

HAWAII INFORMATION CONSORTIUM

STATEMENT OF WORK

ENTERPRISE TECHNOLOGY SERVICES/ ETS

2017 ACA AUTOMATION SUPPORT

Version 1.02

ETS-20161121-001

HAWAII INFORMATION CONSORTIUM

OVERVIEW

This Statement of Work (SOW) document identifies the responsibilities between the Enterprise Technology Services (ETS) and the Hawaii Information Consortium, LLC. (HIC) as 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 December 3, 2007.

This Statement of Work covers specific topics that deal with the planning, development, testing, transfer and completion of electronically filed Affordable Care Act (ACA) federal tax reports, specifically:

- Generation of the xml data file as required for ACA reporting (1095C, 1094C as other related files based upon the State's Applicable Large Employer (ALE) status and requirements.

SERVICE LEVEL AGREEMENT

This Statement of Work is subordinate to the Service Level Agreement (SLA) between the Office of Information Management and Technology (now known as ETS) and HIC signed and dated on September 6, 2012 and is subject to all terms and conditions thereof unless specifically designated as exceptions in this document.

BACKGROUND

The ETS has contracted with HIC to fully execute specific work tasks required to meet the ACA reporting requirements as outlined in the "Overview" section above. These work tasks are associated with the generation of the xml data files to the Federal Government on behalf of State of Hawaii's Executive Branch departments.

PURPOSE STATEMENT

In 2015, the ETS contracted with HIC to assist with the development associated with generating and transmitting Federal tax reporting data to the IRS. During the engagement, the HIC developed a program that was used to generate an xml data file to meet 2015 ACA reporting requirements.

In 2016 and 2017, the ETS requires the services of HIC to be the technical support organization responsible for (1) modifying the 2015 ACA xml data file to meet the 2016 ACA requirements obtained from the Affordable Care Act Information Returns (AIR) webinars in September, October, and November 2016 and (2) resolving problems associated with modifications made to the xml program.

SCOPE STATEMENT

The ETS has contracted with HIC to assist with the development associated with generating and transmitting federal tax report data to the IRS on behalf of State of Hawaii Executive Branch departments. This project and portions of, or all of its functionality, will be used to create future testing, acceptance and transmission features to expand services to users. There will be no cost to reuse functionality and components already developed for the addition of new or future services.

Project Scope shall include the following HIC work tasks:

- a. Modification to xml program created by HIC that was used to create the 2015 ACA xml data file to meet 2016 ACA reporting requirements;
- b. Resolving problems associated with modifications made to xml program.

Furthermore, the ETS will give the record layout of the input file and the test data files to the HIC. The HIC will run the test file through the xml program and verify that the data on the test file are placed in the appropriate fields in the output file. Example: Name data goes into the name field on the output file. Upon successful conversion, the HIC will inform the ETS who will also check the results.

All costs associated with this project is clearly identified in the Project Development Costs section of this SOW.

PROJECT DEVELOPMENT COSTS

There is a \$6,100.00 limit on work performed. However, with the mutual agreement of ETS and HIC, the scope and cost can be expanded to address any problems or issues that occur that are not due to HIC's or ETS's conduct.

The HIC will be compensated only for the work it performs.

| Deliverable | Resource | No. Hours | Hourly Rate | Fixed Cost | Contingent Hours | Contingent Costs |
|--|------------------------------|------------------|--------------------|-------------------|---|-------------------------|
| Production Ready – 2016 ACA xml program | | | | | | |
| <ul style="list-style-type: none"> Identify changes for 2016 ACA reporting (Prior to the start of coding) | Developer Project Manager | 2 1 | \$80 \$80 | \$160 \$80 | | |
| <ul style="list-style-type: none"> Monitor, identify, and report IRS changes to ETS that impact project scope, deliverables, schedule, or cost. (After coding has begun.) | Developer Project Manager | 4 2 | \$80 \$80 | \$320 \$160 | 2 2 | \$160 \$160 |
| <ul style="list-style-type: none"> Modify XML code | Developer | 10 | \$80 | \$800 | | |
| <ul style="list-style-type: none"> Unit Testing | Developer | 1 | \$80 | \$80 | 2 (Only used if unit test fails or issues arise.) | \$160 |
| <ul style="list-style-type: none"> Documentation | Project Manager | 1 | \$80 | \$80 | | |
| <ul style="list-style-type: none"> Turn Over/Training (Delivering/Installing script) | Project Manager | 1 | \$80 | \$80 | | |
| Install ACA xml program on virtual machine | | | | | | |
| <ul style="list-style-type: none"> Perform installation of the ACA xml program on a virtual machine designated by ETS. | System Administrator | 1 | \$100 | \$100 | 2 (Only used if initial installation | \$200 |

