



**United States  
Department of  
Agriculture**

**JUN 29 2018**

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

Dear Director Hawkins:

The Food and Nutrition Service (FNS) has completed its review of Rhode Island UHIP's (Unified Health Infrastructure Project) submission of the Implementation Advance Planning Document (IAPD) As Needed on April 30, 2018 and revised on June 8, 2018. Responses to FNS questions were received on June 22, 2018.

The IAPD-As Needed includes minor clarifications to the IAPD and cost allocation updates proposed for Q4 of FFY 18.

FNS is approving RI's IAPDU-As Needed and providing funding for the project through the fourth quarter of federal fiscal year (FFY) 2018 ending on September 30, 2018. However, FNS remains unable to approve funding for FFY 19 at this time. A comprehensive revision to the IAPD that addresses concerns raised by FNS/CMS's joint FFY 18 Q4 IAPDU comments on June 20, 2018 must be submitted in order to receive approval for additional funding beyond September 30, 2018.

As a reminder, the approval of RI's IAPDU for FFY 18 Q4 does not constitute approval of contract or contract amendment costs for the performance of work under contracts that have not received FNS approval to date.

The total estimated project costs for Design, Development, and Implementation (DDI) for the fourth quarter of FFY 18 are \$12,047,668, of that amount \$10,654,975 include cost categories that include the use of SNAP funding.

FFY DDI Costs	SNAP FNS Share @1.47% (Does not include unapproved contract costs)	SNAP FFP @ 50% (Does not include unapproved contract costs)	Actual or Estimate
2018 Q4	\$156,628	\$78,314	Estimate

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

The IAPDU-As Needed was also used to respond to many conditions included in previous APD or procurement approvals. FNS's response to Rhode Island's

submissions to address these conditions will be addressed under a separate cover. In accordance with guidance set forth in FNS Handbook 901, FNS will monitor the 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 for having 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 State's next IAPDU must be submitted for FNS review by August 1, 2018.

The update also included costs related to the IBM contract amendment #5 and CSG contract amendment #8 that were originally submitted on May 2, 2018 for FNS review and approval. Rhode Island also submitted a copy of the State's contract with International Consulting Acquisition Corporation/ISG Public Sector on May 23, 2018. FNS has the following response on these submissions and their revisions as noted:

**IBM Contract Amendment #5 and Sole Source Exception Request.** Amendment #5 is valued at \$3,492,000 and was submitted on May 2, 2018 with subsequent clarifying questions received on June 20, 2018. Rhode Island's sole source exception request for Amendment #5 was received on June 14, 2018. With the inclusion of this amendment the total not-to-exceed value for this contract is \$11,386,980. This amendment includes the extension of staff augmentation services and extends the termination date for the contract from July 01, 2018 to March 31, 2019. FNS approves Rhode Island's sole source exception request and contract amendment.

**CSG Contract Amendment #8 and Sole Source Exception Request.** Amendment #8 is valued at \$1,943,480 was submitted for FNS review on May 2, 2018 and subsequently revised on June 22, 2018. Rhode Island's sole source exception request for Amendment #8 was also submitted on June 22, 2018. This Amendment includes the extension of IV&V services from July 01, 2018 to June 30, 2019. With the inclusion of this amendment the total not-to-exceed value for this contract is \$12,369,836.7. FNS approves of this contract amendment and its sole source exception request.

**International Consulting Acquisition Corporation/ISG Public Sector.** This contract will support the State in its procurement of a UHIP M&O vendor at a cost not to exceed \$727,720; the contract was executed on May 18, 2018, for a period of performance from execution through May 16, 2019. Since the total contract value falls below the FNS review and approval threshold of \$6 million threshold for competitive procurements, we are acknowledging this change order without further action required. However, if the State engages in any amendments that increase the contract value beyond \$1,000,000 and are outside of the contract performance period (with options) causing the amendment to be considered a sole source, the amendment would be required to be submitted for FNS approval prior to execution.

The State is reminded that ALL contract amendments must be submitted allowing for ample review time of 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 contract amendments be submitted for our records.*

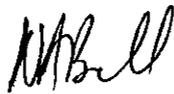
In addition Rhode Island is reminded that the OMB A-87 Cost Allocation Exception will expire on December 31, 2018. This provision has allowed state human service programs, such as SNAP, to benefit from the design and development of Medicaid eligibility and enrollment (E&E) systems built in support of the Affordable Care Act (ACA). For states that have eligibility system projects in development and which utilize the Cost Allocation Exception, FNS is encouraging them to consider impacts that may result from its expiration on December 31<sup>st</sup>. In most cases, an Update to the Implementation Advance Planning Document (IAPDU) covering the project will be necessary to identify and explain anticipated changes to a project's budget and cost allocation and if appropriate, changes to the scope or schedule which may be prompted by changing funding resources. In addition, states should consider how this change will impact budget projections submitted on the FNS 366A and work with Regional Office financial management staff in advance of reporting expenditures that may represent a significant increase over previously reported amounts.

Guidance on cost allocation principles and requirements for the Advance Planning Document process is contained in the FNS Handbook 901:  
<https://www.fns.usda.gov/apd/fns-handbook-901-v2-advance-planning-documents>

Information on the origin and extension of the OMB A-87 Cost Allocation Exception can be found at the following Federal partner website:  
<https://www.medicaid.gov/state-resource-center/state-operations-and-technical-assistance/sota-updates/?entry=44532>

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](mailto:dawn.bartolomeo@fns.usda.gov) with questions or comments.

Sincerely,

  
Kurt Messner  
Regional Administrator  
Northeast Region

cc: Matt Stark  
Iwona Ramian  
Ben Shaffer