

HAWAII INFORMATION CONSORTIUM

STATEMENT OF WORK

DEPARTMENT OF BUDGET AND FINANCE
HAWAII EMPLOYER-UNION HEALTH BENEFITS
TRUST FUND

PARTICIPANT PAYMENT PROCESSING

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HAWAII INFORMATION CONSORTIUM

OVERVIEW

This Statement of Work (SOW) document identifies the responsibilities between the Department of Budget and Finance, Hawaii Employer-Union Health Benefits Trust Fund (EUTF) "PARTNER" and the Hawaii Information Consortium, LLC (HIC), the Internet Portal provider for the State of Hawaii. This document is subordinate to the requirements stated in RFP-08-11-SW, Internet Portal Manager and Service Provider, HIC's Proposal and the contract between the State of Hawaii and HIC dated December 3, 2007.

This Statement of Work covers general topics that deal with presenting and accepting participant payments.

SERVICE LEVEL AGREEMENT

This Statement of Work (SOW) is subordinate to the Service Level Agreement (SLA) between the PARTNER and HIC signed and dated on May 7, 2009. This SOW is subject to all terms and conditions thereof unless specifically designated as exceptions in this document.

PURPOSE STATEMENT

The purpose of the project is to give EUTF participants the convenience of submitting payments online and give the additional payment method of credit card.

OVERVIEW OF CURRENT PROCESS

Once every six months, EUTF mails retirees a payment reminder notice and payment submission coupons. Participants then submit payment and coupon, by mailing in a personal check to the Bank of Hawaii EUTF lockbox account or walking in to the EUTF office

Employees on authorized leave without pay are expected to make payment for their portion of the monthly health premiums.

EUTF mails a payment shortage reminder and coupon monthly to every member who did not submit the full payment for their account. This payment shortage reminder is sent on the 13th of the month.

SCOPE STATEMENT

HIC will work with PARTNER to provide basic online payment processing for participants. The system will:

- Allow participants to submit payments based on their EUTF Participant ID Number and First and Last Names
- Allow participants to enter desired payment amount
- Accept credit card and eCheck payment methods
- Generate a file (file format similar to EUTF Bank of Hawaii lockbox file) and reconciliation report for EUTF payments daily upon distribution of funds.

Out of Scope

Features and functionality not explicitly stated in this SOW are considered Out of Scope and will not be implemented.

PORTAL ADMINISTRATION FEE, TRANSACTION FEE, OR NO FEE

For all transactions completed, there will be a Portal Administration Fee. The Portal Administration Fee is the sum of the service fee and transaction processing fee. PARTNER will determine if the fees will be added on or absorbed by PARTNER in an amendment to this SOW. The fees for this system are:

Service Fee: \$2.00 if absorbed by PARTNER or \$2.50 if passed-on to participant

Transaction Processing Fee:

- Credit Card Transactions: 2.25%
- eCheck Transactions: \$1.00

The Portal Administration Fee shall be deducted from the gross amount collected online before the net amount is remitted to PARTNER on a monthly basis.

Any costs incurred by HIC associated with unsuccessful contest of a charge-back, cancellation, or insufficient funds will be invoiced to PARTNER as explained below.

Credit Card Chargebacks

HIC will make an initial effort to collect on all returned payments, credit card chargebacks, etc. HIC's customer service staff will endeavor to satisfy merchant bank requests. In the event that HIC is unable to successfully contest a credit card chargeback, HIC will invoice PARTNER the original amount remitted plus a \$10 charge-back fee.

ACH/eCheck Returns (consolidated ACH via HIC only):

Because the national ACH network does not support real-time account verification, some eCheck (ACH) transactions may be returned due to insufficient funds or because the bank account information was entered incorrectly by the customer. HIC will attempt to make initial collections on returned payments. If HIC is unable to collect the funds within 7 business days, HIC will invoice PARTNER the original amount remitted to PARTNER plus a \$30.00 return fee.

Any and all fees and payment policies may be altered by mutual agreement in writing between PARTNER and HIC.

