



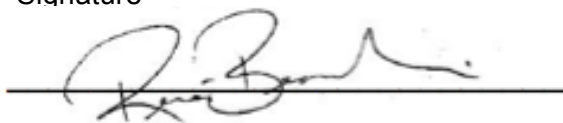
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EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

**REVISED COST PROPOSAL
RFP #2011-001 FOR PENSION SYSTEM
MODERNIZATION**

CONFIDENTIAL

Revised Cost Proposal

November 30, 2012

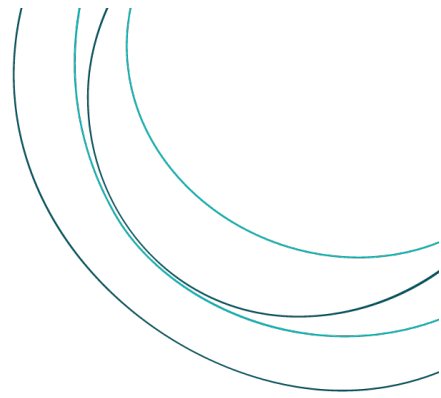


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1.2.1

COST ASSOCIATED WITH MANDATORY REQUIREMENTS

EXHIBIT 1 - INITIAL TEN YEAR PERIOD

| | Cost per Year | Lifetime Projection | | |
|----|---|---------------------|------------|---------------|
| | | Cost/year | # of years | Lifetime Cost |
| A1 | Cost per year for Mandatory Requirements without Health Insurance Enrollment and Administration \$ 1,873,134 | \$ 1,873,134 | 10 | \$ 18,731,337 |
| A2 | Cost per year for Mandatory Requirements with Health Insurance Enrollment and Administration \$ 2,240,372 | \$ 2,240,372 | 10 | \$ 22,403,717 |

EXHIBIT 2 - FIVE TWO-YEAR OPTIONS

| | | | | |
|----|--|--------------|---|--------------|
| A3 | Cost per year for first two-year option, for mandatory requirements without Health Insurance Enrollment and Administration \$ 1,141,779 | \$ 1,141,779 | 2 | \$ 2,283,558 |
| A4 | Cost per year for first two-year option, for mandatory requirements with Health Insurance Enrollment and Administration \$ 1,485,526 | \$ 1,485,526 | 2 | \$ 2,971,052 |

| | | | | | |
|----|---|--------------|--------------|---|--------------|
| A5 | Cost per year for second two-year option, for mandatory requirements without Health Insurance Enrollment and Administration | \$ 1,225,065 | \$ 1,225,065 | 2 | \$ 2,450,130 |
| A6 | Cost per year for second two-year option, for mandatory requirements with Health Insurance Enrollment and Administration | \$ 1,589,746 | \$ 1,589,746 | 2 | \$ 3,179,493 |
| A7 | Cost per year for third two-year option, for mandatory requirements without Health Insurance Enrollment and Administration | \$ 1,314,546 | \$ 1,314,546 | 2 | \$ 2,629,092 |
| A8 | Cost per year for third two-year option, for mandatory requirements with Health Insurance Enrollment and Administration | \$ 1,701,436 | \$ 1,701,436 | 2 | \$ 3,402,872 |

| | | | | | |
|-----|---|--------------|--------------|---|--------------|
| A9 | Cost per year for fourth two-year option, for mandatory requirements without Health Insurance Enrollment and Administration | \$ 1,410,690 | \$ 1,410,690 | 2 | \$ 2,821,380 |
| A10 | Cost per year for fourth two-year option, for mandatory requirements with Health Insurance Enrollment and Administration | \$ 1,821,142 | \$ 1,821,142 | 2 | \$ 3,642,283 |
| A11 | Cost per year for fifth two-year option, for mandatory requirements without Health Insurance Enrollment and Administration | \$ 1,514,002 | \$ 1,514,002 | 2 | \$ 3,028,003 |
| A12 | Cost per year for fifth two-year option, for mandatory requirements with Health Insurance Enrollment and Administration | \$ 1,949,450 | \$ 1,949,450 | 2 | \$ 3,898,900 |

