April 8, 2011

Mr. Scott Switzer
Client Representative
Health Care Cooperative (HCC)
2253 E Summit Ave #500
Centennial, CO 80122

Dear Scott,

On behalf of Design Solutions Network I am pleased to offer this proposal in response to your "Request for Proposal for Business Ethics Training for Health Care Cooperative," dated January 24, 2011. The proposal includes a project plan and budget for the development of a blended eLearning solution to be hosted in the LMS of your choice, as well as the development of the two ethics topics you requested.
After personally reviewing the proposal with the project team, I am confident that the enclosed solution is a strong match to HCC's training and business needs. As you will see, our solution clearly defines how critical factors you requested, such as consistent ethics training that is easily accessible to employees and provides peer interaction, aligns with HCC's important need to cut costs.

In addition to the aforementioned training factors, DSN has identified three "fundamental" factors that we believe will be serve HCC's business needs.

Efficiency
The integration of training programs with an LMS will provide an efficient way to register and track important employee data, training needs, attendance, and compliance.
Flexibility
The proposed solution includes an infrastructure that easily, and at a minimal cost can accommodate user growth, additional sections, and training topics.
Profitability
The result of this project will effectively reduce HCC's training costs and improve its current format.

Our team is looking forward to meeting with you at 6:00 pm on Friday, April 15, 2011 to present this proposal in a web meeting. In the meantime, if you have any questions or concerns, please do not hesitate to contact me via telephone or email. DSN is fully committed to helping HCC reach its instructional goals by building a relationship of trust and productivity.

Sincerely,

Nazarena Garrón Ciberay
Client Relations Manager
303.204.5827
nazarena_garron@dpsk12.org

Health Care Cooperative

In Response to the
Request for Proposal
for Business Ethics Training

Respectfully Submitted By:
Design Solutions Network, Inc.
April 8, 2011

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Thornton, CO 80233
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I. **Overview**
   a. **Executive Summary**
      Design Solutions Network is a dynamic and effective training solutions provider that has been designing, producing, and guiding companies since 2001. We are an industry leader that has a personal focus on maintaining a high level of corporate ethics. This has enabled Design Solutions Network to create effective and affordable training solutions for companies both large and small with a 100% client retention rate.
      DSN is offering a blended eLearning solution to meet HCC's needs. The overall estimated cost for this solution is $300,040 and will have a proposed development time starting April 25th and ending October 26th.

   b. **Analysis of Training Problem**
      i. **Overview**
         Currently, HCC provides mandatory ethics training at an annual company meeting. Training consists of managers viewing presentations and meeting with peers to discuss specific problems the company faces. The most consistent, positive comments from employees regarding this type of training referred to the benefits of peer interaction with managers in other office locations. However, employees also perceived that the training message and the objectives were inconsistent from year to year.

      ii. **Training Need and Problem**
         HCC's current ethics training program for senior and mid-level managers seeks to minimize the risks of potential ethics violations. Although it received good reviews by employees, HCC wants to reduce costs and improve the current format. HCC considers the risk management of two areas of training to be of crucial importance: "Employee personal conduct" (to include promoting a positive work environment and respecting others in the workplace), and "appropriate use of company assets." To avoid these risks the topics should not be addressed as they have been, during a fraction of the time at some point in a yearly company meeting. In addition, feedback from employees reveals the perception that ethics training has been inconsistent: "somewhat uneven from year to year." HCC has expressed implicitly that their interest in a training program should be flexible, adaptable, and reusable. Although HCC is focused on the two ethics topics at this time, the company is also open to expand internal capacity for eLearning in the future if that training solution suits all of HCC needs.

      iii. **Client Needs List**
- Reduce costs
- Minimize potential ethic violations
- Consistent training solutions
- Instructional solutions that are flexible, adaptable, and reusable
- Responsible stewardship of company budget

      iv. **Technical Needs**
         Our team seeks to balance HCC's training, business, and administrative needs to find the best solution. To provide further recommendations, we will

conduct an extended and detailed needs analysis and consider existing equipment at HCC. Taking a consultative approach we will also determine the scope of the project within the constraints of the environment.

v. **Additional Factors**
Design Solutions Network has conducted a preliminary needs analysis for the required ethics training. From this initial study we outlined additional factors to consider when minimizing the risk of ethics violations, and avoiding the potential negative impact on HCC's business needs.