PROJECT DEVELOPMENT COSTS

Given HIC's current understanding of the scope of services, there will be no cost charged to PARTNER for development of this application. If, at PARTNER's request, the scope changes to encompass more functionality, there may be a development fee associated with the new deliverables. Any additional development fee requires an amendment to this document.

MAINTENANCE & SUPPORT FEES

This project shall not incur maintenance & support fees.

DELIVERABLES

Deliverables may include:

- Statement of Work
 - System Requirements Specification (SRS)
 - Design prototype
 - Functional application deployed in TEST environment
 - Functional application deployed in PROD environment
-

SCHEDULE ESTIMATES

The project will be carried out according to a Milestone Schedule, which will be agreed upon by HIC and PARTNER. It is understood that the milestones and timeline below are estimated, and may be changed to accommodate new requirements of PARTNER or HIC, or to comply with guidance received by HIC from the Access Hawaii Committee. All time estimates can be extended if mutually agreed upon.

Milestone Schedule		
Estimated Completion Date	Description	Deliverable
TBD	Complete Statement of Work	Signed SOW
TBD	Complete Functional and Requirement Definition	System Requirements Specification (SRS)
TBD	Application Design	Design prototype
TBD	Application Development	
TBD	Application Testing	Application deployed in TEST environment
TBD	Application Launch	Application deployed in PROD environment

RISK ASSESSMENT

No risks have been identified at this time.

DELIVERY

The service will be deemed completed and delivered on the date it is installed into HIC's production environment. "Production environment" shall mean the technical environment and configuration in which HIC's existing online services are operated and managed independently from HIC's testing and development environment. Either written notice of application acceptance by PARTNER, or written notice of the specifications that the application does not meet must be received by HIC within seven (7) working days of delivery of the application. If such notice is not received within seven (7) working days, the application is deemed accepted. "Live" use of the application constitutes acceptance under this Statement of Work.

MAINTENANCE AND SUPPORT

After the application is delivered, as defined above, HIC will provide support for the proper installation and ongoing general maintenance and operation of the current release of the application. HIC shall use reasonable effort to provide troubleshooting to correct any errors in the application and issues reported by PARTNER.

HIC will notify PARTNER via email or phone of operational problems which impact services for more than 30 minutes during business hours or 4 hours during non-business hours. Phone will be used if there are network issues.

Upon receipt of notice of an error, exception, or enhancement request, HIC will assign a priority level to the error or issue in accordance with the following criteria:

- Priority A – An error that results in the application being substantially or completely nonfunctional or inoperative. These issues shall be addressed within 6 business hours (See 24 x 7 Tech Support section). If an issue cannot be resolved within the 6 business hours, a resolution plan must be presented by the Partner Liaison, Project Manager, General Manager, or Director of Development to the PARTNER.
- Priority B – An error that results in the application operating or performing other than as represented in the Design or in a manner that complicates its use or navigability, but which does not have a material adverse impact on the performance of the site. An estimate of completion will be provided within 2 business days.
- Priority C – A simple text or graphic (non-design) change. An estimate of completion will be provided within 5 business days.
- Priority D – An application design change. The HIC Partner Liaison will schedule a meeting to discuss goals, audience, and other issues related to the design change.

HIC will make reasonable efforts to correct errors or provide a work-around solution for each priority level and, if a work-around is the immediate solution, will make reasonable efforts to provide a final resolution of the error.

HIC will work with PARTNER staff in the event of an issue resulting from a change submitted by the PARTNER. In the vast majority of the cases, HIC staff will be able to rollback the changes to resolve the issue. In the event that there is significant work required to resolve the issue, HIC may charge the PARTNER for the time spent resolving the issue. Issues that are a result of HIC changes will be addressed immediately and no charges associated with the time spent to resolve the issue will result.

24 X 7 TECH SUPPORT

HIC server systems are constantly monitored for seamless operation 24x7x365 days a year using NAGIOS network monitoring software. The software checks the status of HTTP, SSL, and FTP services every three minutes. If there is an issue, the software automatically sends an e-mail to the Systems Administrator's and Director of Development's (DOD) cellular telephone. The Systems Administrator and/or Director of Development will then respond as appropriate to the problem. There are numerous additional monitoring scripts that are also programmed to e-mail the HIC DOD if the file transfer operations are not handled in the proper fashion.

