Part II – Cost Proposal

RFP Title:	**Self-Directed Financial Management Services**
RFP:	**3459**
Vendor Name:	**Palco, Inc.**
Address:	**Post Office Box 242930** **Little Rock, Arkansas 72223**
Opening Date:	**9/7/17**
Opening Time:	**2:00 PM**

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Section II – Cost Proposal

RFP 3459
SELF-DIRECTED FINANCIAL MANAGEMENT SERVICES
COST

Vendor Name: ***Palco, Inc.***

Vendors are required to submit a proposed rate or a fee schedule for FMS services. The actual service rate charged to the participant will be agreed upon and documented in the service agreement between the participant and the FMS.

Vendors are required to submit fiscal and program-related documentation relied upon as the basis for establishing the rate of payment as follows:

1. FMA rates shall be based on any one (1) of any combination of the following models that results in the most cost-effective purchase of services by the participant:

- Hourly rates;
- Monthly rates;
- Flat rates;
- Rates based on anticipated average monthly costs; or
- Rates based on the actual provision of services in a payment period.

2. Rates may reflect, as appropriate to the applicable method of negotiation with the participant, any combination of the following:

2.1 Salaries, wages, and benefits of all staff and consultants to the FMS providing direct service;

2.2 Cost of the administration services necessary to maintain the FMS' service operation;

2.3 Operating expenses; and

2.4 Management organization costs.

3. Costs must be reasonable as compared to costs of other similar services provided in Nevada. A cost is reasonable if, in its nature or amount, it does not exceed that which

would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

4. The FMS must describe their knowledge of requirements and plan to maintain financial records and documents that support the expenses and other data used to derive the agreed-upon rate per the requirements of all applicable federal and state agencies.

Palco proposed $42 per member per month as an administrative fee to deliver the FMS tasks described in the RFP to include the following: developing and distributing employment packets, becoming the agent for individuals, obtaining a FEIN and other tax registration identification numbers for each individual we represent, processing payroll and producing vendor payments in accordance with service budgets, filing and paying all employment taxes and tax reports, issuing W-2s at year-end, managing workers' compensation for families, providing materials as requested, and managing a call center.

We will maintain all financial records and documents that support the expenses derived under this agreement.