- Train new hires
- Increase/space-out training opportunities throughout the calendar year
- Implement a comprehensive ethics curriculum
- Track employee training and completion of instructional objectives

vi. **Audience**
A target audience with the following characteristics is considered:

- Senior- and mid-level managers who supervise other employees
- Range of ages between 30 and 55
- All English-speaking
- Of diverse racial and cultural backgrounds
- Located in the following cities: New York, Los Angeles, Chicago, Dallas, Denver, Phoenix, Atlanta, and Kansas City

II. Proposed Solution

a. Overview

Based upon our preliminary needs analysis we are proposing a blended eLearning solution. Employees will access a virtual classroom exclusively online and engage in ethics training at any time of the day within a set course schedule. They will also be able to interact with peers in other offices via webinars held at select times of the year. Peer interaction is an element HCC's employees expressed as being the most positive aspect of the previous program. This blended offering of events, instructional methodologies and media, will provide a cost effective solution for HCC and the company managers with engaging and effective training to avoid potential ethics violations. The environment for this blended eLearning solution can be an LMS, or Learning Management System.

An LMS is an online tool that hosts the virtual classroom. The great advantage of an LMS is that users can access training at any time, any place, and at any pace. Another advantage of an LMS is that it can track users and courses, as well as produce a variety of useful reports. An LMS can host synchronous activities such as webinars and chats, and provide email communication and other social media tools. Depending on the needs, HCC can acquire an LMS or work with a third party LMS as well.

How will this solution address HCC's expressed needs?

- By providing as many training opportunities as needed during the year without the expense of an annual meeting where only a short amount of time can be allotted to ethics training
- Our handcrafted instructional design solution will place special emphasis in creating relevant and participatory activities that engage all learners and create opportunities for employees to connect with peers in other offices while meeting the desired objectives
- A blended eLearning solution adds value to an investment because it provides the most effective and engaging training, and it is flexible, expandable, and reusable
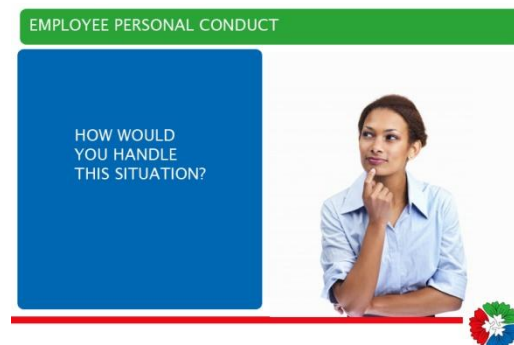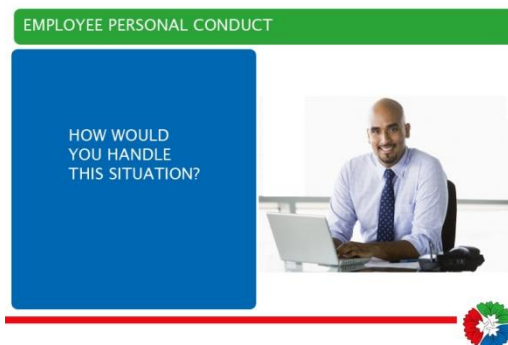
b. **Training Objectives and Desired Performance**
o Employee personal conduct
- Section I (4 sessions)
  - Positive work environment training objectives:
    o Session 1
      - Gaining more confidence
      - Raising your level of self-awareness
      - Creating trust
    o Session 2
      - Delegating
      - Managing time more effectively
      - Becoming more decisive
    o Session 3
      - Setting clear and achievable goals
      - Gaining better communication skills
      - Taking responsibility
    o Session 4
      - Managing conflict
      - Giving appropriate feedback
      - Encouraging and supporting direct reports
- Section II (1 Session)
  - Respecting others in the work place training objectives:
    o Understanding and preventing harassment
    o Review code of conduct expectations
    o Understanding sexual harassment
    o Preventing retaliation
o Section III (1 Session)
- Appropriate use of company assets
  - Accurately report expenses
  - Appropriate use of time
  - How to accept gifts
  - Property
  - Personal Gain

