

Arizona Health Care Cost Containment System (AHCCCS)

Attn: Lisa Monreal
801 E. Jefferson Street
Phoenix, AZ 85034

Re: Best and Final Offer (BAFO) – AI Call Center Integration, Task Order # YH26-0031

Dear Ms. Monreal,

On behalf of IBM Consulting, we are pleased to submit this Best and Final Offer (BAFO) in support of AHCCCS's AI Call Center Integration initiative. Since our original submission, IBM has continued to invest in this program—advancing our proprietary delivery tools, refining our approach, and aligning additional senior public-sector talent to ensure AHCCCS benefits from both immediate impact and long-term innovation.

As part of this BAFO, IBM is providing a 6.4% overall price reduction while maintaining the full scope, delivery integrity, and quality expected for a mission-critical public sector initiative. This improvement reflects our confidence in the solution and our ability to deliver greater value through matured methods and IBM-owned accelerators that have continued to advance since initial proposal submission.

IBM's value to AHCCCS extends well beyond price. Our capability to deploy top-tier Medicaid and public-sector talent—combined with IBM Consulting Advantage assets and deep integration expertise across ServiceNow and Genesys—positions AHCCCS for sustained success. The solution is designed not only to meet today's requirements, but to continuously incorporate emerging platform capabilities in a secure, compliant, and human-centered way.

In addition, IBM is making a \$100,000 investment to support an AI roadmap and continuous improvement workstream. This investment ensures AHCCCS has a clear, actionable path to maximize current capabilities while responsibly adopting advanced AI innovations over time.

IBM values its long-standing partnership with the State of Arizona and looks forward to continuing our collaboration with AHCCCS. We are confident in our ability to serve as a trusted partner—delivering reliable outcomes today while enabling ongoing innovation for the future.

Sincerely,



Kristen Conner

Senior Partner, IBM Consulting

Revised Pricing for April 24, 2026 Submission

Table 1: Annual Pricing Summary by Line Item

<i>Provide a line item for all costs.</i>							
Description	Total One Time Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Planning & Requirements	\$ -	\$ 421,502.95	\$ -	\$ -	\$ -	\$ -	\$ 421,502.95
Design & Architecture	\$ -	\$ 526,232.90	\$ -	\$ -	\$ -	\$ -	\$ 526,232.90
Build & Configuration	\$ -	\$ 1,129,241.05	\$ -	\$ -	\$ -	\$ -	\$ 1,129,241.05
Testing & Validation	\$ -	\$ 435,037.40	\$ -	\$ -	\$ -	\$ -	\$ 435,037.40
Pilot & Training	\$ -	\$ 319,182.45	\$ -	\$ -	\$ -	\$ -	\$ 319,182.45
Full Rollout & Go-Live	\$ -	\$ 254,789.15	\$ -	\$ -	\$ -	\$ -	\$ 254,789.15
Reporting	\$ -	\$ 184,448.10	\$ -	\$ -	\$ -	\$ -	\$ 184,448.10
Maintenance & Operations	\$ -	\$ 95,910.70	\$ 236,401.30	\$ 260,169.00	\$ 229,046.00	\$ 236,159.00	\$ 1,057,686.00
Subscription & Licensing (if applicable)**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hosting (if applicable)**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost:	\$ -	\$ 3,366,344.70	\$ 236,401.30	\$ 260,169.00	\$ 229,046.00	\$ 236,159.00	\$ 4,328,120.00

Table 2: Milestone Pricing by Line Item

Milestone	Base Price	Recurring Cost (if any)	# of Hours
1. Planning and Requirements	\$ 421,502.95		1471.6
a. Weekly Project Planning/Status Meetings	\$ 42,150.30		147
b. Develop milestone schedule. (weekly, monthly and quarterly)	\$ 84,300.59		294
c. Requirements Traceability Matrix	\$ 42,150.30		147
d. Project Management Plan	\$ 210,751.48		736
e. Communications Management Plan	\$ 42,150.30		147
2. Design and Architecture	\$ 526,232.90		2164.7
a. Technical Architecture Detailed Description (DTAP)	\$ 105,246.58		432.94
b. Requirements Traceability Matrix	\$ 105,246.58		432.94
c. Business Continuity, Cyber Incident Response, & Disaster Recovery Plan (BC/CIR/DR)	\$ 105,246.58		432.94
d. Business Design / System Design Document (BD/SDD)	\$ 210,493.16		865.88
3. Build and Configuration	\$ 1,129,241.05		5073.4
a. System Change Plan	\$ 338,772.32		1,522.02
b. Data Management Plan	\$ 225,848.21		1,014.68
c. Environmental Monitoring Plan	\$ 112,924.11		507.34
d. System Maintenance Support Plan (SysMSP)	\$ 225,848.21		1,014.68
e. System Security & Privacy Plan (SSPP)	\$ 112,924.11		507.34
f. Release Management Plan	\$ 112,924.11		507.34
4. Testing and Validation	\$ 435,037.40		3138.8
a. Test Management Plan (TMP)	\$ 43,503.74		313.88
b. Validation of test reporting	\$ 43,503.74		313.88
c. Error reporting and remediation planning for test stages	\$ 261,022.44		1,883.28
d. Testing acceptance signoff	\$ 43,503.74		313.88
e. Quality Management Plan (QMP)	\$ 43,503.74		313.88
5. Pilot and Training	\$ 319,182.45		1283.05
a. User Training Plan	\$ 63,836.49		256.61
b. Training Curriculum	\$ 255,345.96		1,026.44
6. Full RollOut and Go-Live	\$ 439,237.25		1970.45
a. Implementation/Roll out plan to include dashboard reporting.	\$ 43,923.73		197.05
b. Validation of production reports	\$ 43,923.73		197.05
c. Ongoing error reporting	\$ 43,923.73		197.05
d. Performance Management Plan	\$ 43,923.73		197.05
e. Continuance of Operations Program (COOP)	\$ 263,542.35		1,182.27
7. Optimization and Support	\$ 1,057,686.00		9422
a. Post implementation plan for AHCCCS, Genesys and ServiceNow	\$ 211,537.20		1,884.40
b. Post implementation documentation delivery	\$ 105,768.60		942.20
c. Post implementation support/maintenance plan	\$ 105,768.60		942.20
d. Error reporting and remediation planning	\$ 211,537.20		1,884.40
e. Transition Plan	\$ 423,074.40		3,768.80
8. [MISSING] Reporting	\$ 184,448.10		
^NOTE: based on activity descriptions, Reporting costs are included in Full rollout and Go-Live			