Title Page

Business Proposal

to provide a

Parallel Call Center

for the

Federal Retirement Thrift Investment Board

in response to No. RFP-TIB-04-02

Disclosure Statement

This data, furnished in connection with Request for Proposal No. RFP-TIB-04-02, shall not be disclosed outside the Federal Retirement Thrift Investment Board (the Agency) and shall not be duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate the proposal; provided that, if a contract is awarded to this Offeror as a result of or in connection with the submission of this data, the Agency shall have the right to duplicate, use, or disclose the data to the extent provided in the contract. This restriction does not limit the Agency's right to use the information contained in the data if it is obtained from another source without restriction. The data subject to this restriction is contained in the sheets. (Please refer to footer at bottom of pages.)

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Introduction

Spherix presents the Federal Thrift Investment Board with our premier inbound call center solution for handling its Parallel Call Center for Federal employees and for providing complete coverage in the event of a disaster. We bring over 30 years of experience in providing financial and government information services to this contract and guarantee that we will provide you with all of the requirements set forth in the RFP and more.

In our technical proposal, we present our highly trained financial information services professionals, our state of the art telephony and computer infrastructure, and our fully redundant dual site configuration that provide exactly what FRTIB needs to be assured of smooth day-to-day parallel operations and complete backup in the event the New Orleans site suffers a major business disruption.

In our business proposal, we present our pricing for base year operations, as well as option years one through four. For each year, we also present our pricing for disaster coverage and total assumption of all call volume from New Orleans.

In the proposal

In this proposal, we follow the format required by the RFP and present FRTIB's requirements in blue highlight with our responses in normal type. The business proposal consists of these sections:

a. **Administrative Data:** In this section, on the following page, we respond to the RFP's request for data about our company, including the relevant government audit and inspection agency, location of our business, and affirmation of our financial capacity to perform the contract without assistance. We also include a copy of our most recent 10-K statement in the Appendix.

b. **Offeror Certification:** In this section, we submit our completed Section K of the RFP, which is the Representations and Certification documentation.

c. **Cost and Pricing Data:** In this section, we present our pricing for the services required in Section B of the RFP and provide all of the required backup calculations to substantiate our proposed pricing.

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a. Administrative Data

The offeror shall:

1. Indicate the names and addresses of the cognizant Government Audit Agency and cognizant Inspection Agency;

Spherix will comply with all requirements of any cognizant Government Audit Agencies and Inspection Agencies that the Board may contract with to audit and/or inspect our call center billings and operations.

2. State its place of business, including the street address, and the name and address of the owner and operator of the facilities other than the Offeror's when it is reasonably expected that such facilities will be used in the performance of the contract. The Offeror shall also include the Data Universal Numbering System (DUNS) number applicable to that name and address; and,

Spherix operates out of two leased facilities, one located in Cumberland, Maryland, and the other in Beltsville, Maryland. The following table provides the addresses of our two facilities and the names and addresses of the property owners.

Place of business	Owner of facility
Spherix (primary project site) 12501 Willow Brook Road Cumberland, Maryland 21502 DUNS: 043984988	[redacted]
Spherix (backup site) 12051 Indian Creek Court Beltsville, Maryland 20705 DUNS: 043984988	[redacted]

3. Indicate if it has the necessary financial capacity, working capital and other resources necessary to perform the contract without assistance from any other outside source (if not, indicate the amount required and the anticipated source.)

Spherix has the necessary financial capacity, working capital and other resources necessary to perform this contract and requires no outside funding to do so. Please see the *Appendix* for a copy of our most recent 10-K financial statement.

b. Offeror Certification

The Offeror shall complete and submit certifications included in Section K of this RFP. The successful Offeror may be required to execute a Certificate of Current Cost or Pricing Data as prescribed in FAR 15.804-4.

We have completed and submitted the required Representations and Certifications in Section K of the RFP. Please see this documentation in the following four pages.

SECTION K
REPRESENTATIONS, CERTIFICATIONS

K.1. SOLICITATION PROVISIONS INCORPORATED BY REFERENCE

TITLE	FAR CITATION
Certificate of Independent Price Determination (APR 1985)	52.203-02
Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991)	52.203-11
Prohibition of Segregated Facilities (FEB 1999)	52.222-21

K.2. DUNN & BRADSTREET CONTRACTOR ESTABLISHMENT NUMBER

The Offeror is requested to supply below, their DUN and Bradstreet Contractor Establishment Number.

DUNS No.: 04-398-4988

K.3. SUBCONTRACTING REPRESENTATION

The Offeror represents that there ( ) will, (X) will not, be opportunities for subcontracting under any resulting contract.

K.4. TAXPAYER IDENTIFICATION (NOV 1988) (FAR 52.204-3)

a. Definitions.

"Common parent," as used in the solicitation provision, means an Offeror that is a member of an affiliated group of corporations that files its Federal income tax returns on a consolidated basis.

