Sierra Cybernetics

Sierra Cybernetics – *The Art of Information Engineering*

PROPOSAL TO PROVIDE TECHNICAL STAFF AUGMENTATION SERVICES

Cost Proposal

Prepared for:
Judicial Council of California
Branch Accounting and Procurement
455 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102

RFP-IT-2021-80RB-COSTS@jud.ca.gov

In Response To: RFP #IT-2021-80RB

Prepared by:
Sierra Cybernetics, Inc.
5140 E. La Palma Avenue, Suite 201
Anaheim Hills, CA 92807-2069
(714) 921-1212 or Facsimile (714) 921-2086
E-mail: claplante@sierracyber.com

Attention: Carl LaPlante
President

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Evaluation Criteria & Proposal Submission Forms
RFP Attachment 12-F Pricing

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Attachment 12-F Pricing

Reference #	Evaluation Criterion:	Pricing
12-F	Maximum Points for this Criterion:	50 Points (out of 100 possible points)

Proposal Requirements: Proposer must propose a discount structure to be applied to invoices under a master agreement based on the number of concurrent Work Orders awarded to proposer under that master agreement, if awarded. In addition, proposers must propose overhead and profit mark-up rates when the placement is an employee or independent contractor of the proposer, as well as, mark-up rates to be applied should proposer use a subcontracted company/firm to fill Key Personnel placements. Proposer must propose the maximum hourly rate for each of the classifications that may be awarded under this master agreement.

Proposer must complete the following:

Part I – Discount Structure: Proposers must propose and fill-in a discount rate percentage in each tier for concurrent placements in individual Work Orders issued under an awarded master agreement. The discount rates will be incorporated into the master agreement, if awarded.

	Number of Concurrent Placements in Individual Work Orders Issued Under an Awarded Master Agreement				
	1-3	4-6	7-10	11-14	15+
Percent (%) Discount to be Applied to Work Order(s)	0	2	5	7	10

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Part II – Mark-up/Overhead: Fully burdened labor rates in Work Orders to be awarded under a Master Agreement will be made up of the hourly rate proposer pays to Key Personnel plus proposer's contracted mark-up rate (which is a combination of proposer's overhead and profit percentages). Proposers must propose and fill-in the overhead percentage, profit percentage, and total mark-up percentage for each term of a prospective Master Agreement. Proposer's total mark-up will be incorporated into the master agreement, if awarded. *NOTE: Individual markup percentages for overhead and profit denoted with an * in the highlighted boxes on the form below are deemed by the JCC to be proposer's proprietary and confidential information which meets the disclosure exemption requirements of Rule 10.500, and will NOT be disclosed pursuant to a request for public documents, however, Total Markup is not deemed to be proprietary and confidential will subsequently be disclosed pursuant to a request for public documents.*

See Note 1 Below For explanation of ranges.	**Proposer's Mark-up Rates (%)**			
	Initial Term 7/1/21-6/30/23	**1st Option Term 7/1/23-6/30/24**	**2nd Option Term 7/1/24-6/30/25**	**3rd Option Term 7/1/25-6/30/26**
Percent (%) Allocated to Proposer's Overhead*	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total Mark-up	25 – 62	27 – 65	27 – 65	28 - 66

Part III – Subcontractor Mark-up: In the event proposer uses a subcontracted company/firm to supply Key Personnel for a Work Order, the fully burdened labor rate will only include the hourly rate proposer pays to Key Personnel plus proposer's mark-up percentage rate for using a subcontracted firm. Proposers must propose and fill-in mark-up percentages for subcontracted companies/firms for each term of a prospective Master Agreement. Proposer's subcontractor mark-up will be incorporated into the master agreement, if awarded.

See Note 2 Below For a discussion of our two rows of rates.	**Mark-up Rates for Proposer's Subcontracted Firms (%)**			
	Initial Term 7/1/21-6/30/23	**1st Option Term 7/1/23-6/30/24**	**2nd Option Term 7/1/24-6/30/25**	**3rd Option Term 7/1/25-6/30/26**
Mark-up Rate for using Subcontracted Firm	(a) 38 – 75 (b) 13	(a) 40 – 78 (b) 13	(a) 40 – 78 (b) 13	(a) 41 – 79 (b) 13

Note 1: Proposer's Maximum Mark-up Rates Allocated to Overhead fall into two categories: (1) for W-2 employees of proposer, and (2) for 1099 or C2C independent contractors utilized by proposer. Because we offer W-2 employees a flexible selection of benefits, our overhead for them can vary between 27% for no benefits except for the company's portion of federal and state taxes and up to 53% for fully-benefited W-2 employees. In all cases, the final price to the client remains the same. Because the employees can

select the benefit level they desire, their pay rate moves inversely, i.e. the more benefits they select, the lower their pay rate, and the fewer benefits they select, the higher their pay rate. 20% overhead is applied to 1099 or C2C independent contractors. Please refer to our Employee Benefits discussion in the Technical Volume, Attachment 12, Reference 12-A, Part I.

