

AMENDMENT III

DEPARTMENT OF HEALTH
HARM REDUCTION SERVICES BRANCH

MEDICAL MARIJUANA [CANNABIS] REGISTRATION
SYSTEM
FOR
OUT OF STATE PATIENTS

Version 1.00

DOH.004.A3

STATE OF HAWAII

OVERVIEW

This Statement of Work (“SOW”) Amendment III document identifies the responsibilities between the Department of Health (“STATE”) 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 (collectively referred to as the “CONTRACT”).

Prior SOWs were signed between STATE and HIC.

This is an amendment to the following documents:

- 1) Original Statement of Work (SOW) document entitled Medical Marijuana Registration System dated April 16, 2014 and signed between the STATE and HIC.
- 2) Medical Marijuana Registration System SOW Amendment I document entitled Medical Marijuana Registration System dated October 10, 2014 and signed between the STATE and HIC.
- 3) Medical Marijuana Registration System SOW Amendment II document entitled Medical Marijuana Registration System dated February 24, 2017 and signed between the STATE and HIC.

The SOW Amendment III is subordinate to the Service Level Agreement (“SLA”) between the STATE and HIC signed and dated on October 7, 2008. This SOW Amendment III is subject to all terms and conditions thereof unless specifically designated as exceptions in this document.

The purpose of this document is to amend the scope statement by developing and implementing new enhancements to the Medical Cannabis Registration System as described in the Purpose Statement section below.

TERM AND TERMINATION

This SOW Amendment III shall begin on the date it is signed by all parties (hereinafter referred to as “Effective Date”), and shall continue in effect until the expiration/termination of the CONTRACT. Termination of this SOW shall not operate to terminate any other SOW between the parties, and such termination shall not, by itself, operate to terminate the CONTRACT.

This SOW may be terminated pursuant to the terms and conditions in the AG’s General Conditions.

CURRENT PROCESS

Phase I - Currently, only in-state patients may apply to register with the Hawaii Medical Cannabis Registry Program of the STATE. Hard copy medical cannabis cards are sent to the approved registered patients by the registry program. Out-of-state patients visiting Hawaii are only permitted to apply for a Hawaii medical cannabis

registration card through a Hawaii physician/APRN once they are in Hawaii. Without a Hawaii registration these visiting out- of- state patients are not permitted to purchase nor possess medical cannabis in the state of Hawaii, nor can they bring medical cannabis from another state or jurisdiction. This situation leaves patients without their medication if they travel to Hawaii. Thus, currently there is no system for out-of-state patients to apply for or receive a Hawaii medical cannabis card. They may not enter nor make purchases at any of the medical cannabis dispensaries in Hawaii. In addition, currently, in-state medical cannabis patients must wait until their paper Medical Cannabis 329 card arrives in the mail to be covered by the Medical Cannabis Registry program.

Phase II – New qualifying medical conditions for the medical use of cannabis by in-state patients can be approved through changes to the law or by an annual petition process managed by STATE. Currently, when a new qualifying condition is approved, a physician/Advanced Practice Registered Nurse (APRN) cannot certify in-state patients for the medical use of cannabis with that condition until that condition has been added to the online medical cannabis registry application. This is currently a relatively lengthy process that delays patient registration.

Phase III - Currently, all in-state patients with qualifying medical conditions must reapply annually to register with the Medical Cannabis Registry Program. There is no mechanism for physicians/APRNs to diagnose patients with qualifying conditions as chronic or to certify them for more than a one-year registration period.

Phase IV - Currently, only one parent/guardian can be a caregiver for a minor registered for the medical use of cannabis. There is no mechanism in place to permit both custodial parents/guardians to be caregivers for one or more children. This applies to both in-state and potential out-of-state patients.

PURPOSE STATEMENT

This Statement of Work Amendment covers additional enhancements requested by the STATE as listed below.

The purpose of this document is to amend the scope statement by developing and implementing new enhancements to the Medical [Cannabis] Registration System as follows:

Phase I: STATE requests HIC to implement a new online system enhancement that will allow out-of-state patients to apply for and renew registrations with the Hawaii Medical Cannabis Registration Program, even before they arrive in Hawaii. This will be based in part on their having a valid medical cannabis registration in another state, U.S. territory, or the District of Columbia. This is an alternative to their current option of registering once they are in Hawaii, in the same way in-state residents must register. With the passage and enactment of HB 2729 HD2 SD2 CD1, visitors from other states in possession of valid medical cannabis cards from a state where medical cannabis is legal will be able to apply to the Hawaii Medical Cannabis Registry Program for a Hawaii registration card. The new system will have the capacity so that upon approval or denial of either an in-state or out-of-state patient application, an automatic, system generated email notification will be sent to patients regarding the status of their application. The system will allow approved in-state and out -of-state registered patients unique protected access to their electronic medical cannabis card at the secure medical cannabis registry website maintained by HIC.