"Corporate status," as used in this solicitation provision, means a designation as to whether the Offeror is a corporate entity, an unincorporated entity (e.g., sole proprietorship or partnership), or a corporation providing medical and health care services.

"Taxpayer Identification Number (TIN)," as used in this solicitation provision, means the number required by the IRS to be used by the Offeror in reporting Income Tax and other returns.

b. The Offeror is required to submit the information required in paragraphs (c) through (e) of this solicitation provision in order to comply with

reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the Internal Revenue Service (IRS). If the resulting contract is subject to reporting requirements described in 4.902(a), the failure or refusal by the Offeror to furnish the information may result in a 20 percent reduction of payments otherwise due under the contract.

c. Taxpayer Identification Number (TIN).

(X) TIN: 52-0849320.

( ) TIN has been applied for.

( ) TIN is not required because:

( ) Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

( ) Offeror is an agency or instrumentality of a state or local government;

( ) Other, state basis _____.

d. Corporate Status.

( ) Corporation providing medical and health care services, or engaged in the billing and collecting of payments for such services;

(X) Other corporate entity;

( ) Not a corporate entity;

( ) Sole proprietorship

( ) Partnership

( ) Hospital or extended care facility described in 26 CFR 501(c)(3) that is exempt from taxation under 26 CFR 501(a).

e. Common Parent.

(X) Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this clause.

( ) Name and TIN of common parent:

K.5. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (MAY 1989) (FAR 52.209-5)

a. The Offeror certifies, to the best of its knowledge and belief, that:

The Offeror and/or any of its Principals:

1. Are ( ) are not (X) presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

2. Have ( ) have not (X), within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statues relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and

3. Are ( ) are not (X) presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

The Offeror has ( ) has not (X), within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

b. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions). This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, title 18, United States Code.

1. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

2. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

3. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

4. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

[END OF SECTION]

c. Cost and Pricing Data

Offerors must submit cost and pricing data a required by Section B. The proposed prices must include all costs for which the Offeror expects reimbursement.

Required cost information: On the following pages we include a complete cost breakdown and supporting documentation. Those sheets detail the hourly rates (base and burdened) for all call center personnel, as well as professional staff hours (in FTEs and total hours) for each category of expertise. [redacted].

We have broken down the cost sheets into Base and Option Years, with a Disaster Recovery cost sheet for each of those years. [redacted]. After one week, there will be a daily cost to cover the extra call handling labor needed. This is shown on the Disaster Recovery cost sheets.

The burden we use for labor consists of:

[redacted]

The burden we use for materials consists of:

[redacted]

Contract type recommendation: Spherix proposes using a [redacted] contract in which FRTIB is billed only for [redacted] up to the negotiated normal percentage of calls allocated to the Parallel Call Center. Incentives and disincentives would accrue based on how our performance in specific metrics varies from negotiated service levels (e.g. telephone service factor, hold time, abandonment rate, blocked call rate, average call length). Because this is a parallel call center to the existing New Orleans site, FRTIB may want to consider using that call center's performance metrics as the benchmark for the service levels at the parallel call center. Thus, if our performance is superior to the New Orleans benchmark, we would receive an incentive fee, and if it is inferior to the New Orleans benchmark, we would be assessed a disincentive penalty. There would also be service levels and incentives/disincentives negotiated for specific disaster recovery response metrics (ramp up time, et. al.) This would ensure that FRTIB 1) pays only for work done, and 2) is not placed at risk by a contractor that bills for unnecessary work. It would also provide a financial incentive for the contractor to assure high performance.

Spherix is completely willing to work with FRTIB on this or any other contract type it prefers.

Appendix

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Client: **Federal Retirement Thrift Investment Board**

Project: Parallel Call Center

Call Volume:

Requirements:

Start Up (60 days)								
[redacted]								
[redacted]								
Project								
[redacted]								
[redacted]								
[redacted]	**Total (not including startup)**							**$ 2,278,425.00**
	Startup							**$ 187,517.30**
	Total (including startup)							**$ 2,465,942.30**

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Client: **Federal Retirement Thrift Investment Board**

Product: Parallel Call Center

Call Volume:

Requirements:

DIRECT LABOR								
	Total / Direct Labor							$ 9,947.81

Client: **Federal Retirement Thrift Investment Board**

Product: Parallel Call Center

Call Volume:

Requirements:

[redacted]								
Gen. Clerk 1								

(NOTE: training is for staff added for incremental project growth)

Project

[redacted]								
[redacted]								
[redacted]	**Total (not including startup)**							**$ 3,335,934.39**
	Startup							**$ 40,875.60**
	Total (including startup)							**$ 3,376,809.99**

Client: **Federal Retirement Thrift Investment Board**

Product: Parallel Call Center

Call Volume:

Requirements:

Direct Labor							
Total / Direct Labor							**$ 8,344.44**

Client: Federal Retirement Thrift Investment Board

Product: Parallel Call Center

Call Volume:

Requirements:

[redacted]								
Gen. Clerk 1								

(NOTE: training is for staff added for incremental project growth)

Project

[redacted]								
[redacted]								
[redacted]	**Total (not including startup)**							**$ 3,731,408.24**
	Startup							**$ 13,784.00**
	Total (including startup)							**$ 3,745,192.24**

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Client: Federal Retirement Thrift Investment Board

Product: Parallel Call Center

Call Volume:

Requirements:

[redacted]							
							$ 9,060.13

FRTIB
Option Year 3

Client: Federal Retirement Thrift Investment Board

Product: Parallel Call Center

Call Volume:

Requirements:

[redacted]								
Gen. Clerk 1								

(NOTE: training is for staff added for incremental project growth)

Project

[redacted]								
[redacted]								
[redacted]	**Total (not including startup)**							**$ 4,227,922.97**
	Startup							**$ 18,413.66**
	Total (including startup)							**$ 4,246,336.63**

Costs include one day coverage for Mardi Gras & one week full disaster-level coverage.

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Request Date: 12/03/03

Client: **Federal Retirement Thrift Investment Board**

Product: Parallel Call Center

Call Volume:

Requirements:

Direct Labor								
	Total / Direct Labor							$ 10,393.46

FRTIB
Option Year 4

Client: Federal Retirement Thrift Investment Board

Product: Parallel Call Center

Call Volume:

Requirements:

Training								
Gen. Clerk 1								

(NOTE: training is for staff added for incremental project growth)

Project

Direct Labor								
ODCs								
TOTALS	**Total (not including startup)**							**$ 4,669,191.86**
	Startup							**$ 14,627.68**
	Total (including startup)							**$ 4,683,819.54**

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Client: Federal Retirement Thrift Investment Board

Product: Parallel Call Center

Call Volume:

Requirements:

Direct Labor								
								$ 11,471.07

Base Year Telephone Volumes by Month

Base Year Month	Call Volume	CSR FTEs	Sup. FTEs
January	42,064		
February	35,789		
March	58,733		
April	66,436		
May	95,484		
June	90,479		
July	99,994		
August	84,466		
September	77,605		
October	92,766		
November	99,727		
December	85,819		
	929,362		

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Disaster Recovery Telephone Volumes and FTEs - Base Year

Month	Base Year	Calls/Day	FTEs	Supervisor
January	210,322	10,015		
February	178,945	8,521		
March	195,776	9,323		
April	221,452	10,545		
May	238,711	11,367		
June	226,197	10,771		
July	249,986	11,904		
August	211,165	10,055		
September	194,012	9,239		
October	231,914	11,044		
November	249,318	11,872		
December	214,546	10,216		
Total	**2,622,344**	**10,406**		

Disaster Recovery Telephone Volumes and FTEs - Option Year 1

Month	Option Year 1	Calls/Day	FTEs	Supervisor
January	231,354	11,017		
February	196,840	9,373		
March	215,354	10,255		
April	243,597	11,600		
May	262,582	12,504		
June	248,817	11,848		
July	274,985	13,095		
August	232,282	11,061		
September	213,413	10,163		
October	255,105	12,148		
November	274,250	13,060		
December	236,001	11,238		
Total	**2,884,578**	**11,447**		

Disaster Recovery Telephone Volumes and FTEs - Option Year 2

Month	Option Year 2	Calls/Day	FTEs	Supervisor
January	254,490	12,119		
February	216,523	10,311		
March	236,889	11,280		
April	267,957	12,760		
May	288,840	13,754		
June	273,698	13,033		
July	302,483	14,404		
August	255,510	12,167		
September	234,755	11,179		
October	280,616	13,363		
November	301,675	14,365		
December	259,601	12,362		
Total	**3,173,036**	**12,591**		

Disaster Recovery Telephone Volumes and FTEs - Option Year 3

Month	Option Year 3	Calls/Day	FTEs	Supervisor
January	279,939	13,330		
February	238,176	11,342		
March	260,578	12,408		
April	294,753	14,036		
May	317,724	15,130		
June	301,068	14,337		
July	332,731	15,844		
August	281,061	13,384		
September	258,230	12,297		
October	308,678	14,699		
November	331,842	15,802		
December	285,561	13,598		
Total	**3,490,340**	**13,851**		

Disaster Recovery Telephone Volumes and FTEs - Option Year 4

Month	Option Year 4	Calls/Day	FTEs	Supervisor
January	307,932	14,663		
February	261,993	12,476		
March	286,636	13,649		
April	324,228	15,439		
May	349,497	16,643		
June	331,175	15,770		
July	366,005	17,429		
August	309,167	14,722		
September	284,053	13,526		
October	339,545	16,169		
November	365,026	17,382		
December	314,117	14,958		
Total	**3,839,374**	**15,236**		