,400	\$243,600	12/17/2012
(17) Test Plan	520	\$90,480	10/10/2012
(18) Volume/Stress Testing Report	620	\$107,880	2/15/2013
(19) Training Plan	170	\$29,580	11/6/2012
(20) Training Materials	850	\$147,900	1/22/2013
(21) Training	570	\$99,180	4/2/2013
(22) Knowledge Transfer Plan and Activity	772	\$134,328	7/26/2011
(23) Go-Live and Stabilization Plans	480	\$83,520	3/6/2013
(24) Technical Operations Manual	250	\$43,500	2/25/2013
(25) Business User Manual	250	\$43,500	2/18/2013
(26) Configured and Licensed Software in Productive Use	340	\$59,160	4/4/2013
(27) Stabilization Services	1,467	\$255,258	4/10/2014
(xx) Other Deliverables (if any)			
Flexible use hours ²			
Total Hours	28,153	\$4,898,622	Total Cost

Note: The task group (2), (3), and (27) are to be billed monthly ending with the date specified above.

The table below outlines the specific deliverables for the Human Resources and Payroll phase.

Table 4- Human Resources and Payroll Payment Schedule

Implementation Function (task group)	Hours	Cost	Date
(1) Baseline Detailed Project Work Plan	276	\$48,024	4/8/2013
(2) Project Status Reports	834	\$145,116	1/12/2015
(3) Weekly Risk Reporting System (WRRS)	800	\$139,200	1/2/2015
(4) Satisfaction Surveys	144	\$25,056	7/31/2015
(5) System Configuration Reports	6,672	\$1,160,928	1/16/2012
(6) Business Process Modification Recommendations	1,120	\$194,880	12/12/2011
(7) Configured Software Ready for Test	17,680	\$3,076,320	8/9/2013
(8) Accepted Workflows	4,370	\$760,380	9/10/2014
(9) Hardware Specification	872	\$151,728	11/2/2011
(10) Application Architecture Documentation	3,260	\$567,240	6/18/2013
(11) Installation Certification Document	920	\$160,080	7/23/2014
(12) Data Conversion Plan	820	\$142,680	9/13/2013
(13) Validated Migrated Data	2,740	\$476,760	10/16/2014
(14) Reports	3,840	\$668,160	1/3/2014
(15) Interface Specifications	1,120	\$194,880	8/30/2013
(16) Tested Interfaces	5,680	\$988,320	6/19/2014
(17) Test Plan	1,960	\$341,040	1/29/2014
(18) Volume/Stress Testing Report	920	\$160,080	8/20/2014
(19) Training Plan	230	\$40,020	8/1/2013
(20) Training Materials	2,410	\$419,340	9/26/2013
(21) Training	1,540	\$267,960	10/10/2014
(22) Knowledge Transfer Plan and Activity	872	\$151,728	4/15/2013
(23) Go-Live and Stabilization Plans	700	\$121,800	9/10/2014
(24) Technical Operations Manual	450	\$78,300	9/4/2014
(25) Business User Manual	1,170	\$203,580	8/28/2014
(26) Configured and Licensed Software in Productive Use	2,910	\$506,340	10/14/2014
(27) Stabilization Services	5,320	\$925,680	10/20/2015
(xx) Other Deliverables (if any)			
Flexible use hours ²			
Total Hours	69,630	\$12,115,620	Total Cost

Note: The task group (2), (3), and (27) are to be billed monthly sending with the date specified above.

Software license fees are payable based upon the major modules/phases which are implemented during a given phase. At the start of a phase, we have structured the payment schedule such that the State only pays for a development license upon the start of a module and then when the module is brought live in production the production license is due. This helps minimize risks associated with paying for software before it is utilized. Table 5 below reflects the payment dates aligned to our detailed work plan activities for each module.

Table 5- Software License Payment Schedule

Software Component	Payment Amount	Date
Financial Software		
25% Upon Installation - Development	\$416,080	8/1/2011
75% Upon Implementation - Production	\$1,248,240	7/1/2012
Procurement Software		
25% Upon Installation - Development	\$110,950	8/1/2011
75% Upon Implementation - Production	\$332,850	1/1/2013
Human Resources and Payroll Software		
25% Upon Installation - Development	\$159,950	3/1/2013
75% Upon Implementation - Production	\$479,850	7/1/2014
AMS Advantage OEM Bundle	\$639,832	8/1/2011

Outlined below are responses which *map* to the detailed questions related to the financial plan.