Phase II: STATE requests HIC to implement system enhancements to allow in-state patients with newly approved qualifying medical conditions to be certified for the Medical Cannabis Registry Program without delay

through a refactoring of all sections of code dealing with the medical conditions, including screens, reports and pdfs, making it possible to use a database driven solution going forward to rapidly update the database with any new qualifying condition(s). Physicians/APRNs will be able to promptly certify patients diagnosed with the newly approved qualifying condition(s), on an interim basis, if necessary, until the system has been adjusted permanently to accommodate any newly approved qualifying condition(s).

Phase III: STATE requests HIC to implement system to allow patients to apply for the desired registration period, based on doctor approval and meeting the conditions stated by DOH with the capacity for in-state patients to apply for either 1 or 2 year registrations in the Medical Cannabis Registry when 1) their bona fide relationship with their certifying physician/APRN is in place for at least one year, 2) the certifying physician/APRN has designated the patient's medical condition as chronic, and 3) the certifying physician/APRN agrees that a 2 year registration is appropriate.

Phase IV: STATE requests HIC to implement system enhancements with the capacity for up to 2 custodial parents/guardians to register as caregivers for their minor children, so instead of a 1 parent:1 child relationship, there is a 1:n or 2:n relationship, where 1 or 2 is the number of custodial parents and n represents all their minor children. This applies to both in-state and out-of-state families.

DEFINITIONS

Acceptance: Acceptance refers to the agency's written approval of the functionality delivered in the production environment.

CMS (Content Management System) site: the front-end user interface that allows a user, even with limited expertise, to add, modify, and remove content from a website without the intervention of a webmaster; primarily allows the user to perform actions.

Delivery: Delivery refers to when HIC delivers the entire functionality per the SOW requirements into the production environment.

Final Acceptance: Final Acceptance refers to the agency's written approval of the entire project.

Fixed Rate (Business Model): When transaction fees are not feasible HIC can still offer services with a fixed rate. In most cases, this funding model is used when an agency wants to develop an online service that has an existing funding model (i.e. federal grants) or the service doesn't generate any revenue but requires significant development and maintenance.

Hybrid (Business Model): A hybrid approach is using both the self-funded and fixed rate models together. There are development costs, however, they are discounted as there is also a self-funded component to the application.

Self-funded (Business Model): HIC absorbs the risk and cost of developing & maintaining the service in return for future revenue over the lifecycle of the service. HIC generates revenue through portal fees that are

added on to the online services we build. These fees can be passed to the fee payer or absorbed in part or whole by the State.

Services: Web site and application development; Web site and application maintenance; Web site and application hosting; Marketing; Customer service; Payment portal and account management; Portal development and maintenance; Mobile web applications. See SPO Vendor List Contract No. 08-13 for entire list of services.

Software: Web applications, CMS websites and APIs. For purposes of clarity, the following off-the-shelf, SaaS solutions are developed, owned and maintained by HIC affiliates and expressly excluded from the definition of “Software”: (1) payment processing services and subscriber billing; (2) the Gov2Go® Platform and related services; (3) a proprietary application development platform referred to as “Application Engine,” which enables expedited application design services; and (4) any other enterprise SaaS solutions developed outside of the CONTRACT and provided for agency use under the CONTRACT.

Web application or application: a client–server software application in which the client (or user interface) runs in a web browser; primarily allows the user to perform actions.

Work plan: a timeline of the deliverables outlined in the SOW that is developed by HIC and approved by the agency.

SCOPE OF WORK AND DELIVERABLES

Specifications for the project are attached as Exhibit A and made a part of this SOW.

DELIVERY, ACCEPTANCE AND FINAL ACCEPTANCE

DELIVERY

Prior to launch of the service, HIC will provide the STATE with an Authorization to Deploy Letter describing that the service has been built to the STATE requirements. The STATE shall sign and return the Authorization to Deploy Letter to HIC within 5 business days.

After receiving the signed Authorization to Deploy Letter, HIC will deploy the entire functionality per the SOW requirements into the production environment on the date specified in the Authorization to Deploy Letter.

ACCEPTANCE (Deliverables)

The STATE shall not exceed fifteen (15) working days to review each deliverable and to either notify HIC of acceptance, or to provide HIC a detailed list of deficiencies that must be remedied prior to payment being made. In the event the STATE notifies HIC of material, non-compliance with the functional specifications, HIC shall correct the error within a period not to exceed fifteen (15) working days, unless the STATE consents in writing to a longer period.

FINAL ACCEPTANCE

STATE should notify HIC of any errors or bugs when discovered during testing in the 90-day post-launch period. HIC shall fix any specifications not met by the project completion date specified in the Work Plan, plus the 10 business days to fix all issues at no extra cost or charge to STATE, or any longer time specified as mutually agreed upon in writing.

Once all the errors and bugs, if any, have been fixed and the Software or service has been retested, or at the end of the 90-day post-delivery period, whichever occurs later, HIC shall provide an acceptance letter to STATE with a checklist of the deliverables/specifications for approval. STATE shall sign and return the acceptance letter to HIC within 5 business days at which time the maintenance period begins.