c. **List of Project Deliverables**
- Sign Contract (4/25)
- Completed User Led Asynchronous Sections (9/16)
- Completed Interactive Synchronous Instructor-led Webinar Section (8/16)
- Completed Learning Management System (10/26)

d. **Project Plan Breakdown**
  i. **Overview**
     DSN is committed to starting as soon as our bid is accepted. As such, our recommended start date would ideally be April 25, 2011. At this time, we have an estimated completion date of October 26th, 2011. This entails the entire process, including: contract signing, creating all lesson content,

creating custom user-led asynchronous sessions, creating and training HCC representatives on the instructor-led training aspect, and instituting an LMS suited to HCC's needs.

ii. **Plan for Further Learning Needs Analysis**
To tailor our training solution to HCC's needs we are committed to understand both the instructional and learner needs. Below we have outlined our plan to accomplish these objectives.

- Identify skills gap
  - What do learners know
  - What do learners need to know
- Identify general characteristics
  - Gender and age range of the learner group
  - Cultural and geographic learner profiles
  - Disabilities
- Evaluate previous training
  - Formal qualifications
  - Informal training
  - Level of literacy and numeracy
- Evaluate communication preferences
  - Text
  - Visual
  - Audio
- Determine what drives need for training
  - Learning needs
  - Administrative needs
  - Business needs
- Understand logistical considerations and constraints of the environment
  - Current resources
  - New resources
  - Compliance
- Determine special requirements
  - Special accommodations
- Motivation
  - Why will learner undertake the training and assessment program
  - What expectations is the learner likely to have of the program
- Support
  - Where is the assessment and learning likely to take place
  - What support will the learner have from their workplace for their learning and assessment program
  - What technology (for example, Internet, email, and telephone) will the learner have access to
- Learning styles
  - What study skills and abilities is the learner likely to have

- o What is the learner's preferred method of learning (for example, practical or technology based)
- Conduct
  - o Questionnaires
  - o Focus groups
  - o Follow up surveys
- Analyze
  - o Prioritize topics
  - o Find common elements in responses
  - o Find inconsistencies in responses
- Assess
  - o Assess learning objectives
  - o Assess Initial learning solution
  - o Understand the impact of responses to initial design; enhance as needed

iii. **Technical Needs and Support**
Once the agreement has been accepted DSN will be responsible for providing training, technical support, hardware configuration, and ongoing leadership development. We will also ensure that the system integrates and is scalable, adaptable, maintainable, and secure. DSN will also set-up and train staff to upkeep the observational, survey, and training workflows needed by HCC. With the quality training and set-up DSN offers, the minimum hardware and software requirements will be feasibly maintainable by HCC.

iv. **Follow Up**
Our plan goes beyond October 26th. We will institute monthly status calls with HCC and provide monthly LMS status reports to a contact of HCC's choice.