1.2.2

COST ASSOCIATED WITH OPTIONAL REQUIREMENTS

1.2.2.1 POST-IMPLEMENTATION ON-SITE SUPPORT

EXHIBIT 3 - COST FOR DUAL MONITORS

B1 Cost for dual monitors 

EXHIBIT 4 - INITIAL TEN YEAR PERIOD




| | Cost per Year | Lifetime Projection | | |
|--|---|---------------------|------------|---------------|
| | | Cost/year | # of years | Lifetime Cost |
| B2 Cost per year for Post-Implementation On-Site Support |  | \$ - | 10 | \$ - |
| B3 Cost per year for Post-Implementation On-Site Support with Systems Admin. |  | \$ - | 10 | \$ - |

EXHIBIT 5 - FIVE TWO-YEAR OPTIONS

| | | | | |
|---|--|------|---|------|
| B4 Cost per year for first two-year option, for Post-Implementation On-Site Support |  | \$ - | 2 | \$ - |
|---|--|------|---|------|

| | | | | | | | |
|----|---|--|----|---|---|----|---|
| B5 | Cost per year for first two-year option, for Post-Implementation On-Site Support with Systems Admin. | | \$ | - | 2 | \$ | - |
| B6 | Cost per year for second two-year option, for Post-Implementation On-Site Support | | \$ | - | 2 | \$ | - |
| B7 | Cost per year for second two-year option, for Post-Implementation On-Site Support with Systems Admin. | | \$ | - | 2 | \$ | - |
| B8 | Cost per year for third two-year option, for Post-Implementation On-Site Support | | \$ | - | 2 | \$ | - |

B9 Cost per year for third two-year option, for Post-Implementation On-Site Support with Systems Admin. \$ - 2 \$ -

B10 Cost per year for fourth two-year option, for Post-Implementation On-Site Support \$ - 2 \$ -

B11 Cost per year for fourth two-year option, for Post-Implementation On-Site Support with Systems Admin. \$ - 2 \$ -

B12 Cost per year for fifth two-year option, for Post-Implementation On-Site Support \$ - 2 \$ -

B13 Cost per year for fifth two-year option, for Post-Implementation On-Site Support with Systems Admin.



\$ - 2 \$ -

1.2.2.2 BULK PRINTING

EXHIBIT 6 - BULK PRINTING

| Item | Assumed Count | Cost | |
|--|------------------|------------|----------------|
| | | Print Only | Print and Mail |
| C1 1099's (Includes generation) | 24,000 | \$ 63,840 | \$ 75,600 |
| C2 Benefit Statement (includes generation) | 35,000 | not quoted | not quoted |
| C3 One-page document | 1,000 | not quoted | not quoted |
| C4 One-page document | 10,000 | not quoted | not quoted |
| C5 One-page document | 30,000 | not quoted | not quoted |
| C6 One-page document | 60,000 | not quoted | not quoted |
| C7 Six page document (3 sheets, 2-sided) | 1,000 | not quoted | not quoted |
| C8 Six page document (3 sheets, 2-sided) | 10,000 | not quoted | not quoted |
| C9 Six page document (3 sheets, 2-sided) | 30,000 | not quoted | not quoted |
| C10 Six page document (3 sheets, 2-sided) | 60,000 | not quoted | not quoted |

1.2.2.3 PRINTING OF CHECKS

EXHIBIT 7 - PRINTING OF CHECKS

| Item | Assumed Count | Cost | |
|----------|------------------|------------|----------------|
| | | Print Only | Print and Mail |
| D1 Check | 1 | \$ - | 0.49 cents |
| D2 Check | 1,000 | \$ - | 0.49 cents |
| D3 Check | 10,000 | \$ - | 0.49 cents |

1.2.2.4 DEFINED CONTRIBUTION PROCESSING

Offeror should provide metrics for this option in whatever form it deems appropriate

Morneau Shepell did not quote on this option.