MAINTENANCE AND SUPPORT

The annual maintenance and hosting shall be provided to the STATE, irrespective of any changes or enhancements to the system, as described under Maintenance and Support Fees in Exhibit A.

Schedule of Maintenance

HIC will provide support for the proper installation and ongoing general maintenance and operation of the application including the following:

- Customer Service Support including phone, email, and chat support Monday through Friday 7:45 AM to 4:30 PM, excluding state holidays.
- Database and file storage
- Daily database backups at 10:00 PM; STATE will be notified if the time changes
- Daily file backups at 12:00 AM; STATE will be notified if the time changes
- Maintenance of the web application and hosted environment
 - annual application scan within a year of the anniversary of service launch date
 - server, system, and security updates upon release of new patches/updates by third-party vendors
 - monitoring of the application and hosted environment 24/7

Notification to STATE to be posted of any changes or maintenance at least 48 hours prior.

After the application is delivered, as defined in the DELIVERY and FINAL ACCEPTANCE section, HIC will provide support for the proper installation and ongoing general maintenance and operation of the application. HIC shall immediately provide troubleshooting to correct any errors in the application and issues reported by STATE.

Upon receipt of notice of an error, 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 service being substantially or completely nonfunctional or inoperative. These issues shall be resolved within 6 business hours. If an issue cannot be resolved within the 6 business hours or a work-around is the immediate solution, a resolution plan must be presented by HIC to the STATE within the 6 business hours and the HIC General Manager will be notified. If the service is unavailable a message will immediately be posted by HIC to web users that the site is temporarily down.
- Priority B – An error that does not impact the performance or operation of the site, but correction of the error will result in improved user experience or application efficiency. HIC will investigate and resolve within 10 business days. If the issue cannot be resolved within the 10 business days or a work-around, decided by both parties, is the immediate solution, a resolution plan must be presented by HIC to the STATE within the 10 business days.
- Priority C – A simple text or graphic (non-design) change. The change will be completed within 15 business days, unless an alternate, mutually agreed upon timeline is stated in writing.

During state business hours, 7:45 a.m. – 4:30 p.m., Monday through Friday, the STATE will contact the Partner Liaison if there are any issues with the service. During non-business hours, the HIC support team can be contacted at 808-695-4627.

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 SFTP/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, and the Partner Liaison will contact the STATE immediately. 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.

In the event of a system-wide service issue, HIC will immediately notify ETS via email, ets.notifyus@hawaii.gov. For all other service issues impacting a single service, HIC will immediately notify the State Portal Program Manager and the STATE Project Manager by email and phone (See Exhibit A).

F E E S

HIC RATES

RATE CHART – RFP 08-011

Job Specialty	Hourly Rate
General Manager	\$240.00
Software Architect	\$120.00
Senior Project Manager	\$120.00

Project Manager	\$80.00
Senior Business Analyst	\$100.00
Business Analyst	\$70.00
Senior Developer	\$100.00
Developer	\$80.00
Web/Creative Designer	\$60.00
Print Designer	\$75.00
Marketing Executive	\$80.00
Marketing Associate	\$50.00
Financial Management/Billing Specialist/Support Staff	\$70.00
Database Administrator	\$100.00
Security Administrator	\$100.00
Systems Administrator	\$100.00

DEVELOPMENT FEES

The project development cost is **\$99,702.58** including Hawaii General Excise Tax (GET). HIC will invoice PARTNER according to the payment schedule set forth in Exhibit A.

MAINTENANCE AND SUPPORT FEES

This project shall not incur maintenance & support fees for the duration of the service.

TRANSACTION FEES

See Exhibit A for fees charged.

INVOICE AND PAYMENT SCHEDULE

Invoice process - HIC shall send invoice to STATE upon acceptance of HIC deliverables; STATE has 30-days to pay.

See Exhibit A for details of Invoice and Payment Schedule.

RESPONSIBILITIES OF THE STATE

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

To accomplish the tasks outlined in this SOW and provide the deliverables defined in the Deliverables/Milestones section of this document, STATE Project Manager will work with HIC Project Manager/Partner Liaison to establish a project plan/timeline in conjunction with Deliverables/Milestones, HIC will require the following from STATE by the agreed upon dates in the Work Plan. If STATE 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 STATE.

- STATE will provide timely authorization for the project and for each approval required during the project.
- STATE will provide written functional requirements for all system components.
- STATE agrees to designate content-knowledgeable reviewer(s) to review each deliverable prior to acceptance to ensure that acceptance represents an informed commitment.