| Deliverable | Resource | No. Hours | Hourly Rate | Fixed Cost | Contingent Hours | Contingent Costs |
|--|------------------------------|------------------|--------------------|-------------------|-------------------------|-------------------------|
| <ul style="list-style-type: none"> Assist State personnel during the file transfer process. | | | | | fails or issues arise.) | |
| Problem resolution during Production | | | | | | |
| <ul style="list-style-type: none"> Research problem Determine corrective action Implement corrective action Test to confirm problem has been corrected | Project Manager Developer | | \$80 \$80 | | 6 28 | \$480 \$2,240 |
| Sub-total: | | | | \$1,860.00 | | \$3,400.00 |
| TAX (4.712%): | | | | \$ 87.64 | | \$ 160.21 |
| TOTAL (add tax): | | | | \$1,947.64 | | \$3,560.21 |

Risk and Contingencies:

1. Developer Tasks (Modify XML Code & Unit Testing) is based only on the items listed in the ACA Xml Changes for 2016 attachment.docx.

After this SOW is signed, the HIC will monitor, identify, and report IRS changes to the ETS that impact project scope, deliverables, schedule, or cost. The HIC will provide a description of the change, impact, and a copy of the official IRS document/notification of the change. The impact statement shall identify any additional work, cost, and time required to implement the change. The ETS will be responsible for specifying/authorizing all Developer Tasks/changes that need to be completed in this SOW. With the mutual agreement of ETS and HIC, the scope and cost of this SOW can be expanded to address these Developer Tasks/changes.

*Note: In order for HIC to monitor for IRS changes, the Developer will need to review past changes for August, September, October, November, and December 2016, and January 2017, as well as call-in to phone conferences/webinars in February and March 2017.
(<https://www.irs.gov/for-tax-pros/software-developers/information-returns/affordable-care-act-information-returns-air-program-overview>)

2. If the hours in the Problem resolution during Production sub-section is exceeded, with the mutual agreement of ETS and HIC, the scope and cost of this SOW can be expanded to address any problems or issues that occur that are not due to HIC's or ETS's conduct.
3. HIC will begin work on this project in February 2017 with an expected completion date of June 29, 2017.

DELIVERY AND PAYMENT SCHEDULE

Contingent cost will be paid in final payment.

| Delivery/Availability Dates | Deliverable | Payment of Fixed Cost | Contingent Cost |
|------------------------------------|--|------------------------------|------------------------|
| 03/13/2017 | Production Ready - 2016 ACA xml program. | \$1,760.00 | |
| 3/31/2017 | Installation of the ACA xml program on a virtual machine designated by ETS | \$100 | |

| Delivery/Availability Dates | Deliverable | Payment of Fixed Cost | Contingent Cost |
|--|---|------------------------------|------------------------|
| 3/31/2017 - 6/29/2017 Final Payment | Monitoring IRS changes and impacts | | \$320.00 |
| | Additional unit testing | | \$160.00 |
| | Additional work on installation of the ACA xml program on a virtual machine designated by ETS | | \$200.00 |
| | Problem resolution during production | | \$2,720.00 |
| | SUB-TOTAL: | \$1,860.00 | \$3,400.00 |
| | TAX (4.712%) | \$87.64 | \$160.21 |
| | TOTAL | \$1,947.64 | \$3,560.21 |

RESPONSIBILITIES OF HIC

- Preparing the ACA xml program for processing 2016 ACA data by incorporating 2016 ACA reporting requirements, performing unit testing, documenting the program, and providing turn over/training for State personnel.
- Installing the ACA xml program on a virtual machine designated by ETS.
- Assisting in resolving problems that occur during production file transfers by researching problems, determining corrective action, implementing corrective action, and performing tests to confirm problem has been corrected.
- Identify and report to the ETS changes which impact project scope, deliverables, schedule, or cost. The HIC will provide to the ETS a description of the change, impact, and a copy of the official IRS document/notification of the change.

Additionally, HIC will not be held responsible for delays due to the unavailability of data or resources from ETS or downtime of the IRS site used for testing.

RESPONSIBILITIES OF ETS

- Providing technical requirements for the service/work assigned to HIC.
- Registration of new Responsible Official.
- Providing the IRS account credentials required for the ACA xml program.
- Designating content-knowledgeable reviewer(s) to review each deliverable prior to acceptance to ensure that acceptance represents an informed commitment.
- Providing Subject Matter Experts (SME) and personnel with expertise in human resources, ACA or policies/procedures relating to this project.
- Preparing Statement of Work (SOW).
- Providing test files in batch file format. These test data files shall be used for mapping and informational purposes.

