

**REQUEST FOR PROPOSALS
FOR AN INFORMATION TECHNOLOGY
SERVICE MANAGEMENT (ITSM)
TOOL SOLUTION**

ATTACHMENT 4.3

FINANCIAL EVALUATION

February 12, 2019

**REQUEST FOR PROPOSALS FOR AN ITSM TOOL SOLUTION
ATTACHMENT 4.3 – FINANCIAL EVALUATION**

1. FINANCIAL EVALUATION

1.1. Overview

- 1.1.1. Compliant Bidders' proposals will be subject to a Financial Proposal evaluation as detailed herein. An overall Financial Proposal Score, out of 30 points, will be computed for each compliant Bidder.
- 1.1.2. The financial evaluation will be conducted by calculating the TOTAL FINANCIAL SCORE using the Pricing Tables in **Appendix 1 to Attachment 4.3 - Financial Evaluation Pricing Tables**, completed by the Bidders and the associated pricing information provided herein.
- 1.1.3. As part of its Bid, a Bidder must provide its proposed Firm, Fixed All-Inclusive:
- a) Per diem rates for each of the 20 Resource Job Categories set out in Table #1;
 - b) Price for each Contractor / Work Deliverable (items 1 through 12) set out in Table #2;
 - c) ITSM Tool Licensed Software Firm Pricing, Per-License Firm Pricing (items 1 through 4) set out in Table #3A and Entity License Firm Pricing (items 1 through 3) set out in Table #3B
 - d) ITSM Tool Licensed Software Maintenance and Support Firm Pricing, Percentage (%) Fee (item 1) set out in Table #4
- 1.1.4. For each table, Bidders are requested to complete all fields in each of the Financial Evaluation Pricing Tables that contain a yellow filled box as shown below.



1.1.5. Bidders are encouraged to note the following:

- 1.1.5.1. **All Prices in Canadian Dollars** - All prices must be submitted in Canadian dollars, as set out in SSC's Standard Instructions.
- 1.1.5.2. **No Caveats or Conditional Pricing** - The financial proposal must reflect the total, all-inclusive each pricing requirement as described in the Resulting Contract Clauses, including the Statement of Work. Financial proposals must not include any caveats or conditional pricing.
- 1.1.5.3. **For Table 1 – Per Diem Rates** - Per Diem Rates = 7.5 hours; Firm Per Diem Prices must be a positive number.
- 1.1.5.4. **For Table 2 – Firm Fixed Price Work** - Firm Fixed Price Work prices must be a positive number.
- 1.1.5.5. **For Table 3 – ITSM Tool Licensed Software Firm Pricing-** Table 3A - Per License Firm Pricing and Table 3B – Entity License Firm Pricing must be a positive number.
- 1.1.5.6. **For Table 4 – ITSM Tool Software Maintenance and Support Firm Pricing** - The Bidder must enter an Annual percentage (%) fee (i.e. annual fee which is a percentage of the total licensing fees paid to date). If no % is entered Canada will consider the value as zero.

1.2. STEP 1 - EVALUATION AND SCORING PROPOSED PER DIEM RATES (TABLE #1)

1.2.1. For each responsive bid following the technical evaluation, the Bidder's proposed Firm, Fixed All-Inclusive per diem rates will be evaluated using two possible financial evaluation methods for this requirement.

- 1.2.1.1. The first method will be used if three or more bids are determined responsive (see (a) Per Diem Rate Financial Evaluation - Method A below);
- 1.2.1.2. The second method will be used if fewer than three bids are determined responsive (see (b) Per Diem Rate Financial Evaluation - Method B below).

1.2.2. **Per Diem Rate Financial Evaluation - Method A:** The following financial evaluation method will be used if three or more bids are determined responsive:

- 1.2.2.1. **STEP A-1 - ESTABLISHING THE LOWER AND UPPER MEDIAN BAND LIMITS FOR EACH PERIOD AND EACH RESOURCE CATEGORY:** The Contracting Authority will establish, for each Resource Category, the median band limits based on the Firm Fixed All-Inclusive per diem rates provided in the technically responsive bids. For each such Resource Category the median will be calculated using the median function in Microsoft Excel and will represent a range that encompasses any rate to a value of minus (-) 15% of the median, and an upper median rate to a value of plus (+) 30% of the median. When an even number of technically responsive bids have been determined, an average of the middle two rates will be used to calculate the median band limits and for an odd number of technically responsive bids, the

middle rate will be used.

