

HAWAII INFORMATION CONSORTIUM

STATEMENT OF WORK

DEPARTMENT OF TAXATION

BUSINESS LICENSE APPLICATION
HAWAII BUSINESS EXPRESS

HAWAII INFORMATION CONSORTIUM

OVERVIEW

This Statement of Work (SOW) document identifies the responsibilities between the State of Hawaii, Department of Taxation (DOTAX) and Hawaii Information Consortium, LLC (HIC). HIC is the selected vendor providing Internet Portal services 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 January 4, 2008.

This Statement of Work covers general topics that deal with processing the DOTAX Basic Business Applications (BB-1) and payments electronically.

SERVICE LEVEL AGREEMENT

This Statement of Work is subordinate to the Service Level Agreement (SLA) between the State of Hawaii, Department of Taxation and HIC signed and dated on January 11, 2010. This SOW is subject to all terms and conditions thereof unless specifically designated as exceptions in this document.

PURPOSE STATEMENT

The purpose of this document is to authorize the expansion of the Hawaii Business Express (HBE) online application to allow eHawaii.gov account holders the ability to electronically file a Basic Business Application (BB-1) to obtain a State of Hawaii Taxpayer ID from DOTAX. HBE currently offers a complete one-stop business solution to include filing, paying for and receiving confirmation of electronic form submissions to multiple government agencies.

This document can be modified at any time with the mutual agreement of the parties.

SCOPE STATEMENT

The primary objectives of this SOW are to better document the existing fee agreement associated with BB-1 filings, expand HBE to include the other tax forms at DOTAX's request and encourage business owners to use electronic methods to interact with DOTAX. To this end, DOTAX and HIC will mutually collaborate on ways to build upon and expand this initiative to improve service for filers who utilize HBE and to attract others to the program. HIC will further develop HBE to allow filers to submit DOTAX forms via Quickfile for expert filers of new and existing businesses or via the Wizard.

The Wizard will automatically generate the BB-1 form and other filings for multiple agencies based on the filer's entered responses. HIC will first clear the registered business name with the Department of Commerce and Consumer Affairs (DCCA) Business Registration Division (BREG) if the BB-1 is filed in conjunction with a DCCA BREG filing prior to sending the BB-1 form to DOTAX. HBE users will have

the option to pay for the BB-1 filing via credit card or eHawaii.gov Subscriber account. HIC will electronically deliver all submitted BB-1s to DOTAX via a scheduled batch file transfer.

OVERVIEW OF CURRENT PROCESS

HIC and DOTAX already offer electronic BB-1 applications to business owners via HBE. HBE accepts credit card and eHawaii.gov Subscriber transactions and originates the payments. HIC disburses all monies to DOTAX via ACH in conjunction with the transfer of data to DOTAX via batch file. To date, HBE has processed approximately 50,000 online BB-1 forms.

REGISTRATION FEE, TRANSACTION FEE, OR NO FEE

HIC will charge the filer a \$2.50 eHawaii Portal Administration Fee in addition to the respective statutory transaction fee per each online filing conducted via HBE. HIC will not charge DOTAX for hosting the HBE system. All fees are non-refundable and will not be remitted to the filer in any circumstance, even if the filing is rejected, unless specifically requested from DOTAX in writing or via Jira ticket. Other forms, such as the BB-1X may be added with the same fee terms by mutual consent.

In the event that a credit card payment is returned for any reason, HIC may attempt to collect the original transaction amount plus a \$25.00 returned charge fee from the payee. If HIC is unable to collect, HIC will inform DOTAX and upon DOTAX approval, deduct the original transaction amount from the next scheduled payment transfer.

Any and all fees and payment policies may be altered by mutual agreement between DOTAX and HIC. DOTAX may choose to absorb the Portal Administration Fee instead of passing the fee to filers by making a written request to HIC.