Note 2: This table caused us confusion under our prior contract, which caused us not to be able to provide subcontracted personnel when it might have been attractive to the JCC for us to do so. We assumed (then) that the "Market Rate for Using Subcontracted Firm" meant "what percentage rate will Sierra apply to the subcontractor's rate," i.e., essentially a subcontractor handling fee + Sierra's profit. But, when we did that and completed the Table 2 contained within a WORF form, the numbers did not work out because of how we should interpret "Hourly Amount Payable to Key Personnel Candidate" in that Table 2. If that item refers to the actual pay rate directly to that particular subcontractor employee, then our prior Mark up Rate yielded too small of a final rate, such that no subcontractor would provide service because there was no room for their overhead + profit. If that item, however, refers to the loaded rate of the subcontracting firm to Sierra, then both the subcontracting firm and Sierra could receive a fair markup. We interpreted that item accordingly to the second view, i.e. a fine distinction in interpretation, but our view was not accepted. So, for this proposal, we are taking the opposite view and interpreting the item literally, i.e., that we must have the subcontractor inform us of the rate they are actually paying the person and how our markup will, hopefully, cover the subcontractor's overhead plus profit along with Sierra's subcontractor handling fee plus profit. Therefore, our Markup Rate for using a Subcontracted Firm (row (a) in the second table above) must be greater than our Total Markup in the first table above.

Honestly, we do not think that is what the JCC intends, but our correspondence during our prior contract period settled on that view. We think it is not reasonable for us to ask our subcontractor to reveal to us what they pay their people and what their overheads are. As the prime contractor, we should only be interested in their final bill rate to us, upon which we should then apply our Subcontract Handling Fee + profit.

Therefore, if it turns out that the JCC actually intends the "Markup Rate for Using a Subcontracted Firms" to be our markup on our subcontractor's bill rate to us, then we will use row (b) rates.

Note 3: Rates shown below will typically be lower than maximum shown. The primary driver for rates is the tightness of the labor market, which currently is very tight. Also, Sierra generally takes into account differentials in pay for differing counties throughout the state. For example, using San Francisco as the baseline, we generally target the following discounts at other counties in California: Los Angeles and Orange (-10%), Fresno, Sacramento and San Diego (-13%), and Santa Clara (-6%).

Part IV – Maximum Hourly Rate: Proposer must propose and fill in the maximum hourly rate for each of the classifications.

Evaluation Criteria & Proposal Submission Forms
Attachment 12-F Pricing

Position **See Note 3 above regarding discounts**	**Maximum Hourly Rate for Initial Term 07/01/21–06/30/23**
1. Applications IT Architect – Analyzes and designs the architecture for software applications and enhancements, including the appropriate application of frameworks and design patterns and the interrelationships of components and interfaces; provides solutions to business-critical complex problems; supports problem research and resolution as a lead team member; performs related work as assigned.	$150.00
2. Application Support Analyst – Coordinates the tracking, research, and solutions for defects and service requests relating to existing automated systems; facilitates communication between application users and the helpdesk staff, 3rd party helpdesk staff, and support and maintenance teams in the prioritization and tracking of incidents and requests; serves as subject matter expert to the application team on the operations and functionality of automated applications; performs related work as assigned.	$80.00
3. Application Tester – Responsible for writing test cases and test plans, executing test cases, investigating potential defects, logging defects, reporting test results, organizing and participating in test plan walkthroughs, functional and system integration testing, preparing traceability matrix to reflect test coverage, and prioritizing test requirements and organizing test cases accordingly.	$80.00
4. Application Testing Lead – See Application Tester. In addition, provides lead direction and work review of project staff and/or performs and coordinates complex and specialized work.	$90.00
5. Business Applications Analyst – Performs professional-level analytical work while serving as a functional liaison with Information Services staff in coordinating the functional/business unit activities related to the requirements gathering, use cases, process documentation, development, training, testing and use of information management applications. This position provides the subject matter expertise to support the development and configuration of an application.	$96.00
6. Sr. Business Applications Analyst – See Business Applications Analyst. In addition, provides lead direction and senior level subject matter expertise, and work review of project staff and/or performs and coordinates complex and specialized work to include defining test plans, training plans and recommendations for business process reengineering.	$110.00
7. Business Systems Analyst - Plans and conducts the business process analysis to system mapping design, testing and functional documentation of new and existing automated systems; works with other business systems analysts, application managers and development teams to achieve business objectives and maintain client satisfaction. Works closely with business	$96.00