1.2.2.2. **STEP A-2 - POINTS ALLOCATION:** For each Resource Category points will be allocated as follows:

- (A) A Bidder's proposed Firm, Fixed, All-Inclusive per diem rate that is either lower than the established lower median band limit or higher than the established upper median band limit for that Resource Category will be allocated 0 points.
- (B) A Bidder's proposed Firm, Fixed, All-Inclusive per diem rate falling within the upper and lower median band limits, for that Resource Category, will be allocated points using the following calculation, which will be rounded to two decimal places:

$$\frac{\text{Lowest proposed Firm, Fixed All-Inclusive per diem rate within the median band limits}}{\text{Bidder's proposed Firm, Fixed All-Inclusive per diem rate within the medium band limits}} \times \text{Maximum Points Assigned at Table 1 below}$$

- (C) A Bidder's proposed Firm, Fixed All-Inclusive per diem rate falling within the established median band limits which is the lowest proposed Firm, Fixed All-Inclusive per diem rate will be allocated the applicable maximum points assigned at Table 1 below.

TABLE 1 - MAXIMUM POINTS ASSIGNED		
Resource Categories	SOW Article Job Category Description	Maximum Points Assigned, Initial Contract Period
Contractor Project Manager	2.12.1	20
Project Coordinator	2.12.2	10
Business Analyst	2.12.3	10
Solution/Application Architect	2.12.4	20
Integration Specialist	2.12.5	20
Information Architect	2.12.6	10
Infrastructure / Technology Architect	2.12.7	10
Programmer/Software Developer	2.12.8	10
User Experience (UX) Specialist	2.12.9	10
Test Manager	2.12.10	10
Tester	2.12.11	10
Courseware Developer	2.12.12	10
Instructor	2.12.13	10
Data Entry Clerk	2.12.14	10
Data Conversion Specialist	2.12.15	10
Database Modeller / IM Modeller	2.12.16	10
Database Administrator	2.12.17	10
System Analyst	2.12.18	10

TABLE 1 - MAXIMUM POINTS ASSIGNED		
Resource Categories	SOW Article Job Category Description	Maximum Points Assigned, Initial Contract Period
Operations Support Specialist	2.12.19	10
Change Management Consultant	2.12.20	10
Total Points Allotted		230

- 1.2.2.3. **STEP A-3 – PER DIEM RATE TOTAL SCORE:** Points allocated under STEP 2 for each Resource Category will be added together and rounded to two decimal places to produce a PER DIEM RATE TOTAL SCORE. Bidders will find below an example of a financial evaluation using Method A.

TABLE 2 - EXAMPLE OF A PER DIEM RATE FINANCIAL EVALUATION USING METHOD A							
Job Category	Max. Points	Bidder 1		Bidder 2		Bidder 3	
		Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
Programmer	150 (75 pts. per year)	\$400.00	\$400.00	\$420.00	\$450.00	\$450.00	\$450.00
Business Analyst	100 (50 pts. per year)	\$600.00	\$600.00	\$600.00	\$620.00	\$650.00	\$820.00
Project Manager	50 (25 pts. per year)	\$555.00	\$900.00	\$750.00	\$800.00	\$700.00	\$800.00
TOTAL	300						
STEP 1 - ESTABLISHING THE LOWER AND UPPER MEDIAN BAND LIMITS FOR EACH YEAR AND EACH RESOURCE CATEGORY							
<ul style="list-style-type: none"> • (Median 1) For the Programmer Resource Category, the year 1 median would be \$420.00. The lower median band limit would be \$357.00 and higher median band limit would be \$546.00. • (Median 2) For the Programmer Resource Category, the year 2 median would be \$450.00. The lower median band limit would be \$382.50 and higher median band limit would be \$585.00. • (Median 3) For the Business Analyst Resource Category, the year 1 median would be \$600.00. The lower median band limit would be \$510.00 and higher median band limit would be \$780.00. • (Median 4) For the Business Analyst Resource Category, the year 2 median would be \$620.00. The lower median band limit would be \$527.00 and higher median band limit would be \$806.00. • (Median 5) For the Project Manager Resource Category, the year 1 median would be \$700.00. The lower median band limit would be \$595.00 and higher median band limit would be \$910.00. • (Median 6) For the Project Manager Resource Category, the year 2 median would be \$800.00. The lower median band limit would be \$680.00 and higher median band limit would be \$1,040.00. 							
STEP 2 - POINTS ALLOCATION:							