If HIC cannot solve the problem within six hours on business days or 12 hours on weekends or holidays, the HIC Director of Development will notify the HIC General Manager. If the application is unavailable a message will be posted by HIC to web users that the site is temporarily down.

If a Priority A issue arises that is not covered under the aforementioned explanation, the HIC support team is available 24 hours a day at **808-695-4627**.

SOFTWARE MODIFICATIONS AND ENHANCEMENTS

At PARTNER's request, HIC will consider developing modifications or additions that materially change the utility, efficiency, functional capability, or application of the software ("Enhancements") at such charge and on such schedule as the parties may mutually agree in writing. Such modifications or additions will be undertaken on a project basis, subject to review and approval of the Access Hawaii Committee.

RESPONSIBILITIES OF THE PARTNER

PARTNER will designate a Project Manager with responsibility and authority for review and approval of deliverables under this SOW.

In order to accomplish the tasks outlined in this SOW and provide the deliverables in accordance with the project plan and timeline, HIC will require the following from PARTNER by the agreed upon dates. If PARTNER does not provide any of these items by the required date, delivery dates for HIC deliverables will be revised accordingly. HIC will not be held responsible for delays in the timetable due to unavailability of data or resources from PARTNER.

- PARTNER will provide timely authorization for the project and for each approval required during the project.
- PARTNER will provide written functional requirements for all system components.
- PARTNER agrees to designate content-knowledgeable reviewer(s) to review each deliverable prior to acceptance to ensure that acceptance represents an informed commitment.
- PARTNER will provide knowledge transfer of necessary IT knowledge, environment and business processes. Verbal walkthroughs and documentation will satisfy this responsibility.
- PARTNER will provide content information to be presented on the website.

RESPONSIBILITIES OF THE HAWAII INFORMATION CONSORTIUM

HIC will provide a Project Manager to serve as the primary point of contact and coordination with the PARTNER project team for the duration of the implementation of this project. HIC will provide all the HIC deliverables detailed in the Deliverables section and will:

- Host the application over the course of its lifecycle
- Provide day-to-day management of the project work plan
- Host periodic team meetings to review the status of project activities against the plan
- Provide Project Plan Updates - ongoing, as required
- Provide Executive Briefings - ongoing, as required
- Provide PARTNER with transaction reports and money transfers on a schedule mutually agreed to by HIC and PARTNER
- Provide a consistent look and feel for related applications under development
- Provide ongoing monitoring of system efficiency and effectiveness and correct deficiencies in a prompt manner
- Provide resources to design, create, test, and implement the service
- Perform system maintenance and upgrades
- Run database backups and recovery routines
- Create a Business Continuity Plan

TERM OF AGREEMENT

This Agreement will remain in force until such time as PARTNER and/or HIC decides to terminate it with 90 days written notice to the other party.

SOFTWARE DEVELOPMENT PROCESS

The following outline explains the steps in the HIC software development process that will be followed during the course of this project.

STAGE 1 – PROJECT DEFINITION – INFORMATION GATHERING

- Gather information on PARTNER business practices
- Gather information on end user needs and preferences
- Gather information on existing information systems used
- Document PARTNER's functional requirements of the proposed system

STAGE 2 – PROTOTYPE and SPECIFICATION

- Design the user interface
- Develop a prototype that simulates the flow and functionality of the proposed application
- Review the prototype with PARTNER and make changes as necessary
- Write the System Requirements Specification (SRS) document
- Obtain PARTNER sign-off on the SRS prior to Application Development

STAGE 3 - APPLICATION DEVELOPMENT

- Create system design

- Code the application
- Write technical documentation as needed
- Test in conjunction with PARTNER
- Obtain PARTNER sign-off prior to application launch

STAGE 4 – APPLICATION LAUNCH

- Produce and disseminate press releases as needed
- Produce and disseminate operations/user manual and/or marketing materials as needed
- Launch application in production environment

STAGE 5 - APPLICATION MAINTENANCE

- Implement “bug” fixes
- Enable online feedback form for all users
- Manage and respond to customer feedback

CHANGE PROCESS

The scope of work as specified in this document shall not change except where approved using the following process:

Prior to Software Delivery:

- The HIC project manager shall review an issue and determine whether the resolution will lead to a change in scope, defined as a change that will impact cost, schedule, or staffing.
- The proposed change shall be documented in a scope change order, including the impact on schedule, cost, and staffing.
- The PARTNER project manager shall review and approve the scope change.
- The scope change order shall be reviewed by HIC and/or the Access Hawaii Committee (if fee related) and is approved upon signature by the HIC General Manager.