- STATE will provide knowledge transfer of necessary IT knowledge, environment and business processes. Verbal walkthroughs and documentation will satisfy this responsibility.
- STATE will provide content information to be presented on the website.
- While building the website, it is the STATE's responsibility to ensure all pre-existing PDF documents meet State Comptroller's Memorandum 2010-28 on accessibility. This includes adding tags to each document to ensure they are easily read by screen readers.
- After 90-days post launch, STATE is responsible for maintaining ADA compliance.
- STATE will perform testing and give approval of acceptance
- See additional responsibilities in Exhibit A

RESPONSIBILITIES OF THE HAWAII INFORMATION CONSORTIUM

HIC will provide a Project Manager to serve as the primary point of contact and coordination with the STATE project team for the duration of the implementation of this project. STATE will require the following from HIC by the agreed upon dates. If HIC does not provide any of these items by the required delivery dates, then STATE will not be held responsible for delays in the timetable due to unavailability of data or resources from HIC. HIC will provide all the HIC deliverables detailed in the Deliverables section and will:

- Host the application over the course of its lifecycle
- Present a resolution plan for Priority A prior to project commencement
- Create and submit a Continuity plan to the State 5 business days prior to launch
- 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
- Provide Executive Briefing as needed
- Provide the STATE with transaction reports and money transfers on a schedule mutually agreed to by HIC and the STATE
- 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
- Provide services as specified in the SOW
- Ensure website accessibility compliance per State Comptroller's Memorandum 2010-28. Accessibility of content added by the STATE post-production launch is at the responsibility of the STATE.
- Includes acceptance testing criteria and process
- See additional responsibilities in Exhibit A

REMEDIES

Failure to Perform

If HIC substantially fails to perform the SOW, STATE will give HIC written notice describing such failure. Thereafter, HIC shall have 10 days (or a longer period of time if set forth in the written notice) to remediate such failure. If HIC has not remediated such failure within the allotted time period, STATE may terminate this SOW.

Pursuant to section 9.16.2 of the CONTRACT, substantial failure of HIC to perform the SOW may cause the STATE to terminate the SOW. In this event, the STATE may require HIC to reimburse the monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

MODIFICATIONS AND AMENDMENTS

This SOW may be modified, amended or extended only by mutual agreement signed by both parties.

STAKEHOLDERS

Department of Health, Harm Reduction Services Branch

3627 Kilauea Avenue

Honolulu, HI 96816

Hawaii Information Consortium, LLC.

201 Merchant Street.

Suite 1805

Honolulu, HI 96813

CHAIN OF COMMAND

STATE

Bruce Anderson, Director, Department of Health

Peter Whiticar, Chief, Harm Reduction Services Branch

Tamara Whitney, Program Specialist, Medical Cannabis Registry

HIC

Bertrand Ramos, General Manager

Janet Pick, Director of Portal Operations

Zheng Fang, Director of Development

Julie Shoheit, Partner Liaison

SIGN OFF

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

Date: Aug 10, 2018

Date: Aug 6, 2018

Peter Whiticar

Bertrand Ramos

Peter Whiticar, Chief
Harm Reduction Services Branch
Department of Health

Bertrand Ramos
General Manager
Hawaii Information Consortium, LLC

REVIEWED AND APPROVED:

Date: Aug 11, 2018

ACCESS HAWAII COMMITTEE

Todd Nacapuy

By: Todd Nacapuy
Chief Information Officer
Office of Enterprise Technology Services
State of Hawaii

Exhibit A

SOW-DEPARTMENT OF HEALTH-HARM REDUCTION SERVICES BRANCH-MEDICAL CANNABIS REGISTRY FOR OUT-OF-STATE PATIENTS

State Agency: Department of Health (DOH)

Agency Contact: Peter Whitaric, Harm Reduction Services Branch Chief

Agency Email: Peter.Whitaric@doh.hawaii.gov

Agency Address: 3627 Kilauea Avenue, Honolulu, HI 96816

Agency Phone: (808) 733-8443

HIC PM: Julie Shohet

HIC PM Email: Julie@ehawaii.gov

HIC PM Phone: (808) 687-6136

Application Name: Medical Cannabis Registry

Business Model: Hybrid

Estimated Deployment Dates:

Phase I: January 02, 2019

Phase II: March 21, 2019

Phase III: June 10, 2019

Phase IV: September 30, 2019

Scope of Work and Deliverables

Scope:

Phase I

The scope of Phase I is to allow out-of-state (OSP) patients to apply online, before arriving in Hawaii for a Hawaii medical cannabis registration card through the Hawaii Medical Cannabis Registry Program. They will be able to apply and later renew their Hawaii registration online. This phase includes an electronic notification from DOH to patients regarding the approval or denial of a patient's application and a mechanism for in-state and out-of-state patients to electronically retrieve their patient medical cannabis registration card from a secure web location maintained by HIC. Develop an application system to enable out-of-state patients to provide physician/APRN contact information, medical condition(s), and details from out-of-state medical cannabis card, along with an uploaded copy of out-of-state medical cannabis card, and identification card from the state, U.S. territory, or District of Columbia where the medical cannabis card was issued.