TABLE 2 - EXAMPLE OF A PER DIEM RATE FINANCIAL EVALUATION USING METHOD A

Bidder 1

- Programmer Year 1 = 75 points (lowest rate within the lower and upper median band limits)
Programmer Year 2 = 75 points (lowest rate within the lower and upper median band limits)
- Business Analyst Year 1 = 50 points (lowest rate within the lower and upper median band limits)
Business Analyst Year 2 = 50 points (lowest rate within the lower and upper median band limits)
- Project Manager Year 1 = 0 points (outside the lower and higher median band limits)
- Project Manager Year 2 = 22.22 points (based on the following calculation = (Lowest rate of \$800.00 / Bidder's proposed rate of \$900.00) Multiplied by 25 pts.)

Bidder 2

- Programmer Year 1 = 71.43 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$420.00) Multiplied by 75 pts.)
- Programmer Year 2 = 66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts.)
- Business Analyst Year 1 = 50 points (lowest price within the lower and upper median band limits)
Business Analyst Year 2 = 48.39 points (based on the following calculation = (Lowest rate of \$600.00 / Bidder's proposed rate of \$620.00) Multiplied by 50 pts.)
- Project Manager Year 1 = 23.33 points (based on the following calculation = (Lowest rate of \$700.00 / Bidder's proposed rate of \$750.00) Multiplied by 25 pts.)
- Project Manager Year 2 = 25 points (lowest price within the lower and upper median band limits)

Bidder 3

- Programmer Year 1 = 66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts.)
- Programmer Year 2 = 66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts.)
- Business Analyst Year 1 = 46.15 points (based on the following calculation = (Lowest rate of \$600.00 / Bidder's proposed rate of \$650.00) Multiplied by 75 pts.)
- Business Analyst Year 2 = 0 points (outside the lower and higher median band limits)
- Project Manager Year 1 = 25 points (lowest price within the lower and upper median band limits)
- Project Manager Year 2 = 25 points (lowest price within the lower and upper median band limits)

STEP 3 – PER DIEM RATE SCORE

Bidder 1

75 + 75 + 50 + 50 + 0 + 22.22 = Total PER DIEM RATE SCORE of 272.22 points out of a possible 300 points

Bidder 2

71.43 + 67.67 + 50 + 48.39 + 23.33 + 25 = Total PER DIEM RATE SCORE of 284.82 points out of a possible 300 points

Bidder 3

66.67 + 66.67 + 46.15 + 0 + 25 + 25 = Total PER DIEM RATE SCORE of 229.49 points out of a possible 300 points

1.2.3. **Per Diem Rate Financial Evaluation - Method B:** The following financial evaluation method will be used if less than three bids are determined responsive:

1.2.3.1. **STEP B-1 – POINTS ALLOCATION:** For each period and each Resource Category points will be allocated as follows:

Points will be established based on the following calculation, with points rounded to two decimal places:

$$\frac{\text{Lowest proposed Firm, Fixed All-Inclusive per diem rate}}{\text{Bidder's proposed Firm, Fixed All-Inclusive per diem rate}} \times \text{Maximum Points Assigned at Table 1 above}$$

The Bidder with the lowest proposed Firm, Fixed All-Inclusive per diem rate will be allocated the applicable maximum points assigned at TABLE 1 above.

1.2.3.2. **STEP B-2 – PER DIEM RATE TOTAL SCORE:** Points allocated under STEP 1, for each Resource Category will be added together and rounded to two decimal places to produce a PER DIEM RATE TOTAL SCORE.