HIC will disburse funds in the following way:

- Combine all payments on a Hawaii Standard Time calendar date basis
- Batch the transactions and send to HIC's Merchant accounts
- Initiate transfer of net funds (tax payment amount) via ACH
- Send electronic notification of the disbursement to DOTAX

HIC shall create an Open Report which reconciles all payments, including rejected or returned payments, and deposits made by HIC pursuant to any and all programs which HIC administers with or on behalf of DOTAX. This Open Report shall include both credit card and subscriber payments made under this SOW, including detailed transaction information and transfer amounts.

PROJECT DEVELOPMENT COSTS

There are no costs to DOTAX for this application because portal administration fees support it. DOTAX may request additional functionality not covered in the self-funded scope of HBE. HIC will provide separate SOW's for those projects.

RISK ASSESSMENT

The existing HBE site is a known quantity. HIC and DOTAX will collaborate on marketing and system changes that significantly improve service.

APPLICATION DELIVERY

The application will be deemed completed and delivered on the date the application is installed into HIC's production environment. "Production environment" shall mean the technical environment and configuration in which HIC's existing online applications are operated and managed independently from HIC's testing and development environment. Either written notice of application acceptance by DOTAX, 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.

DELIVERABLES

Deliverables include:

- Statement of Work
- Completed application modules
- Live help and customer support, where appropriate

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 DOTAX.

HIC will notify DOTAX of operational problems which impact services for more than thirty (30) minutes during business hours or four (4) hours during non-business hours via email or phone. 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 six (6) business hours. (See 24 x 7 Tech Support section) If an issue cannot be resolved within the six (6) business hours, a resolution plan must be presented by the Director of Development (DOD), Partner Liaison or General Manager to DOTAX.
- 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 materially adverse impact on the performance of the site. These issues shall be addressed within two (2) business days.
- Priority C – A simple text or graphic (non-design) change. These issues shall result in an estimate of completion within two (2) business days.
- Priority D – An application design change. The HIC project manager 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 DOTAX staff in the event of an issue resulting from a change submitted by DOTAX. 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 DOTAX 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 servers 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 (3) minutes. If there is an issue, the software automatically sends an email to the Systems Administrators' and DOD- cellular telephones. The Systems Administrators and/or DOD then respond as appropriate to the problem. There are numerous additional monitoring scripts that are also programmed to email the HIC DOD if the file transfer operations are not handled in the proper fashion.

If HIC cannot solve the problem within six (6) hours (on business days or twelve (12) hours on weekends or holidays), the HIC DOD 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

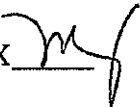
At DOTAX's request, HIC will consider developing modifications or additions that materially change the utility, efficiency, functional capability, or application of the software ("Enhancements") at such charge and on such schedule as the parties may mutually agree in writing. Such modifications or additions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

RESPONSIBILITIES OF DOTAX

DOTAX 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 DOTAX by the agreed upon dates. If DOTAX 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 DOTAX.

- DOTAX will provide timely authorization for the project and for each approval required during the project.
- DOTAX will provide database extracts and schemas (Excel/Access files), as needed.
- DOTAX will provide electronic copies of all forms required by the system, if they exist.
- DOTAX will provide written functional requirements for any existing system components, where applicable.
- DOTAX agrees to designate content-knowledgeable reviewer(s) to review each deliverable prior to acceptance to ensure that acceptance represents an informed commitment.
- DOTAX will provide knowledge transfer of necessary IT knowledge, environment and business processes, if required by HIC.
- DOTAX will provide content information to be presented on the website, if applicable.

DOTAX 

HIC 

RESPONSIBILITIES OF THE HAWAII INFORMATION CONSORTIUM

HIC will provide a Partner Liaison to serve as the primary point of contact and coordination with the DOTAX project team. The HIC liaison will provide all the HIC deliverables, detailed above 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 DOTAX with transaction reports and money transfers on a schedule mutually agreed to by HIC and DOTAX.
- Provide DOTAX with transactions reports based on a layout and design defined by DOTAX.
- 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 daily.
- Create a Business Continuity Plan.
- Provide DOTAX with technical documentation and user guide(s) on tools/applications implemented.