- Implement business rules for out-of-state patient applications, including validity periods, renewal periods and frequency, patient submission path, and limitations
- Expand DOH capabilities to approve out-of-state patient applications, to electronically notify the out-of-state patients regarding the approval or denial of their application, to electronically provide them with the medical cannabis cards, and to measure these patients through reports
- Expand DOH capabilities to electronically notify in-state patients regarding the approval or denial of their application, or approved change request requiring reissuance, and electronically provide a medical cannabis card to them.

Phase II

Phase II scope is to allow, for in-state patients, rapid addition of new medical conditions to the list of approved medical conditions in the Registry.

- Implement a means for physicians/APRNs to rapidly select newly approved medical conditions in the certification process
- Update reports with a reference to the newly approved medical conditions
- Detailed revisions to reports will occur at the time of the addition of the medical condition(s).

Phase III

Phase III scope is to allow physicians/APRNs to identify in-state patients with a chronic disease, so that after a relationship is established, with medical approval, patient applicants may pay for either 1 or 2 years of registration.

- Enable physician/APRN certification of chronic qualifying conditions for in-state patients to be valid for one or two years when 1) their bona fide relationship with their certifying physician/APRN is in place for at least one year, 2) the certifying physician/APRN has designated the patient's medical condition as chronic, and 3) the certifying physician/APRN agrees that a 2-year registration is appropriate.
- Implement business rules related to physician/APRN's approval, including no patient refunds if the physician/APRN determines that the qualifying condition is not chronic
- Set up payment so that the cost to the patient for a 2 year registration is twice the cost for a 1 year registration

Phase IV

Phase IV scope is to allow, for both in-state and out-of-state patients, up to 2 parents/guardians to be caregivers for all their registering minors.

- Modify the patient application process, Patient Record Search Results, Law Enforcement search results, display of patient records, and business rules to reflect the presence of 2 caregivers for minor children

Delivery: Phase I – OSP Program & Electronic Delivery of Medical Cannabis Cards to Patients

Milestone Schedule						
Task Duration	Description	Deliverable	Role	Hours	Rate (h)	Total
TBD	Signed Statement of Work	Signed SOW	N/A	N/A	N/A	N/A
Kickoff Meeting	Determine Start of Project Work	Work Plan with dates for each deliverable presented	PL			
2 weeks after work plan approved	Design prototype	Design prototype (Image mockups of key pages)	Designer	60	\$60	\$3,600
			PM	8	\$80	\$640
5 working days after design prototype completed	Approval to proceed	Sign off				
15 weeks after design prototype approved	Beta deployment	Website deployed in TEST environment:				
	Out of State Patient application flow (implement business rules, path, limitations).		Developer	108	\$80	\$8,640
			Designer	6	\$60	\$360
			QA Testing	45	\$80	\$3,600
			PM	23	\$80	\$1,840
			Sys Admin	2	\$100	\$200
	Out of State DOH Review & Approval Flow, providing cards, and reports)		Developer	143	\$80	\$11,440
			Designer	6	\$60	\$360
			QA Testing	60	\$80	\$4,800
			PM	30	\$80	\$2,400
			Sys Admin	1	\$100	\$100
	Expand DOH capabilities to provide card		Developer	38	\$80	\$3,040
			Designer	4	\$60	\$240

	electronically to instate patients		QA Testing	17	\$80	\$1,360
			PM	8	\$80	\$640
			Sys Admin	1	\$100	\$100
15 working days after website deployed in test environment	Approval to proceed	Sign off				
3 weeks after site deployed to TEST	Testing, agency training & review	1 training session for agency personnel	Developer	30	\$80	\$2,400
			QA	30	\$80	\$2,400
			PM	30	\$80	\$2,400
			SysAdmin	2	\$100	\$200
5 working days after testing completed by STATE	Approval to proceed	Sign off				
1 week after testing approval	Website live	Website deployed in PROD environment	Developer	.5	\$80	\$40
			PM	.5	\$80	\$40
			SysAdmin	2	\$100	\$200
N/A	Post Launch	Final invoice sent 90-days post launch				
			Work Totals	655		\$51,040.00
			Discount Amount			\$6,124.80
			Subtotal			\$44,915.20
			GET amount			\$2,116.40
			Total amount			\$47,031.60

Delivery: Phase II – Rapid Ability to Certify In-State Patients with New Medical Conditions

Milestone Schedule						
Task Duration	Description	Deliverable	Role	Hours	Rate (h)	Total
TBD	Signed Statement of Work	Signed SOW	N/A	N/A	N/A	N/A
Kickoff Meeting	Determine Start of Project Work	Work Plan with dates for each deliverable presented	PL			
2 weeks after work plan approved	Design prototype	Design prototype (Image mockups of key pages)	Designer	20	\$60	\$1,200
			PM	8	\$80	\$640
5 working days after design prototype completed	Approval to proceed	Sign off				
3 weeks after design prototype approved	Beta deployment	Website deployed in TEST environment				
	Implement a means for physicians/APRNs to rapidly select newly approved medical conditions in the certification process		Developer	29	\$80	\$2,320
			Designer	4	\$60	\$240
			QA Testing	13	\$80	\$1,040
			PM	7	\$80	\$560
			Sys Admin	1	\$100	\$100
	Report updates with Medical conditions		Developer	19	\$80	\$1,520
			Designer	12	\$60	\$720
			QA Testing	13	\$80	\$1,040
			PM	6	\$80	\$480
			Sys Admin	1	\$100	\$100