TABLE 3 - EXAMPLE OF A PER DIEM RATE FINANCIAL EVALUATION USING METHOD B

Resource Category	Max. Points	Bidder 1		Bidder 2			
		Year 1	Year 2	Year 1	Year 2		
Programmer	150 (75 pts. per year)	\$400.00	\$400.00	\$420.00	\$450.00		
Business Analyst	100 (50 pts. per year)	\$600.00	\$600.00	\$600.00	\$620.00		
Project Manager	50 (25 pts. per year)	\$555.00	\$900.00	\$750.00	\$800.00		
TOTAL	300						
STEP 1 - Points Allocation							
<u>Bidder 1</u>							
Programmer Year 1 = 75 points (lowest rate)							
Programmer Year 2 = 75 points (lowest rate)							
Business Analyst Year 1 = 50 points (lowest rate)							
Business Analyst Year 2 = 50 points (lowest rate)							
Project Manager Year 1 = 25 points (lowest rate)							
Project Manager Year 2 = 22.22 points (based on the following calculation = (Lowest rate of \$800.00 / Bidder's proposed rate of \$900.00) Multiplied by 25 pts.)							

TABLE 3 - EXAMPLE OF A PER DIEM RATE FINANCIAL EVALUATION USING METHOD B

Bidder 2	
Programmer Year 1 =	71.43 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$420.00) Multiplied by 75 pts.)
Programmer Year 2 =	66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts.)
Business Analyst Year 1 =	50 points (lowest rate)
Business Analyst Year 2 =	48.39 points (based on the following calculation = (Lowest rate of \$600.00 / Bidder's proposed rate of \$620.00) Multiplied by 50 pts.)
Project Manager Year 1 =	18.5 points (based on the following calculation = (Lowest rate of \$555.00 / Bidder's proposed rate of \$750.00) Multiplied by 25 pts.)
Project Manager Year 2 =	25 points (lowest rate)
STEP 2 - PER DIEM RATE SCORE:	
Bidder 1:	$75 + 75 + 50 + 50 + 25 + 22.22 =$ Total PER DIEM RATE SCORE of 297.22 points out of a possible 300 points
Bidder 2:	$71.43 + 67.67 + 50 + 48.39 + 18.5 + 25 =$ Total PER DIEM RATE SCORE of 280.99 points out of a possible 300 points

1.3. STEP 2 - EVALUATION AND SCORING, CONTRACTOR / WORK DELIVERABLES (TABLE #2)

1.3.1. A Total Evaluated Price, Firm Fixed Price Work will be computed for each Bidder using the formulae contained in Table #2 and the Bidder's Proposed Firm Prices contained in Table #2 as follows:

1.3.1.1. The Bidder's Proposed Firm Price, for each Item (1-12), contained in column "A" of Table #2 will be multiplied by the number of Evaluation Units specified in column "B", to determine an Evaluated Price in column "C";

1.3.1.2. The Evaluated Price, contained in column "C", will be added together for each Item 1-12 to determine the Bidder's Total Evaluated Price, Firm Fixed Price Work.

1.4. STEP 3 - EVALUATION AND SCORING, ITSM TOOL LICENSED SOFTWARE FIRM PRICING (TABLE #3)

1.4.1. A Total Evaluated Price, Per-License Pricing will be computed for each Bidder using the formulae contained in Table #3A and the Bidder's response contained in Table #3A as follows:

1.4.1.1. The number of Evaluation Units, specified in column "G", which will be used to evaluate and score the Bidder will be determined as follows:

1.4.1.1.1. The Bidder must stipulate its proposed software licensing model as indicated in in columns "A" to "C". The Bidder may, at its' discretion, propose a concurrent user or named user model, or each a combination, for each separate item #1-8.

1.4.1.1.2. If the Bidder has proposed a Concurrent Licensing Model (indicated by "Yes" in column "C"), the Number of evaluated Licenses if Named User Licensing Model as specified in column "E" will be divided by 3 (i.e. ratio of 3:1 for named users to concurrent licenses) and specified in column "F". Under a concurrent licensing Model,

the Evaluation Units specified in column “G” will equal the number computed in column “F”.