After final review and upon signature of the HIC General Manager, the scope change order shall become an amendment to the Statement of Work.

After Software Delivery:

Maintenance: To report an error, the PARTNER project manager shall contact the HIC Partner Liaison or Project Manager. Urgent requests may be directed to the HIC Partner Liaison, Project Manager, Director of Development, or Systems Administrator.

If PARTNER would like direct access to HIC’s issue tracking system to monitor and comment on issues, PARTNER will be invoiced annually at \$240.00 per account.

The scope of work as specified in this document shall not change except where approved using the following process:

- The PARTNER project manager enters a new issue in HIC’s online issue tracking system.
- The HIC Partner Liaison shall review the issue and determine whether the resolution will lead to a change in scope, defined as a change that will impact cost, schedule, or staffing.
- The proposed change shall be documented by HIC in a scope change order, including the impact on schedule, cost, and staffing.

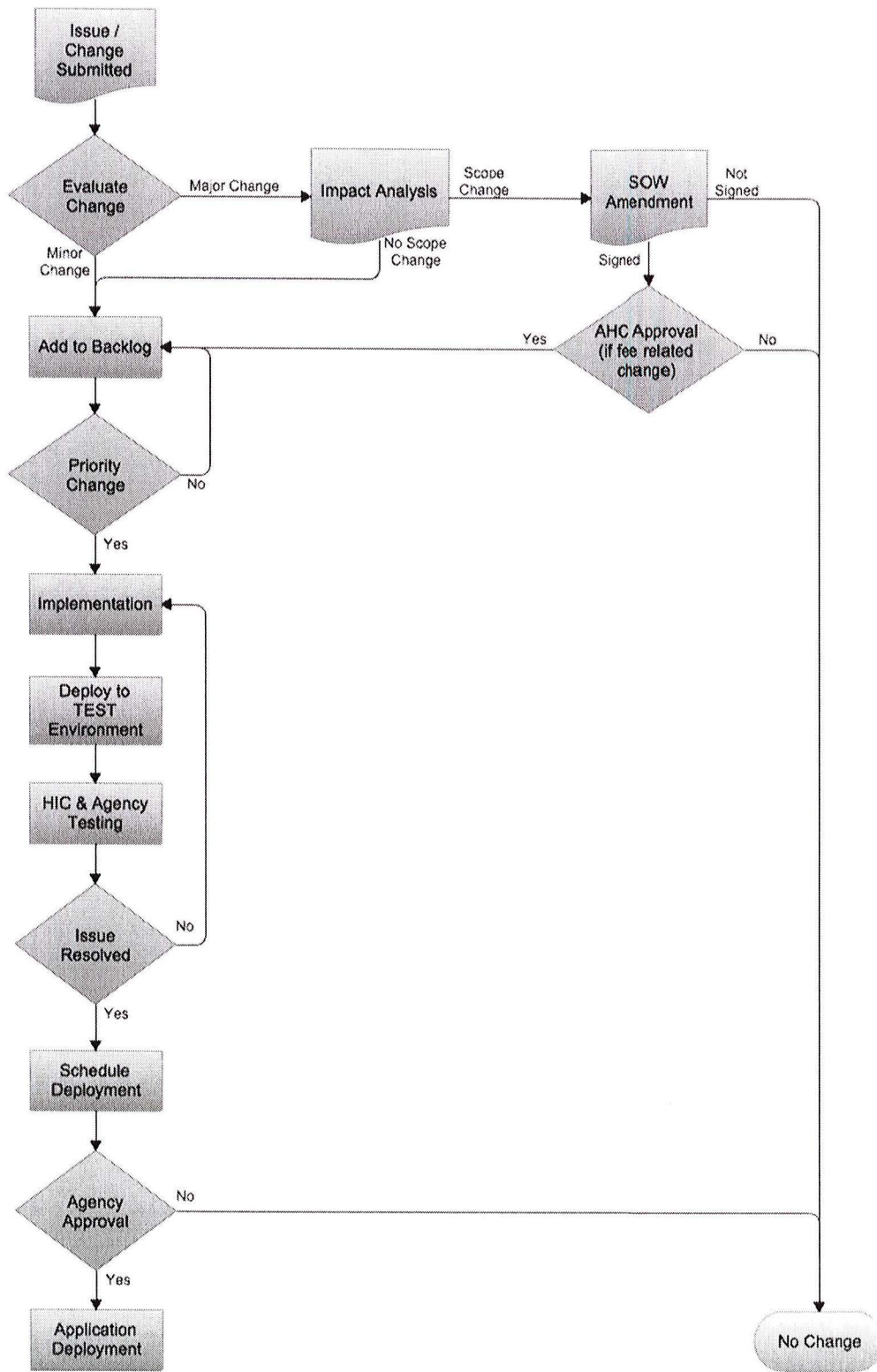
- The PARTNER project manager shall review and approve the scope change order.
- The scope change order will then be subject to final review by the HIC General Manager and/or the Access Hawaii Committee (if fee related).