v. **Estimated Project Schedule**

Task	Start Date	Completion
Contract Signing	4/25/2011	4/25/2011
Content Gathering and Creation	4/27/2011	5/18/2011
Interactive Synchronous Instructor-Led Webinar Section	5/19/2011	8/16/2011
User Led Asynchronous Sections	5/19/2011	9/16/2011
Learning Management System	5/3/2011	9/30/2011
Training HCC on the LMS System	9/30/2011	10/24/2011

e. **Project Costs**
   i. **Overview**
   Design Solution Network estimates that the total price for HCC's blended ethics training solution will be $300.000. This includes all costs for the development and implementation of an infrastructure of a virtual classroom with three user-led asynchronous sessions and an interactive synchronous instructor-led webinar for a total of 2 hours 45 minutes of instruction. This budget does not include the LMS, which will be calculated at another time after meeting with HCC to discuss all LMS options in depth.

ii. **Risk Analysis for Potential Cost and Schedule Overruns**
Our DSN team, together with HCC's stakeholders has designed a priority matrix for HCC's instructional solution to guide the management of schedule and cost overruns.

Target	First	Second	Third	Measurement
Time			✓	Course must be available by 1/1/2012
Cost		✓		Total development cost should not exceed $500,000
Quality Scope	✓			Instructional solution must contain two main topics outlined by HCC to avoid potential ethics violations

iii. **Payment Schedule**
Below you will see a schedule of payments to DSN, should our bid be accepted. DSN requests that HCC pays 10% of the total cost after signing the contract. This will enable DSN to proceed with design, development and production of the agreed upon materials. Following each deliverable, HCC agrees to make a payment of 25% of the remaining cost for the remaining four deliverables.

Date	Deliverable	Payment Schedule
Fri 4/29/11	Sign Contract	10% down – $30,004
Fri 8/16/11	Instructor-Led Synchronous Section Completed	$67,509
Wed 9/12/11	User-Led Asynchronous Sections Completed	$67,509
Mon 9/30/11	Training of HCC facilitators on the use of the LMS	$67,509
Wed 10/26/11	Post-training consultation	$67,509

f. **Staffing**
   i. **Overview**
   DSN is operated under the auspices of a strong management team comprised of seasoned professionals from the technology, education, and video production sectors who serve on staff as trainers, managers and implementation specialists. In addition, the DSN team will bring additional training resources to design and develop a highly effective training program for HCC. These resources will report to the DSN Business Plan Coordinator.
   ii. **Personnel Requirements**
   All staff members and professional services providers are experts in their fields and are allocated to projects based on staff knowledge domains and client requirements. All staff are carefully screened, trained and undergo background checks before they are allowed to begin work with DSN. Final staffing assignments will be determined based on the services schedule developed by our project team in collaboration with HCC. All percentages related to time devoted to the project are estimates. For example, the

percentage time estimates are an approximate time allocation on project for staff roles based on a train-the-trainer service delivery model. The leadership team members will combine on-site and off-site presence as needed and as dictated by the project schedule. DSN has extensive experience managing large-scale projects from a distance. We do so by ensuring we are on-site when it is necessary and leveraging Adobe Connect and conference call technology when possible. This approach ensures that HCC receives the personalized support it deserves while minimizing expenses.

iii. **Resource Management**

Two members of the leadership team, the Learning Solutions Coordinator and the Business Plan Coordinator, will also serve as a project management team (PMT). The development team will be split into functional areas, reporting to the PMT leaders. Past experience indicates that this approach will create centralized leadership for the project and enable effective, accurate, and consistent communication with HCC. Leveraging the approach that has been successful for us in various other companies, DSN's PMT will be dedicated to the HCC project full-time. The two individuals will ensure on-time and on-budget delivery, as well as project transparency and communication with HCC.

g. **Quality Assurance**

Quality assurance is an integral part of DSN's design and development process. Our team will perform the following steps and provide the screen shots before delivering the product to HCC for review and sign-off.

