



**United States
Department of
Agriculture**

Food and
Nutrition
Service

Northeast Region

10 Causeway St.
Room 501
Boston, MA 02222

Courtney Hawkins, Director
RI Department of Human Services
Louis Pasteur Building
57 Howard Avenue
Cranston, RI 02920

DEC 29 2017

Dear Director Hawkins:

The Food and Nutrition Service (FNS) has completed its review of Rhode Island (RI) UHIP (Unified Health Infrastructure Project) submission of the Implementation Planning Document (IAPD) As Needed on November 30, 2017. Responses to FNS questions were received on December 22, 2017, and December 27, 2017 with a final response received on December 28, 2017. The IAPD-As Needed includes a revised budget that incorporates revisions to Rhode Island's Federal Fiscal Year (FFY) 17 program of work pursuant to the previously submitted Assessment of UHIP report dated February 2017, updated cost-allocations, a re-forecasted 2018 budget, and an updated projected 2019 budget.

FNS remains unable to approve the revised budget for FFY 17, funding for FFY 18 quarters three and four, and FFY 19 at this time. However, we are willing to conditionally approve funding for the second quarter of FFY 18 to allow the State more time to respond to the outstanding conditions outlined in FNS's FFY 18 first quarter conditional approval letter of October 06, 2017, and to respond to the additional conditions outlined below. The following additional conditions must be met:

Condition 1 -

The State must provide a detailed list of the system changes and fixes that will be used to determine if the system is fully compliant by February 16, 2018.

Condition 2 -

The State must provide FNS with a breakout of the entire project budget by FFY, quarter, and cost type/center for the entire project. The budget must include actual and estimated costs to date and follow the requirements of HB 901 section 3.5.2.1.

These conditions must be met by February 16, 2018.

In addition to these conditions, the State must continue to work with FNS to resolve several outstanding questions regarding the UHIP design, development, and implementation and maintenance and operations cost allocation methodologies prior

to its submission of its next IAPDU. Until these concerns are resolved, the UHIP cost allocation changes are not deemed approvable. However, the costs associated with the second quarter of FFY 2018 are deemed allowable even if the underlying program allocations shift costs between programs. As a reminder, the FNS Northeast Regional Office will be onsite during the week of February 5, 2018 to conduct a Financial Management review.

In accordance with guidance set forth in FNS Handbook 901, FNS will monitor progress of the project using the Advance Planning Document Update (APDU) process, including regular conference calls, FNS site visits as needed as well as required review and approval of the User Acceptance Testing (UAT) and Pilot results for SNAP system functionality. This monitoring approach supports the high degree of interaction expected between FNS and the State as the project moves forward. The State is responsible to have performance expectations, prescribed remedies and penalties in place that protect the State in the event of a failure in performance by the vendors. Acquisitions and subsequent undertakings that fail to meet approved APD requirements may be subject to disallowance of costs

The update also included costs related to the CSG contract amendment #7, valued at \$758,000 for a total not-to-exceed value of \$10,426,946.71. This Amendment includes the performance of IV&V services from January 01, 2018 to June 30, 2018. Amendment #7 extends the term of the base contract to June 30, 2018. FNS approves this contract amendment and its associated sole source request.

The update also included costs related to the KPMG contract amendment #2, valued at \$3,830,699 for a total not-to-exceed value of \$16,289,273. This Amendment includes UAT and implementation support services from January 02, 2018 to August 31, 2018. Amendment #2 extends the term of the base contract to August 31, 2018. FNS conditionally approves this contract amendment. As a condition of approval, RI must provide an explanation of the State's plan, timeline, and draft request for proposal to competitively procure a new vendor no later than January 31, 2018.

The State is reminded that ALL contract amendments must be submitted allowing for ample review time (sixty days). Contract amendments that exceed 20% of the base contract cost (cumulative) must be submitted to FNS for review and approval prior to any work starting or costs incurred. We also request that all executed contract amendments be submitted for our records.

Upon review of RI's current IAPDU-As Needed submission, FNS has decided to conditionally approve RI's IAPDU-As Needed and provide funding for the project through the second quarter of FFY 18 2018 ending on March 31, 2018.

The total estimated project costs for Design, Development, and Implementation (DDI) for the second quarter of FFY 18 are \$10,777,904.

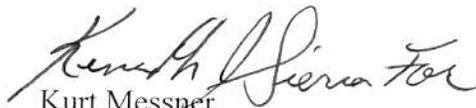
| FFY DDI Costs | SNAP FNS Share @ # | SNAP FFP @ 50% | Actual or Estimate |
|---------------|--------------------|----------------|--------------------|
| 2018 Q2 - | \$170,266 | \$85,133 | Estimate |

The State Agency is reminded to submit updates on an Annual or As Needed basis in accordance with guidance provided in FNS Handbook 901.

The State's next IAPDU must be submitted for FNS review by February 16, 2018.

We continue to work with the State with regard to RIBridges stability and are providing technical assistance as needed. Please contact either Bonnie Brathwaite, Northeast Regional SNAP Director, at 617-565-6397, or Dawn Bartolomeo of the FNS State Systems Office at 415-744-3774 or dawn.bartolomeo@fns.usda.gov with questions or comments.

Sincerely,



Kurt Messner
Regional Administrator
Northeast Region

cc: Matt Stark
Iwona Ramian
Ben Shaffer