- i. Where are the major risks financially?
- ii. Where are the major risks to the client, and how are you accounting for them?
- iii. How will State user growth affect your current pricing?

Response:

- i. Where are the major risks financially?

In our original submittal to the State in Exhibit C – Offeror’s Project Approach we outlined a number of risks in the RAVA Plan. All of these risks could have a financial impact on the project. Our project manager is prepared to discuss the RAVA risk items as well as those outlined below which are specifically tied to the financial payment plan upon further request by the State.

The major risks financially related to Payment Points are focused around the acceptance of the deliverables. In the financial plans for each modules/phase the top three deliverables are:

- ▶ Deliverable 5) System Configuration Report(s),

- ▶ Deliverable 7) Configured Software Ready for Test, and
- ▶ Deliverable 27) Stabilization Services.

These three deliverables define how the application will be configured, prove the configuration is installed and ready for testing, and finally that the system operates as designed and configured once in a production environment. These are the three deliverables that are the most important key milestones to each module/phase of the ERP implementation and allow both our team and the State to measure the success of the project at the beginning, the middle and at the end of each phase of the implementation. In our work plan, these deliverables have been given increased review and comment time, along with more focused review of the senior resources on the project team in order to minimize the risk associated with the acceptance of these deliverables.

ii. Where are the major risks to the client and how are you accounting for them?

The major risk to the payment plan focuses around the acceptance of the system. If the design of the ERP solution is not properly aligned to the requirements and expectations, the rest of the development and implementation efforts will be strained. We have accounted for this by starting the project with Phase 0-Envision, which details out the complete design of the ERP solution for the State upfront for all components of the project - Financial, Procurement and Human Resources and Payroll.

This approach aligns to the deliverables and allows both the State and our team to have a blueprint to measure success throughout the project. Every deliverable should map back to the design as a result of the Envision Phase, or should specifically be called out on a Change Request which documents the business case for each change to the design. This approach protects the team from increased scope and controls changes to the initial design.

We have further accounted for the risk associated with the design by including the Deliverable Expectations Document (DED) into our project activities. The DED is a standard part of our methodology and we have included it in our work plan for every deliverable. The DED clearly outlines the acceptance criteria for each deliverable. We have planned each deliverable with enough time and resources to meet the work effort including the creation of the DED, a joint-team walk-through of the DED, review of the associated project deliverable, and incorporation of comments arising from the review. By planning these activities upfront on all deliverables, any issues or concerns with each deliverable will be communicated in a joint team setting along the development of each deliverable. This approach minimizes the risk of miscommunication or misaligned expectations between us and the State.

iii. How will State user growth affect your current pricing?

The pricing for the ERP software we have provided to State of Alaska will not be impacted based upon user growth. Our software solution license is based upon an enterprise licensing model so Alaska can add additional users as they grow with no additional costs.

3 QUESTION 3 – WHAT DIFFERENTIATES OFFEROR’S PROPOSED SOLUTION

3) What differentiates the Offeror's proposed solution for the State from those of others in the ERP field?

Response:

The most critical and overarching differentiator we offer the State is the ability to meet the objectives outlined in the business case and the major issues identified in the Project Charter. Our proposed solution is fully integrated and designed to exchange data in a timely manner between modules reducing data discrepancies and the need to maintain costly interfaces. The need to duplicate data entry across modules and across screens within our solution is greatly reduced with shortcuts and built in integration. Our solution is built upon a central customer record and fund based accounting built specifically for the complexities of government. The naming and labels used on screens, user interface design, single user logon and security model, and 100% government user base increase the user acceptance rates we are able to achieve in implementations and translate shortened adoption times for the State. Challenges with the current systems, business processes, data, usability and cost are all improved with our solution.

There are other multiple items which differentiate our proposed solution from others in the ERP field. To level set our response to this question, it is critical to understand that we view the “proposed solution” not only as the software product, but as a combination of the project team, the project approach and methodology, the software solution (including underlying hardware architecture), and support for the application once it is live in production. As a single-vendor provider of software, services, hosting and application management, we are uniquely positioned to help the State substantially improve its business processes and operational efficiency through this initiative. For over 30 years, we have built a track record of success implementing our AMS Advantage® ERP (Advantage) system. To date, we are the only major ERP provider whose solution was built from the ground up exclusively for the public sector. We are also the only major ERP provider with zero failed implementations.

