

APPENDIX E: DELIVERABLE & MILESTONE COST SCHEDULE

Deliverable & Milestone Cost Schedule

Phase	Project Deliverables & Milestones	Deliverable Cost	Phase Cost	20% Holdback	Contractor Invoice Amount	Projected Approval Date
1	Deliverable: Baseline Project Plan	C2	SUM(C2:C3)	D4*0.2	D4-E4	M1 Date
1	Deliverable: Document Templates	C3				
1	DHSS Approval of Phase 1 (M1 = 5% of Total DDI Cost)					
2	Deliverable: Business Requirements Document	C5	SUM(C5:C6)	D7*0.2	D7-E7	M2 Date
2	Deliverable: Design Specifications Document	C6				
2	DHSS Approval of Phase 2 (M2 = 10% of Total DDI Cost)					
3	Deliverable: Communications Plan	C8	SUM(C8:C11)	D12*0.2	D12-E12	M3 Date
3	Deliverable: Test Plan	C9				
3	Deliverable: Training Plan	C10				
3	Deliverable: Implementation Plan	C11	SUM(C13:C15)	D16*0.2	D16-E16	M4 Date
3	DHSS Approval of Phase 3 (M3 = 10% of Total DDI Cost)					
4	Deliverable: Completed SIT	C13				
4	Deliverable: Completed Training Prior to Go-Live	C14	C17	D18*0.2	D18-E18	M5 Date
4	Deliverable: Completed UAT	C15				
4	DHSS Approval of Phase 4 (M4 = 15% of Total DDI Cost)					
5	Deliverable: Production System Acceptance	C17	N/A	N/A	SUM(E4:E18)	M6 Date
5	DHSS Approval of Phase 5 (M5 = 40% of Total DDI Cost)					
6	Deliverable: Conclusion of Warranty	N/A				
6	DHSS Approval of Phase 6 (M6 = 20% of Total DDI Cost)	N/A	SUM(C21:C22)			
	Total DDI Cost	SUM(C2:C17)				
	Total Ongoing Support Costs For Base Contract Term (From Cost Schedule E3)	\$				
	Total Project Cost	SUM(C21:C22)				

The milestone cost schedule is designed so that the Contractor does not front-load project costs. Front-loaded costs are a risk to DHSS because in a situation where DHSS must terminate a contract prior to implementation, DHSS will have paid a large portion of the project costs with very little to show for it. The Contractor should assume the cost risk on a project and this will serve as motivation to complete the project so they can be paid the major part of the project costs. The Contractor will likely wish to negotiate the milestone percentages to shift a larger proportion of the project costs to earlier milestones, but it is in DHSS' best interest to give very little. It is advisable not to move more than 10% of the Total DDI Cost to earlier milestones.

Please fill out each of the costs and dates specified above. Computed costs will be in the manner specified. Milestone costs are a specified percentage of the Total DDI cost. Deliverable costs must total to the milestone cost. If DHSS decides to eliminate one or more deliverables from this project, the firm fixed price of the contract would be adjusted by subtracting the cost of the deliverable(s) to be eliminated. Reduction in the scope of an individual deliverable could result in a cost reduction as well. Deliverables that are roughly equal in scope can be swapped in/out in the design phase and maintain the firm fixed price of the contract.

The Total Project Cost shown in Schedule E1 must include all costs that the Contractor will be paid by DHSS under this contract. The Total Project Cost figure constitutes the firm fixed price of the contract.

Deliverables and milestones in the project cost schedule above will be identified in the Baseline Project Plan deliverable along with the projected date of DHSS approval.

Contractor must complete the Projected Date column for each milestone and the dates must correspond to the dates provided in the high level project plan.

Holdbacks are mandatory for every milestone with the exception of the final phase milestone. Holdbacks cannot be modified except by contractual agreement.

Milestone Cost Breakdown

- $M_n = \text{Total Cost for Phase } n \text{ deliverables} - 20\% \text{ holdback}$
- $M_6 = \text{Sum of } M_1 - M_5 \text{ holdbacks}$

Costs for each task/deliverable listed must be specified along with the total cost of all tasks/deliverables in each specified phase. Please check all figures for accuracy.