**Advertising Cost Proposal**

Prior to completing the Cost Proposal, review RFP 2014-20 Exhibit B, Attachment 1, for items that shall not be billed to the Exchange and items that will be reimbursed at net cost.

The response to this Cost Proposal may be incorporated verbatim into the contract with the agency selected. Therefore, it is in the interests of both the California Health Benefit Exchange (Exchange) and your agency to be as clear as possible and seek additional information, if needed, prior to submitting the cost proposal.

**It is the Exchange’s intent to have the bulk of advertising agency compensation calculated on the basis of the net cost plus mark-up percentage rather than gross commission or other fees.** Therefore, you must complete the following cost proposal indicating a mark-up rate for both media production and placement, which we anticipate will represent most of the Exchange’s expenditure. You must quote this rate (or these rates) as a mark-up percentage that will be applied directly to net cost, rather than a commission. For example, 17.65 percent is the mark‑up rate equivalent of a 15 percent commission.

The Exchange expects the Contractor to put forth its best efforts to obtain the best possible price for all media.

1. **Mark-Up Rates**
2. The mark-up percentage will be applied directly to net cost, rather than a commission applied to gross cost. The total mark-up for media shall be at the rates set forth below.
3. The mark-up rates identified below will be determined by the annual budget for each fiscal year (FY), July 1 – June 30, of the contract.
4. Advertising Production (All markets): **\_\_\_\_% mark-up (net)**
5. Media Placement (All Markets):

i) Media spending at Exchange cost $0-$20,000,000/FY: **\_\_\_\_% mark-up (net)**

ii)Media spending at Exchange cost $20,000,001-$40,000,000/FY: **\_\_\_\_% mark-up (net)**

iii) Media spending at Exchange cost $40,000,001 and over /FY: **\_\_\_\_% mark-up (net)**

Note: the media commission rates above shall not be applicable to the Paid Social Media and Search Engine Marketing (SEM) media buy.

## Hourly Rates and Staff Retainer

Attach a one page list with job classifications and hourly rates of all proposed positions that would work on the Exchange account, which will be incorporated into the contract with the agency selected.

A flat retainer will be billed monthly, pursuant to an approved work order and reconciled against actual hours worked, with detail to be provided and approved by the Exchange.

1. Monthly retainer for *embedded* Account staff: $\_\_\_\_\_\_\_\_\_\_
2. Monthly retainer for *all* Digital & Social Media staff: $\_\_\_\_\_\_\_\_\_\_

## Certificate of Independent Price Determination

The Bidder certifies the prices in this bid have been arrived at independently:

1. Without any consultation or agreement with any other Bidder or competitor for the purpose of restricting competition.
2. Without disclosure to any other Bidder or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.
3. No attempt has been made or will be made by the Bidder to induce any other agency to submit or not to submit a bid or proposal for the purpose of restricting competition.

Name of Bidding Agency (Printed) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By (Authorized Signature) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title of Signer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_