We are a partner that works side by side with the State to make this solution work for you. While we are the implementer, you are the owner of ERP solution. We

will work with Alaska to make sure you are successful in implementing the solution, providing value for your state, and making the user experience the best it can be. Our solution is a tool; the State has a business to manage with that tool. Our goal is to implement the solution in a manner that meets the business needs of the State, and uses the ERP solution as a tool to meet that goal.

We have the experience and the product to work with Alaska to configure the ERP applications to meet the business needs, in a way that minimizes customizations and protects the State's long term investment. Our proposal is based on defining the business needs and configuring our ERP solution, with minimal code changes, to meet your needs.

Bottom line, we will work with the State to better understand your business, your needs and your struggles in managing the administration of the State. Our measure of success is your acceptance of the system and the business processes we implement within our tool. Our job is to provide the guidance, expertise and manage your implementation to meet those goals within your budget, schedule and staffing constraints.

In addition we believe our experience and knowledge of Alaska outlined below identify differentiators which make us the best value vendor for the State:

- ▶ We are the only Offeror with detailed experience working with the State building, implementing, and training on the ALDER solution. We bring the ERP project deep understanding of legacy systems and data structures and understand how these have been built into the ALDER reporting solution. No other Offeror can provide this knowledge base and translate it into a proposed solution where ALDER is leveraged as the reporting solution for the ERP. A key differentiator of our proposed solution for State of Alaska is that ALDER is the only reporting solution once the ERP solution is live in production.
- ▶ CGI further differentiates itself through its unrivaled government domain expertise in the team it has proposed for this project. Our public sector professionals are dedicated 100 percent to government and include former government executives as well as highly skilled and experienced ERP subject matter experts, including CPAs, CFMPs, CGFMs, and PMPs.
- ▶ We differentiate ourselves further through Phase 0 Envision of our methodology. We have proposed the first phase of the project to be the prototype and creation of the blueprint for the entire ERP solution for Alaska. Defining the design across all components of the ERP minimizes the risk of re-work in a later phase, and allows the entire team and State to measure the success of the future phases of the project.
- ▶ The right balance of State involvement throughout the project and provide a well-organized and considered knowledge transfer plan. We are the only Offeror who can offer an Alaska specific implementation plan based upon experience working with the State of Alaska on other IT initiatives. Our implementation approach carefully balances the completion of deliverables with the requisite knowledge transfer to optimize State involvement during project execution. We

will work directly with the State team through each structured implementation phase, leveraging our expertise from our other government ERP projects to deliver a solution that meets the State's goals.

▶ We are the only Offeror with a Tier 1 state government solution built exclusively for government and with a 100% successful implementation rate. This means a lower risk for the State of Alaska and translates to the right ERP software for the State of Alaska. All of the software modules we have proposed are live and powering production operations at governments across the United States. Our built-for-government Advantage solution powers client operations in 22 U.S. state governments and more than 170 cities, counties, K-12 education entities, and universities—serving over 93 million citizens and managing over \$500B annually in public funds. Our client base includes the nation's largest city and the nation's largest county—New York City and the County of Los Angeles, a testament to the scalability and power of our solution. Exhibit 1 below provides a view of the Advantage client base.

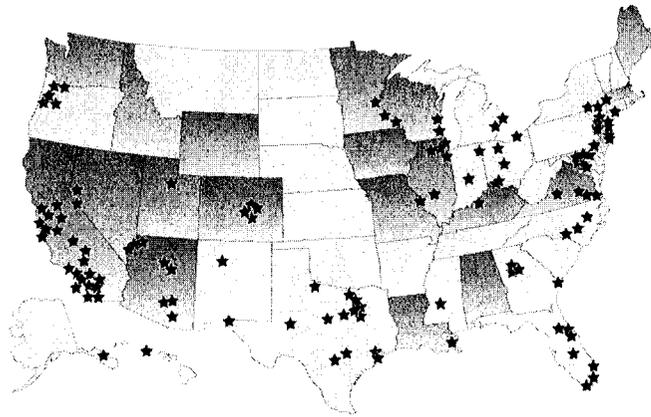


Exhibit 1: Advantage State and Local Government Implementations

▶ We are the only Offeror to use a methodology built for our government ERP implementations. This methodology has been proven through our successful implementation track record of zero failed implementations. It allows the management team on the ground to have full responsibility, authority and support to complete the project according to proven guidelines. Our ERP methodology toolkit provides access to deliverable templates, sample deliverables from other projects, and access to our Advantage subject matter experts across the country that can be called on to support our team's effort on the project.