15 working days after website deployed in test environment	Approval to proceed	Sign off				
3 weeks after site deployed to TEST	Testing, agency training & review	1 training session for agency personnel	Developer	16	\$80	\$1,280
			QA	30	\$80	\$2,400
			PM	16	\$80	\$1,280
			SysAdmin	1	\$100	\$100
5 working days after testing completed by STATE	Approval to proceed	Sign off				
3 days after testing approval	Website live	Website deployed in PROD environment	Developer	.5	\$80	\$40
			PM	.5	\$80	\$40
			SysAdmin	1	\$100	\$100
N/A	Post Launch	Final invoice sent 90-days post launch				
			Work Total	198		\$15,200.00
			Discount Amount			\$1,824.00
			Subtotal			\$13,376.00
			GET amount			\$630.28
			Total Amount			\$14,006.28

Delivery: Phase III – Allow Chronically Ill Patients to purchase 1 or 2 year applications

Milestone Schedule						
Task Duration	Description	Deliverable	Role	Hours	Rate (h)	Total
TBD	Signed Statement of Work	Signed SOW	N/A	N/A	N/A	N/A
Kickoff Meeting	Determine Start of Project Work	Work Plan with dates for each deliverable presented	PL			
2 weeks after work plan approved	Design prototype	Design prototype (Image mockups of key pages)	Designer	20	\$60	\$1,200
			PM	8	\$80	\$640
5 working days after design prototype completed	Approval to proceed	Sign off				
3 weeks after design prototype approved	Beta deployment	Website deployed in TEST environment				
	Physician/APRN path to identify instate chronic patients		Developer	24	\$80	\$1,920
			Designer	1	\$60	\$60
			QA Testing	10	\$80	\$800
			PM	5	\$80	\$400
			Sys Admin	1	\$100	\$100
	Implement chronic patient path business rules		Developer	18	\$80	\$1,440
			Designer	1	\$60	\$60
			QA Testing	8	\$80	\$640
			PM	4	\$80	\$320
	Implement payment path		Developer	18	\$80	\$1,440
			QA Testing	7	\$80	\$560

	for chronic patients		PM	4	\$80	\$320
			Sys Admin	1	\$100	\$100
15 working days after website deployed in test environment	Approval to proceed	Sign off				
3 weeks after site deployed to TEST	Testing, agency training & review	1 training session for agency personnel	Developer	16	\$80	\$1,280
			QA	30	\$80	\$2,400
			PM	16	\$80	\$1,280
			SysAdmin	1	\$100	\$100
15 working days after testing completed by STATE	Approval to proceed	Sign off				
3 days after testing approval	Website live	Website deployed in PROD environment	Developer	.5	\$80	\$40
			PM	.5	\$80	\$40
			SysAdmin	1	\$100	\$100
N/A	Post Launch	Final invoice sent 90-days post launch				
			Work Total	195		\$15,240.00
			Discount Amount			\$1,828.80
			Subtotal			\$13,411.20
			GET amount			\$631.94
			Total amount			\$14,043.14

**Delivery: Phase IV – Both Parents Can be Caregivers for All Minor Children –
Applicable for In-State and for Out-of-State Families**

Milestone Schedule						
Task Duration	Description	Deliverable	Role	Hours	Rate (h)	Total
TBD	Signed Statement of Work	Signed SOW	N/A	N/A	N/A	N/A
Kickoff Meeting	Determine Start of Project Work	Work Plan with dates for each deliverable presented	PL			
2 weeks after work plan approved	Design prototype	Design prototype (Image mockups of key pages)	Designer	20	\$60	\$1,200
			PM	8	\$80	\$640
5 working days after design prototype completed	Approval to proceed	Sign off				
7 weeks after design prototype approved	Beta deployment	Website deployed in TEST environment				
	Modify Patient application process, search, patient record display & business rules to have 2 caregivers/multiple children		Developer	120	\$80	\$9,600
			Designer	16	\$60	\$960
			QA Testing	55	\$80	\$4,400
			PM	28	\$80	\$2,240
			Sys Admin	2	\$100	\$200
15 working days after website deployed in test environment	Approval to proceed	Sign off				
			Developer	30	\$80	\$2,400

4 weeks after site deployed to TEST	Testing, agency training & review	1 training session for agency personnel	QA	30	\$80	\$2,400
			PM	30	\$80	\$2,400
			SysAdmin	1	\$100	\$100
15 working days after testing completed by STATE	Approval to proceed	Sign off				
3 days after testing approval	Website live	Website deployed in PROD environment	Developer	.5	\$80	\$40
			PM	.5	\$80	\$40
			SysAdmin	1	\$100	\$100
N/A	Post Launch	Final invoice sent 90-days post launch				
			Work Total	342		\$26,720.00
			Discount Amount			\$3,206.40
			Subtotal			\$23,513.60
			GET amount			\$1,107.96
			Total Amount			\$24,621.56