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- GATHER INFORMATION

- Gather information on agency business practices
- Gather information on end user needs and preferences
- Gather information on existing information systems used
- Document the agency's functional requirements of the proposed web system
- Provide the agency with a functional requirements document for review, feedback and acceptance

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 DOTAX and make changes, as necessary
- Write the Design Specification document
- Obtain agency signoff prior to Application Development

STAGE 3 - APPLICATION DEVELOPMENT

- Create system design
- Code the application and perform unit and system testing

- Write technical documentation
- Deploy for user acceptance test(s)
- Perform user acceptance test(s)
- Obtain agency signoff prior to Roll-Out

STAGE 4 – ROLL-OUT (in conjunction with agency, if applicable)

- Press releases
- Marketing materials

STAGE 5 - APPLICATION MAINTENANCE

- Enable online feedback
- Manage & respond to customer feedback
- Plan for new versions

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 liaison reviews an issue and determines that the resolution will lead to a change in scope, defined as a change that will impact cost, schedule or staffing.
- The proposed change is documented in a scope change order, including the impact on schedule, cost and staffing.
- DOTAX project manager reviews and approves the scope change.
- The scope change order is reviewed by HIC and/or the Access Hawaii Committee and is approved upon signature by the HIC General Manager.

At this point, the change order becomes an addendum to the Statement of Work.

After Software Delivery:

Maintenance: To report an error, authorized DOTAX personnel should utilize JIRA, HIC's issue tracking system. Urgent requests should be directed to the HIC Partner Liaison, the Director of Development or Systems Administrator.

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

- Authorized DOTAX personnel enters a new issue in HIC's online issue tracking system.
- The HIC project manager reviews an issue and determines whether the resolution will lead to a change in scope, defined as a change that will impact cost, schedule or staffing.
- The proposed change will be documented by HIC in a scope change order, including the impact on schedule, cost and staffing.
- The DOTAX project manager will review and approve the scope change order.
- The scope change order will then be subject to final review by the HIC Manager and/or the Access Hawaii Committee.

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

After the application is launched, any change required can be requested via the JIRA 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 with the approval of the Access Hawaii Committee.

Next, HIC will provide a response to DOTAX via JIRA. 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.

STAKEHOLDERS

Hawaii Department of Taxation
Princess Ruth Keelikolani Building
830 Punchbowl St
Honolulu, HI 96813

Hawaii Information Consortium, LLC.
201 Merchant Street
Suite 1805
Honolulu, HI 96813

CHAIN OF COMMAND

DOTAX	Maria E. Zielinski, Director
	Joseph K. Kim, Deputy Director
HIC	Russell Castagnaro, General Manager
	Teri Berschneider, Director of Operations
	Zheng Fang, Director of Development

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.

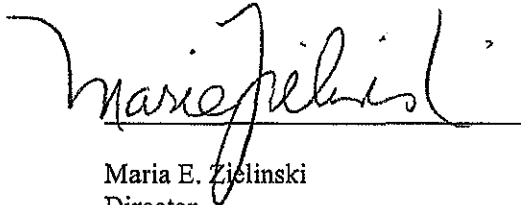
I have read the above document and understand all implications thereof. Any future changes to this Statement of Work will be made through a formal request to the HIC General Manager.

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.

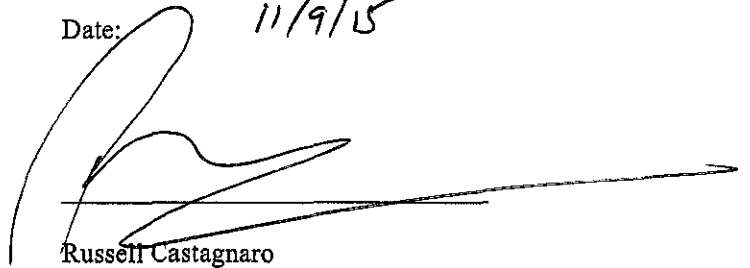
Date:

Date:

11/9/15



Maria E. Zielinski
Director
Department of Taxation



Russell Castagnaro
General Manager
Hawaii Information Consortium, LLC