- Content
  - Accurate spelling, grammar, and mechanics
  - Inclusion of all critical information for the two topics specified by HCC
  - Accurate and clear titles, headers, and navigation
- Documentation
  - Course maps
  - User instructions
  - FAQs
- Media and visual design
  - Quality images and videos
  - Quick download time
  - Effective screen layout
  - Accurate color
- Browser compatibility
  - Compatible with many platforms
  - Compatible with many browsers
- User preference compatibility
  - Font size
  - Link colors and underlining
  - Window size
  - Plug-ins

- o Captions for audio and video content
- Usability testing
  - o Link functionality
  - o User-friendly navigation
  - o Help screens
  - o Tutorials
  - o Support

DSN will also test and analyze the performance of Web applications. To ensure that HCC is satisfied with the product, DSN has scheduled a sign-off date for each deliverable. HCC offers a ninety-day product performance guarantee. If HCC finds any performance problems during this period, we will provide prompt technical diagnosis and repair free of charge. After this ninety-day period, DSN will provide quality service at a reasonable cost.

h. **Implementation and Testing Procedures**

In order to have successful implementation of a solution, such as that proposed in this bid, we will require close collaboration between HCC and DSN. As a result and in order to eliminate uncertainty for both parties, DSN will look to incorporate certain terms, identify certain dependencies and address necessary actions unique to DSN's offerings into the final contract. We will be pleased to work with HCC to ensure that the final contract is satisfactory to both parties. We therefore, propose to expedite the implementation and testing procedures through a detailed work plan in order to ensure time estimates are met from the date a contract is signed. Please note that once contract negotiations begin, DSN can respond very quickly and have a contract signed within 5 working days.

Since the DSN solution is a self-paced application hosted through an LMS of your choice work items are minimal and HCC staff could start accessing the content once the contract is signed and within five days of receiving a full list of user login information.

i. **Program Evaluation Plan**

In order for a training program to be successful, it needs to be evaluated for its effectiveness (actual learning) and its efficiency (performance) based on the objectives developed and agreed upon for the training program. Therefore, employees will participate in evaluations before, during and after the training program is complete. Using Donald Kirkpatrick's Evaluation Model, we are able to measure a program's effectiveness and efficiency by measuring Reaction, Learning Impact, Behavior or Performance Impact, and Results.

- *Reaction:* We are looking for employees' perception of the personal value of the program. At the end of the program, we will send participants a reaction survey through email, where they can comment on the training. This data will allow us to continuously improve the program for the future.
- *Learning Impact:* Another form of assessment will be the Learner Assessment, which includes pre and post-tests that are integrated into each eLearning module. Following the end of each course module, participants will take a short assessment built into the eLearning to test

knowledge and measure comprehension, based on the objectives developed for that course. Building these quizzes into the module, will allow greater feedback on what objectives were met. If they were not met, we can adjust accordingly. Typically, eLearning is measured purely at Kirkpatrick's level 1 (Reaction) and level 2 (Learning Assessment), but often misses out on level's 3 (Behavior) and 4 (Results). That's why a blended approach works best to incorporate levels 3 and 4 of the Evaluation Model to test the effectiveness and efficiency of the training program in the real world.

- *Behavior Impact:* Behavior assessments are a very important piece of the program evaluation plan. In order for our team to see changes and adaptation to work life post the training program; we will rely on manager feedback, observations and interviews during the webinars, and metrics currently in place such as QA scores, business data and cold calling.
- *Results:* This will allow us to measure the impact on your business results. By comparing your business metrics before and following the training program, we can compare your profitability, costs, turnover, and employee satisfaction. The important part is that these evaluation tools are already in place; they merely need to be collected and reported to the participants and company.

j. **Return on Investment**

DSN is a results-driven team highly focused on delivering exemplary ROI. Through understanding and more importantly, sharing the vision of your business we were able to tailor an impactful, lasting, and unique solution to help achieve your training and business goals. As you can see from our proposed solution and budget, our value estimation is based on what we are able to deliver and the outcome your company benefits from. Our blended model immediately addresses training needs and reduces costs related with travel. The ratio of your investment to results may be used for reference, future presentations, annual reports, and to update your value estimation on the product we present.