▶ We are the only Offeror to provide the State of Alaska with a single point of accountability. Alaska is protected against the risks associated with separating implementation services from software providers, and additionally from third party hosting providers. With CGI, these risks are completely mitigated because only we implement our own software and it is backed by a proven implementation

approach. There is never a question of accountability. All facets of the States' implementation, the software, the implementation, the managed services, and the customer support center are part of and managed within one organization at CGI. This reduces risk during the initial deployment and ensures the value of Alaska's initial investment is preserved by keeping the system current. Functionality in new releases is made available to the users/business stakeholders on a regular schedule and under a predictable cost structure.

- ▶ CGI is firmly committed to the local government industry. We are the only vendor who, with every release, invests 100 percent of our R&D dollars into expanding state and local government capabilities of our solution. This results in a high functional fit against the State's requirements without customizations, and promotes rapid user adoption since it uses public sector terminology and processes "out of the box." We specifically designed Advantage with powerful configuration capabilities to support the State's ability to react to changes in local, state, and federal legislation as well as the rapidly changing business environment without requiring costly customizations. For the State of Alaska, implementing our proven Advantage ERP greatly reduces the risk inherent with this initiative.
- ▶ We are the only Offeror to bring the State of Alaska a 33 year track record of success in state and local governments – none of our competitors have a government only solution standing up for this length of time. Governments nationwide are choosing our team because we understand the unique aspects of the public sector.
- ▶ We are the only Offeror that has a state government on our managed services solution (Wyoming production, Maine (transition)) – we have a mature offering vs. our competitors who are in an incubator stage. Managed Advantage is our industry-leading, cost-reducing managed services model to host, operate, and manage the Advantage application. This service has the potential to reduce the State's total cost of ownership and operation of Advantage by as much as 20 percent.
 - A managed service delivery approach allows the State of Alaska to reassign internal resources to other strategic initiatives and/or reduce costs. Since the Advantage application is developed by CGI, your entire Advantage installation would be managed and supported by the most knowledgeable Advantage subject matter experts available, reducing risk and ensuring continuity of ownership from the implementation through ongoing operations.
 - Managed Advantage eliminates the challenges of finding and retaining skilled technical staff to maintain the application, as well as addressing spikes or fluctuations in staff needs for periodic events such as upgrades or organizational cuts. This approach avoids the difficulties associated with hiring freezes, staff retirement, or an inability to find, hire, and train skilled staff in your geography at available compensation levels.
 - Fitting periodic ERP upgrades into tight budgets is always a challenge. CGI's Managed Advantage solution offers optional services to apply

software upgrades. This approach avoids the periodic budget challenges associated with maintaining ERP solutions, increases quality, reduces total cost of ownership, and reduces risk. Upon final determination of the solution and implementation schedule, CGI is willing to explore with the State of Alaska the deferral and amortization of at least some part of the initial implementation, transition, and upgrade costs to address short term budget constraints, allowing you to get the full benefit of your investment in Advantage while better aligning the upgrade costs with any funding constraints.

► CGI was recently honored by the Center for Digital Government with the prestigious “Best Fit Integrator” award for the fourth year in a row for our successful Advantage implementation at Orange County, California. In this competition, governments nominate technology integrators who have demonstrated exceptional collaboration. We were honored to receive this award in 2007 from Los Angeles County in 2008 from Wake County, North Carolina, and in 2009 from both the City and County of Honolulu, Hawaii and Monterey County (2009) for our successful Advantage implementations.



Our proposed solution comprised of the ERP software, the project team, the project approach and methodology, and support once live in production offer the best value to the State. The differentiators outlined above validate the strength of our solution. Beyond the core solution proposed, we have the ability to drive additional value in the ERP initiative through the Value Add items we have proposed. CGI felt that getting the State to an initial ERP implementation was the most crucial, while allowing the State the opportunity to grow and build on to the base implementation. It is our experience that States are more successful when they implement the base features and processes and build upon that base for new and enhanced processes. This minimizes the impact to the team and to the State. Change is always a struggle, but too much at one time can lead to overload on the staff and the processes. CGI looks forward to working through these items with the State to define the appropriate schedule for each of the value add items.

We look forward to being the partner of choice for the State of Alaska's ERP project. We look forward to working with the State throughout this procurement process to demonstrate the quality of our services, the strength of our solution, the expertise of our members, our commitment to success, and the collaborative approach we bring to our client partnerships. Our project manager is prepared to address any questions around the original proposal, this cost clarification, and our detailed work plan.