1.2.2.5 IMAGING OPTIONS

| EXHIBIT 8 - INITIAL TEN YEAR PERIOD | | | | | | |
|-------------------------------------|--|------|---------------------|------------|---------------|---|
| Cost per Year | | | Lifetime Projection | | | |
| | | | Cost/year | # of years | Lifetime Cost | |
| E1 | Savings per year for imaging option 1 (this should be a negative number) | \$ - | \$ - | 10 | \$ - | - |
| E2 | Savings per year for imaging option 2 (this should be a negative number) | \$ - | \$ - | 10 | \$ - | - |
| E3 | Savings per year for imaging option 3 (this should be a negative number) | \$ - | \$ - | 10 | \$ - | - |
| EXHIBIT 9 - FIVE TWO-YEAR OPTIONS | | | | | | |
| E4 | Savings per year for imaging option 1 - First two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - | - |
| E5 | Savings per year for imaging option 2 - First two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - | - |

| | | | | | |
|-----|---|------|------|---|------|
| E6 | Savings per year for imaging option 3 - First two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E7 | Savings per year for imaging option 1 - Second two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E8 | Savings per year for imaging option 2 - Second two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E9 | Savings per year for imaging option 3 - Second two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E10 | Savings per year for imaging option 1 - Third two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |

| | | | | | |
|-----|---|------|------|---|------|
| E11 | Savings per year for imaging option 2 - Third two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E12 | Savings per year for imaging option 3 - Third two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| | | | | | |
| E13 | Savings per year for imaging option 1 - Fourth two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E14 | Savings per year for imaging option 2 - Fourth two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E15 | Savings per year for imaging option 3 - Fourth two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| | | | | | |

| | | | | | |
|-----|--|------|------|---|------|
| E16 | Savings per year for imaging option 1 - Fifth two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E17 | Savings per year for imaging option 2 - Fifth two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |
| E18 | Savings per year for imaging option 3 - Fifth two year option (this should be a negative number) | \$ - | \$ - | 2 | \$ - |

1.2.2.6 DISABILITY PROCESS MANAGEMENT

| EXHIBIT 10 - INITIAL TEN YEAR PERIOD | | | | | |
|--------------------------------------|--|-----------|---------------------|------------|---------------|
| Cost per Year | | | Lifetime Projection | | |
| | | | Cost/year | # of years | Lifetime Cost |
| F1 | Cost per year of Disability Process Management | \$ 11,800 | \$ 11,800 | 10 | \$ 118,000 |
| EXHIBIT 11 - FIVE TWO-YEAR OPTIONS | | | | | |
| F2 | Cost per year of Disability Process Management - First two year option | \$ 14,050 | \$ 14,050 | 2 | \$ 28,100 |
| F3 | Cost per year of Disability Process Management - Second two year option | \$ 14,906 | \$ 14,906 | 2 | \$ 29,811 |
| F4 | Cost per year of Disability Process Management - Third two year option | \$ 15,813 | \$ 15,813 | 2 | \$ 31,627 |
| F5 | Cost per year of Disability Process Managementt - Fourth two year option | \$ 16,776 | \$ 16,776 | 2 | \$ 33,553 |

| | | | | | |
|----|--|-----------|-----------|---|-----------|
| F6 | Cost per year of Disability Process Management - Fifth two year option | \$ 17,798 | \$ 17,798 | 2 | \$ 35,596 |
|----|--|-----------|-----------|---|-----------|

1.2.2.7 SYSTEM ADMINISTRATION

| EXHIBIT 12 - INITIAL TEN YEAR PERIOD | | | | | |
|--------------------------------------|---|--|---------------------|------------|---------------|
| Cost per Year | | | Lifetime Projection | | |
| | | | Cost/year | # of years | Lifetime Cost |
| G1 | Cost per year of Ssystem Administration | | \$ - | 10 | \$ - |
| EXHIBIT 13 - FIVE TWO-YEAR OPTIONS | | | | | |
| G2 | Cost per year of System Administration - First two year option | | \$ - | 2 | \$ - |
| G3 | Cost per year of System Administration - Second two year option | | \$ - | 2 | \$ - |
| G4 | Cost per year of System Administration - Third two year option | | \$ - | 2 | \$ - |
| G5 | Cost per year of System Administration - Fourth two year option | | \$ - | 2 | \$ - |

| | | | | | | |
|----|--|--|------|---|------|--|
| | | | | | | |
| G6 | Cost per year of System Administration - Fifth two year option | | \$ - | 2 | \$ - | |

Morneau Shepell is the largest Canada-based human resource consulting and outsourcing firm focused on pensions, benefits, employee assistance program (EAP) and workplace health management and productivity solutions. We offer business solutions that help our clients reduce costs, increase employee productivity and improve their competitive positions by supporting their employees' financial security, health and well-being.