1.4.1.1.3. If the Bidder has proposed a Named User Licensing Model (no input required), the Evaluation Units specified in column “G” will equal the number specified in column “E”.

1.4.1.2. The Bidder’s Proposed Per License Pricing, for each Item (1-8), contained in column “D” of Table #3A will be multiplied by the number of Evaluation Units specified in column “G”, to determine an Evaluated Price in column “H”;

1.4.1.3. The Bidder’s Evaluated Price, for each Item (1-8), contained in column “H” of Table #3A, will be added together to determine the Bidder’s Total Evaluated Price, Table #3A (Per-License Firm Pricing).

1.4.2. A Total Evaluated Price, Entity Licenses will be computed for each Bidder using the formulae contained in Table #3B and the Bidder’s response contained in Table #3B as follows:

1.4.2.1. The Bidder must stipulate its proposed software licensing model as indicated in columns “A” and “B”.

1.4.2.2. The Bidder’s Proposed Entity License Pricing, for each Item (1-3), contained in column “C” of Table #3B will be multiplied by the number of Evaluation Units specified in column “D”, to determine an Evaluated Price in column “E”;

1.4.2.3. The Bidder’s Evaluated Price, for each Item (1-3), contained in column “E” of Table #3B, will be added together to determine the Bidder’s Total Evaluated Price, Table #3B (Entity License Firm Pricing).

1.5. STEP 4 - EVALUATION AND SCORING, ITSM TOOL LICENSED SOFTWARE MAINTENANCE AND SUPPORT FIRM PRICING (TABLE #4)

1.5.1. An Evaluated Price, Software Maintenance and Support will be computed for each Bidder using the formulae contained in Table #4 and the Bidder’s response contained in Table #4 as follows:

1.5.1.1. The Bidder’s Proposed % Fee, contained in column “A” of Table #4, will be multiplied by the Bidder’s Total Evaluated Price, Entity License Firm Pricing (from Table #3B) contained in column “B”, for a period of ten years (in column “C”), to determine an Evaluated Price, Software Maintenance and Support in column “D”.

1.6. STEP 5 - ITSM TOOL SOLUTION FINANCIAL PROPOSAL SCORE

1.6.1. Each Bidder’s Financial Proposal Score (worth 30% of the Overall Bid Evaluation) will be calculated using the Evaluated Price determined for Tables #1 – 4 (as described above) and the formulae specified in the table below. :

Table 4 Financial Proposal Scoring			
Item #	Evaluated Price (from Appendix 1 to Attachment 4.3 - Financial Evaluation Pricing Tables)	Maximum Financial Proposal Points	Financial Proposal Scoring Formula
A	Table #1 – Per Diem Rates	5	Bidder's Total Per Diem Score (out of 230) / 230 x 5 points
B	Table #2 – Firm Fixed Price Work / Deliverables	4	$\frac{\text{Lowest Bidder's Total Evaluated Price, Firm Fixed Price Work}}{\text{Bidder's Total Evaluated Price, Firm Fixed Price Work}} \times 4 \text{ points}$
C	Table #3A – ITSM Tool Licensed Software – Per-User License Firm Pricing	7	$\frac{\text{Lowest Bidder's Total Evaluated Price, Per-User License Firm Pricing}}{\text{Bidder's Total Evaluated Price, User Licenses Firm Pricing}} \times 7 \text{ points}$
D	Table #3B - ITSM Tool Licensed Software – Entity License Firm Pricing	7	$\frac{\text{Lowest Bidder's Total Evaluated Price, Entity License Firm Pricing}}{\text{Bidder's Total Evaluated Price, Entity License Firm Pricing}} \times 7 \text{ points}$
E	Table #4 - ITSM Tool Software Maintenance and Support Firm Pricing	7	$\frac{\text{Lowest Bidder's Evaluated Price, Software Maintenance and Support}}{\text{Bidder's Evaluated Price, Software Maintenance and Support}} \times 7 \text{ points}$
Total Financial Proposal Score		30	Sub-total of items A - E above