Summary Table for All Phases:

ALL PHASES	Phase I	Phase II	Phase III	Phase IV	Total
Actual Work Total	\$51,040.00	\$15,200.00	\$15,240.00	\$26,720.00	\$108,200.00
Actual Discount Amount	\$6,124.80	\$1,824.00	\$1,828.80	\$3,206.40	\$12,984.00
Subtotal (work ttl - disct)	\$44,915.20	\$13,376.00	\$13,411.20	\$23,513.60	\$95,216.00
Actual GET Amount	\$2,116.40	\$630.28	\$631.94	\$1,107.96	\$4,486.58
Actual Total Amount	\$47,031.60	\$14,006.28	\$14,043.14	\$24,621.56	\$99,702.58

Work Plan/Deliverables:

HIC is to provide a detailed description of all the tasks that are to be completed to accomplish each of the deliverables in the tables above. This will serve as a road map for the project.

Specific completion dates to be included for each deliverable within 2 days after the project kickoff meeting.

The following are the deliverables to be provided by Contractor to Customer under this SOW:

PHASE I – Out-of-State Patient Program & Electronic Delivery of medical cannabis cards to patients (August 1, 2018 – January 02, 2019)

- Design prototype (August 15, 2018)
- Test version delivered (December 05, 2018)
- STATE Testing (3 weeks, December 26, 2018)
- Production version launched (January 02, 2019)
- Maintenance support (launch and thereafter)

PHASE II – Rapid Medical Condition (January 03, 2019 – March 21, 2019)

- Design prototype (2 weeks after workplan approved – January 24, 2019)
- Test version delivered (3 weeks after prototype approved – February 21, 2019)
- STATE Testing (3 weeks, March 14, 2019)
- Production version launched (1 week after test version approved, March 21, 2019)
- Maintenance support (launch and thereafter)

PHASE III – 2 Year Registration Option for Chronically Ill Patients (March 25, 2019 – June 10, 2019)

- Design prototype (2 weeks after workplan approved – April 15, 2019)
- Test version delivered (3 weeks after prototype approved – May 13, 2019)
- STATE testing (3 weeks – June 03, 2019)
- Production version launched (1 week after test version approved – June 10, 2019)
- Maintenance support (launch and thereafter)

PHASE IV – Both Parents can be Caregivers for all their Minor Children (June 11, 2019 - September 30, 2019)

- Design prototype (2 weeks after workplan approved – July 02, 2019)
- Test version delivered (7 weeks after prototype approved – August 26, 2019)
- STATE testing (4 weeks – September 23, 2019)
- Production version launched (1 week after test version approved – September 30, 2019)
- Maintenance support (launch and thereafter)

HIC shall, at the commencement of project discussions, also identify and define all dependencies that may occur for each stage of the project and present those dependencies in writing, as part of this section, prior to signing of the SOW.

Fees

Applicability of Transaction Fees:

This SOW Amendment III does not change any existing transaction fees for the Medical Cannabis Registry service. The current transaction fee of 10% per transaction remains as is.

The DOH Program registration fee for in-state patients remains at \$35.00. The DOH Program change fee for in-state patients remains at \$15.00. The DOH Program registration fee for out-of-state patients is \$45.00.

Examples:

1. In-state patient application fee:

DOH fee = \$35.00
HIC transaction fee = \$3.50
Total Paid by User = \$38.50

2. In-state patient change fee:

DOH fee = \$15.00
HIC transaction fee = \$1.50
Total Paid by User = \$16.50

3. Out-of-state patient application fee:

DOH fee = \$45.00
HIC transaction fee = \$4.50
Total Paid by User = \$49.50

HIC transaction fees are \$3.50 for in-state patient applications, \$1.50 for changes, and \$4.50 for out-of-state patient applications.

The formula used to generate the HIC estimate for out-of-state patient revenue is the following:

- 6 million US visitors
- 50% visit from states with legalized medical cannabis programs
- 1% of the population is in a medical cannabis program
- 10% of the pool of possible medical cannabis visitors will visit Hawaii

$$6,000,000 \times 50\% \times 1\% \times 10\% = 3,000$$

$$\text{Estimated HIC Revenue is } \$4.50 \times 3,000 = \$13,500.$$

Any costs incurred by HIC associated with unsuccessful contest of a charge-back, cancellation, or insufficient funds will be invoiced to STATE 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 STATE the original transaction amount plus a \$25.00 chargeback fee.

ACH Returns (consolidated ACH via HIC only):

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 STATE the original transaction amount plus a \$25.00 return fee.

Any and all fees and payment policies may be altered by mutual agreement in writing between STATE and HIC via an SOW Amendment.

Development Fees:

The project development cost is \$99,702.58 including Hawaii General Excise Tax (GET).