After final review and upon the signature of the HIC General Manager, the scope change order shall become an amendment to the Statement of Work.

After the application is launched, any change required can be requested via HIC's change management system. For substantial changes or changes in scope, an addendum to the statement of work may be required. HIC will then review the change requests and prioritize it with other requested changes. Access Hawaii Committee approval is needed for fee related changes only.

Next, HIC will provide a response to the PARTNER. The response will describe the exact change, estimated completion date, and the estimated resources required. If the requested change requires an unusually high level of HIC resources, or is significantly out of scope of the original Statement of Work document for the application, HIC may decline to perform the change.

The Access Hawaii Committee may also prioritize the requested change with HIC's other activities. A workflow diagram of the change process is shown below:



STAKEHOLDERS

Department of Budget and Finance

Hawaii Employer-Union Health Benefits Trust Fund

201 Merchant Street Suite 1700

Honolulu, HI 96813

Hawaii Information Consortium, LLC

201 Merchant Street Suite 1805

Honolulu, HI 96813

CHAIN OF COMMAND

Department of Budget and Finance

Hawaii Employer-Union Health Benefits Trust Fund

Derek Mizuno, EUTF Administrator

Donna Tonaki, EUTF Assistant Administrator

Hawaii Information Consortium, LLC

Russell Castagnaro, General Manager

Teri Berschneider, Director of Portal Operations

DeAnna Niderost, Partner Liaison

SIGN OFF

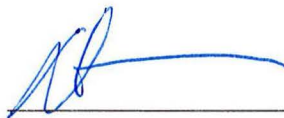
I, the undersigned, have the authority to make binding decisions on behalf of my respective agency/department regarding projects in collaboration with HIC.

I also have the authority to allocate agency/department resources towards the above-described project.

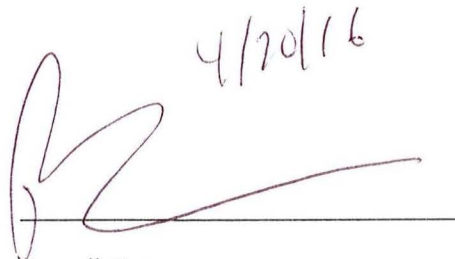
I have read the above document and understand all implications thereof. Any future changes to this Statement of Work will be made through a formal request to the HIC General Manager.

By signing, I acknowledge that the project described herein has received any required legal reviews and is in compliance with current State of Hawaii statutes and administrative rules.

Date: **APR 18 2016**



Derek Mizuno
EUTF Administrator
B&F - EUTF

4/20/16


Russell Castagnaro
General Manager
Hawaii Information Consortium, LLC