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users to ensure best practices and adherence to the Software development Life Cycle (SDLC).	
8. Sr. Business Systems Analyst – See Business Systems Analyst. In addition, provides lead direction and work review of project staff and/or performs and coordinates complex and specialized work.	$110.00
9. Data Modeler – Consults with business process owners, functional analysts and Subject Matter Experts (SMEs) to gather knowledge of business processes in order to develop effective data warehousing solutions. Performs detailed data analysis and develops data models based on business requirements and data warehousing principles. Designs, develops, configures, and executes loading of data from source system extractions creating a flexible, scalable, supportable and analytical reporting system.	$110.00
10. Data Scientist – Advises with business process owners on the potential of data. Provides new insights through the use of advanced statistical analysis, data mining, and data visualization techniques to create solutions that enable enhanced business performance. Leads the management of a number of projects in support of the business to leverage and synthesize large volumes and variety of data in order to enhance the understanding of individual population segments, propensities, outcomes, and decision points. Combines data, computational science, and technology with consumer-oriented business knowledge in the business setting, to drive high-value insights into the business and drive high-impact through the business levers.	$120.00
11. Database Administrator – Responsible for the day-to-day technical support and administration of application databases including but not limited to installations, performing and supporting upgrades, applying support packages and patches, monitoring and managing database performance, maintaining multi-landscape environments through copies and refreshes, coordinating with 3rd party vendors to resolve software/hardware issues, and responsible for ensuring optimum performance of the database and that it is in compliance with IS security and technical policies/procedures.	$120.00
12. Enterprise IT Architect – Consults, researches, evaluates, and recommends technical solutions particularly for new and/or shared infrastructure solutions to support the successful attainment of the judicial branch enterprise strategy. Analyzes and evaluates that various technologies are appropriate for business requirements, compatible with existing infrastructure, and that technologies are deployed in an optimal configuration. Presents analysis and recommendations to all levels of staff. Works with vendors and staff to determine optimal technical solutions based on the application technology, hosting requirements, and security standards.	$155.00

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13. Infrastructure/Operations IT Architect – Consults and performs complex and specialized work in analysis, design, testing, and implementation of complex infrastructure environments, including hardware, operating systems, and middleware components; interfaces with 3rd party vendors and staff to ensure that goals and objectives are met; supports problem research and resolution; performs related work as assigned.	$135.00
14. IT Developer - Designs, codes, configures, tests and debugs applications in various software languages. Performs software analysis, code analysis, requirements analysis, software review, identification of code metrics, system risk analysis, software testing, quality assurance, and performance tuning. Supports, maintains, and documents software functionality. Analyzes support issues, interacts with vendors as necessary, and develops viable solutions. Develops and supports applications using best practices and complies with AOC development standards.	$115.00
15. IT Developer Lead – See IT Developer. In addition, leads a group of IT Developers in design and development of various software systems. Works with business analysts to define software requirements and assess feasibility of design within time and cost constraints. Identifies programming effort and assigns to technical team. Performs code reviews, develops software, conducts unit testing, coordinates/assists in integration and user testing, and ensures development and maintenance of appropriate technical documentation. Coordinates knowledge transfer for cross training. Leads problem resolution working with peers and vendors. Assists in the development of technical and documentation standards and ensures that they are being followed.	$125.00
16. IT Governance Subject Matter Expert – Provides service delivery strategies and direction based on analysis of current operations management and technology. Develops comparative financial models for outsourcing vendor selection and provides assessments of market maturity and services fit. Responsible for sourcing alternatives analysis and vendor financial proposal analysis. Refines strategies and requirements to provide core services while reducing costs and operational risks. Develops service strategy roadmaps as needed.	$115.00
17. IT Infrastructure Subject Matter Expert – Provides appropriate sourcing and subject matter expertise. Develops outlines of critical milestones required to support current outsourcing relationship. Identified key activities required to support a renewal of current services and the possibility of a re-compete for services. Performs detailed assessments of current pricing levels and methodologies and provides recommendations on pricing and	$115.00