Maintenance and Support Fees:

The annual maintenance and hosting shall be provided at no cost to the STATE, irrespective of any changes or enhancements to the system.

Invoice and Payment Schedule

The total not-to-exceed cost for this project is \$99,702.58 and will be invoiced and paid 30-days after invoice is received according to the following schedule:

Phase I – Out-of-State Patient Program & Electronic Delivery of Medical Cannabis Cards to Patients

Date	Deliverable	Price	GE Tax	Total
December 05, 2018	Payment upon deployment of functional test system and DOH acceptance	\$8,983.04	\$423.28	\$9,406.32 (20%)
December 26, 2018	Payment upon completion of testing and DOH acceptance	\$8,983.04	\$423.28	\$9,406.32 (20%)
January 02, 2019	Payment after acceptance letter signed by DOH and submittal of application for launch to production environment	\$8,983.04	\$423.28	\$9,406.32 (20%)
April 02, 2019	Payment at end of 90-day warranty period	\$17,966.08	\$846.56	\$18,812.64 (40%)
	TOTAL	\$44,915.20	\$2,116.40	\$47,031.60

Phase II - Rapid Medical Condition Addition

Date	Deliverable	Price	GE Tax	Total
February 21, 2019	Payment upon deployment of functional test system and DOH acceptance	\$2,675.20	\$126.06	\$2,801.26 (20%)
March 14, 2019	Payment upon completion of testing and DOH acceptance	\$2,675.20	\$126.06	\$2,801.26 (20%)
March 21, 2019	Payment after acceptance letter signed by DOH and submittal of application for launch to production environment	\$2,675.20	\$126.05	\$2,801.25 (20%)
June 20, 2019	Payment at end of 90-day warranty period	\$5,350.40	\$252.11	\$5,602.51 (40%)
	TOTAL	\$13,376.00	\$630.28	\$14,006.28

Phase III – Allow Doctor-approved 2-year patient registrations

Date	Deliverable	Price	GE Tax	Total
May 13, 2019	Payment upon deployment of functional test system and DOH acceptance	\$2,682.24	\$126.39	\$2,808.63 (20%)
June 03, 2019	Payment upon completion of testing and DOH acceptance	\$2,682.24	\$126.39	\$2,808.63 (20%)
June 10, 2019	Payment after acceptance letter signed by DOH and submittal of application for launch to production environment	\$2,682.24	\$126.38	\$2,808.62 (20%)
September 8, 2019	Payment at end of 90-day warranty period	<u>\$5,364.48</u>	<u>\$252.78</u>	<u>\$5,617.26 (40%)</u>
	TOTAL	\$13,411.20	\$631.94	\$14,043.14

Phase IV –Two Parent Caregivers for All Minor Children

Date	Deliverable	Price	GE Tax	Total
August 26, 2019	Payment upon deployment of functional test system and DOH acceptance	\$4,702.72	\$221.59	\$4,924.31 (20%)
September 23, 2019	Payment upon completion of testing and DOH acceptance	\$4,702.72	\$221.59	\$4,924.31 (20%)
September 30, 2019	Payment after acceptance letter signed by DOH and submittal of application for launch to production environment	\$4,702.72	\$221.59	\$4924.31 (20%)
December 29, 2019	Payment at end of 90-day warranty period	\$9,405.44	\$443.19	\$9,848.63 (40%)
	TOTAL	\$23,513.60	\$1,107.96	\$24,621.56

Additional Responsibilities of State:

Commencement of work is dependent upon Governor Signature on HRS 2729.

Additional Responsibilities of HIC:

There are no additional responsibilities of HIC that are specific to this project.

Checklist of Services HIC Will Provide

Idea Development

- Analysis of existing processes, workflows and systems
- Roadmap creation
- Workflow process re-engineering
- Alternative solution exploration

Customer Service

- Customer service via phone, web chat, and email
- Monthly customer service statistics
- Technical support for users

Strategic Marketing

- Business cards and postcards
- Email and text notifications and reminders
- Posters and multimedia presentations
- Content modifications for online and offline collateral
- Social media integration

Project Management

- Agile process and experienced project teams
- Requirements collection and development
- Workflow reengineering
- Solution estimating
- Alternative approach planning and development

Web Design and Development

- Accessibility and 508 compliance
- Customer service support
- Java application development
- Mobile applications (Android and iOS)
- Responsive web design
- User feedback data pipelines
- User centered design
- User experience, user interface, and visual design
- Web Content Management Systems

Servers & Security

- Endeavor Data Center with 99.99% uptime

- Secured redundant UPS power systems
- Regular server monitoring and tracking
- 24/7 security and video surveillance
- Smoke detection and dry pipe fire systems

3rd Party Merchant Processing

- Level-3 PCI DSS compliance
- Secure configuration with external PCI scans
- Credit card and electronic check payments
- ACH and manual disbursements
- Chargeback and refund support
- Collection and frontline customer support for all payments
- Reporting modules