- Providing the final production file to HIC prior to the actual production file transfer (tentatively set for 3/31/2017) to ensure that the xml conversion process is accurate and able to handle production sized files.
- Transmitting final production file to the IRS.
- Specifying/authorizing all Developer Tasks that need to be completed in this SOW. The impact statement provided by HIC shall identify any additional work, cost, and time required to implement change.
- Timely authorization for the project and for each approval required during the project.
- Processing payment of services/work provided by HIC upon receipt of the invoice.

TASK WORKFLOW

| Responsibility | Responsible Party | Start Date | Target Completion Date |
|--|------------------------|--|---|
| Provide technical requirements for the service/work assigned to HIC | ETS | 11/2016 | 12/2016 |
| Registration of new Responsible Official (tentatively Comptroller) | ETS & DAGS-Comptroller | 12/2016 | ASAP (It can take 1 to 2 weeks to get accepted) |
| Provide IRS account credentials for the ACA xml program to HIC | Responsible Official | ASAP after Responsible Official is accepted by the IRS | |
| Designating content knowledgeable reviewers | ETS & DHRD | 12/2016 | 12/2016 |
| Providing Subject Matter Experts (SME) and personnel with expertise in human resources, ACA, or policies/procedures relating to this project | DHRD | 12/2016 | 12/2016 |
| Prepare Statement Of Work (SOW) | ETS | 11/2016 | 1/2017 |
| Signoff SOW | ETS & HIC | 2/2017 | 2/2017 |
| Prepare the ACA xml program for processing 2016 ACA data | HIC | 2/2017 | 3/2017 |
| Provide test files | ETS | 2/2017 | 2/2017 |
| Install the ACA xml program on a virtual machine designated by ETS | HIC | 2/2017 | 3/2017 |
| Ensuring that all requirements related to the proper handling of State personal data are in place according to State law. | HIC | 2/2017 | 2/2017 |
| Provide final production file | ETS | 2/2017 | By 3/31/2017 if not sooner |
| Transmit 2016 ACA file the IRS | ETS | 2/2017 | By 3/31/2017 if not sooner |
| Assist in problem resolution during production | HIC | 3/31/2017 | 6/29/2017 |
| Identify and report to the ETS changes which impact project scope, deliverables, schedule, and/or cost. | HIC | Duration of SOW | |
| Specifying/authorizing all Developer Tasks that need to be completed in this SOW | ETS | Duration of SOW | |

| Responsibility | Responsible Party | Start Date | Target Completion Date |
|---|-------------------|-----------------|------------------------|
| Provide timely authorization for the project and for each approval required during the project. | ETS | Duration of SOW | |
| Processing payment of services/work provided by HIC | ETS & HIC | Duration of SOW | |

CHANGE REQUEST PROCEDURE

The following procedure shall be followed to request changes to this SOW.

The ETS shall submit written change requests to the HIC General Manager. The request shall include a description of the change; the desired completion date; and any constraints, restrictions, limitations which could affect HIC’s evaluation of the request.

Within five (5) working days after receiving the change request, the HIC shall review the request and provide a written impact analysis of implementing the change, if one has not already been done. The impact analysis shall identify scheduled work that could be adversely impacted; any additional work, cost, resources, and time required; date change must be implemented by; any constraints, restrictions, limitations; and cost to implement change.

Only changes that have been mutually agreed upon by ETS and HIC shall be implemented.

TERM OF AGREEMENT

This Agreement shall be effective as of date of signing by both parties and shall remain in full force and effect until June 29, 2017.

June 29, 2017 includes a burn-in period of 90-days after deployment (tentatively set for March 31, 2017) to allow for adjustments as the public and internal staff use the application and discover bugs that may have been overlooked during testing. Each bug identified will be reviewed and verified by HIC. The period can be increased, without any additional cost, by the State to match IRS timeline regarding the error correction turnaround if necessary.

STAKEHOLDERS

Enterprise Technology Services

1151 Punchbowl Street Room B10

Honolulu, HI 96813

Department of Human Resources Development

215 S. Beretania Street Room 1400

Honolulu, HI 96813

Hawaii Information Consortium, LLC.

201 Merchant Street Suite 1805

Honolulu, HI 96813

CHAIN OF COMMAND

Enterprise Technology Services

Todd Nacapuy, CIO

Dennis Uyesugi, ETS Client Services Branch Manager

David Keane, IT Manager (DHRD)

Derek Ichiyama, Portal Program Manager

Hawaii Information Consortium

Burt Ramos, General Manager

Janet Pick, 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 ETS/department regarding projects in collaboration with HIC.

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

I have read the above document and understand all implications thereof.

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:

Todd Nacapuy
Chief Information Officer
Enterprise Technology Services

Burt Ramos
General Manager
Hawaii Information Consortium, LLC.