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scope that may require renegotiation. Identifies new business needs and infrastructure requirements. Develops recommendations to address service performance deficiencies with current outsourcing vendor.	
18. IT Program Manager – Responsible for all aspects of a complex technology program including but not limited to the management of various project plans and scopes; budgets and expenditures; resource availability; coordination and liaison with business partners, 3rd party vendors and/or courts; budgetary and management reporting; and compliance with policies and procedures.	$125.00
19. IT Project Manager – Day to day responsibilities for running complex technical projects throughout all stages of system development life cycle. Develops and maintains project plans; defines resources and schedule for implementation; creates and executes strategies for risk mitigation and contingency planning; plans and ensures timely creation and review of project deliverables and milestones; efficiently identifies and solves project issues; ensures quality documentation is created and maintained; and manages and resolves conflicts within groups.	$120.00
20. Network Engineer – Responsible for overseeing the installation, configuration and maintenance of networked information systems. Supports the administration of servers; manages system back-up and restore protocol; documents network problems and resolutions; performs troubleshooting analysis; monitors system performance and implements performance tuning; oversees software and network security; and manages user accounts, permissions, email, anti-virus, and anti-spam.	$105.00
21. Quality Assurance Analyst – Designs, automates, and executes test plans, scripts, and test data creating to ensure the quality of software applications and enhancements; supports research, triage and resolution for both production and testing incidents; performs related work as assigned.	$80.00
22. Release Analyst - Coordinates implementation of code builds into various environments and supports production implementations. Researches and resolves defects. Identifies configuration table problems and suggests solutions. Coordinates implementation of data scrubs devised by the database analyst.	$80.00
23. Release Manager - See Release Analyst. Manages the activities of one or more Release Analysts. Serves as focal point for all activities in support of the application throughout the system development life cycle phases and its impacts to data center operations.	$85.00
24. Report Writer –Develops customized reports from databases to extract and collect data according to specifications and needs. Builds and repairs data	

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reports, tests applications and report functionality, analyzes statistics and other metrics, develops end-user training materials, and provides end-user training on report writing software. Responsible for presenting report data to explain findings and results to all levels of staff.	$95.00
25. Security Analyst – Provides analysis of application data flows from the client, through a layered security model, and to the servers for problem resolution. Responds to security alerts generated by IDS/IPS probes and identifies at risk components. Takes measures to protect infrastructure and preserve information for forensic purposes. Guides support staff to proper closure of risk points. Provides third level support to network related issues.	$105.00
26. Service Delivery Manager – Assists in providing service delivery by providing oversight and direction of resources based upon priorities, project management and technical leadership, integrates project schedules and manages program activities within the technology center, assists with 3rd party vendor management as well as supporting user groups. Assists with process improvement initiatives and management reporting.	$80.00
27. Technical Analyst – Provides technical project oversight and serves as technical lead for various technology projects. Serves as the liaison with 3rd party vendors, conducts and documents technical assessments, validates business requirements, generates conceptual diagrams, and provides subject matter expertise on shared infrastructure and security components.	$120.00
28. Sr. Technical Analyst – See Technical Analyst. In addition, provides specialized technical expertise in areas such as networking, telecommunications or cloud infrastructure and may act as project manager for 1 or more large and complex technical projects.	$125.00
29. Technical Construction Analyst – Develops and maintains technology standards. Reviews proposals and technical design submissions. Participates in architectural design review sessions and provides feedback on design suitability. Provides technical oversight on network systems utilizing an integrated backbone that consolidates LAN, telephony, audio visual, security, and building automation system connectivity.	$90.00
30. Technical Writer – Produces technical documentation for internal and external audiences; develops communication strategies and plans, and executes related written material; and develops and maintains department, program, and project content for publication.	$95.00
31. TIBCO Development Engineer – Responsible for designing, developing, implementing and maintaining large scale high availability systems using the TIBCO suite of software; creating technical specifications; performing unit and integration testing and providing technical and functional testing	$90.00

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support; preparing project life cycle documentation; and provide maintenance and operations support for data exchanges.	

End of Evaluation Criteria 12-F Pricing