

# Independent Review

## Fuel EBT Solution

For the

State of Vermont

Agency of Human Services (AHS), Department of Children and Families (DCF)  
Economic Services Division (ESD) and Department of Information and Innovation (DII)

Submitted to the

State of Vermont, Office of the CIO

By

Strategic Technology Services

9/15/2015

**Attachments:**

1. FINAL-REVIEW-SOV-DCF-FuelEBT-STS\_Risk\_Register.pdf
2. FINAL-REVIEW- SOV-DCF-FuelEBT-STS\_Project\_Cost\_Detail.xlsx
3. VT Change Request -Fuel Benefits v.02 07.27.15.pdf (Pricing/Contract)
4. LIHEAP Block Grant Plan FFY2016.pdf
5. Cost Benefit information V2 6.8.15.xlsx

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# 1. Executive Summary

*Provide an introduction that includes a brief overview of the technology project and selected vendor(s).*

## Project Summary

1. This is a 7 year project totaling **\$3.8M** and will involve:
  - a. Design, Development and Implementation Services (DDI) of EBT-related software and services provided by FIS as a subcontractor to Xerox State and Local Solutions, and is expected to occur between July, 2015 through October 2016.
  - b. This work is to be performed under Master Contract #27312 with Xerox (Xerox Contract Terms: \$2.5M for the time period 10/1/2014 – 9/30/2021) **but will be a separately priced and scoped contract with FIS under Xerox Master Contract** (see the attached “VT Change Request -Fuel Benefits v.02 07.27.15.pdf”).
  - c. Fees related to the Fuel EBT project are expected to be **in addition to** Contract #27312.
  - d. Maintenance and Operations (M&O) services provided by FIS as a subcontractor to Xerox and are expected to occur between November 2016 and October 2021.
2. Senior Business Leadership, Technical Leadership, and Subject Matter Expertise are aligned to complete solution implementation.

## Vendor Profile

1. **Xerox State and Local Solutions**
  - a. A subsidiary of Xerox Corporation (formerly Affiliated Computers Services, acquired by Xerox in 2010). Xerox had \$20B annual revenue in 2014, \$1.2B income, publicly traded (XRX), 140,000 employees.
2. **Fidelity National Information Services, Inc. (FIS)**
  - a. Subcontractor to Xerox on this project, \$6.2B annual revenue in 2014 (\$679M income), \$2.5B of which comes out of the Payment Services Group, under which this project resides.
  - b. A Fortune 500 company with more than 30,000 people, is a leading provider of financial institution core processing; EBT processing for state government agencies; prepaid card solutions; card issuance and transaction processing services; and service provider for financial institutions and retailers throughout the world. Headquartered in Jacksonville, Florida, FIS has a strong global presence, serving more than 14,000 financial institutions in more than 100 countries worldwide. FIS has processing and technology relationships with 40 of the top 50 global banks, including eight of the top 10. FIS is a member of Standard & Poor’s (S&P) 500® Index, and, for the second consecutive year, was named the number one overall financial technology provider in the world by American Banker and Financial Insights (FinTech100).
  - c. FIS has grown since the 1960s through targeted, disciplined, and successfully integrated acquisitions and mergers with companies such as EDS, Alltel, Certegy, BankWare, Aurum Technology, InterCept, MSI, eFunds Corporation (in 2007) and Metavante (in 2009). A global provider of prepaid card solutions, card issuance, and transaction processing services to state government, financial institutions, and retailers.
  - d. FIS is the current transaction processor for New Hampshire, Rhode Island, and Vermont.
  - e. **FIS subsidiary eFunds is the proposed subcontracting entity to Xerox.**

## 1.1 Cost Summary

IT Activity Lifecycle:	7 Years
Total Lifecycle Costs:	\$ 3.8M
Total Software Costs (one time):	\$ 0 (this is a services contract)
Total Implementation Costs (one time):	\$ 550K
Total M&O Costs:	\$ 3.3M
New Annual Operating Costs:	New costs range from an increase of \$26K (Years 1 and 2) to a reduction of \$82K (Years 3-7).
Difference Between Current and New Operating Costs:	<b>Total reduction of \$360K over the project lifecycle.</b>
Funding Source(s) and Percentage Breakdown if Multiple Sources:	<p>US Department of Health and Human Services LIHEAP Block Grant:            In FY2015, Vermont received \$18,965,161, 10% of which can be used for Administrative tasks, the remainder must be applied to Fuel Assistance (<i>this is compared to \$19.1M in FY2014 and \$18.2M in FY2013</i>).</p> <p>(<i>The Office of Community Services (OCS), Division of Energy Assistance (DEA), released approximately \$3.05 billion of Federal Fiscal Year (FY) 2015 regular block grant funding to LIHEAP grantees on October 16, 2014. An additional \$300 million was released on January 21, 2015. This funding is provided under the Continuing Appropriations Resolution 2015, Public Law 113-164, which the President signed into law on September 19, 2014.</i>)</p> <p>Also, \$1.1M was allocated via Weather Assistance Program, none of which can be used for this program.</p> <p><b>FY2016 which is YEAR 1 of IMPLEMENTATION and FY2017 which is YEAR 2 of IMPLEMENTATION could use this ADMINISTRATIVE funding, but other costs within the program already consume this funding. We need to examine this funding source in order to pay the DDI fees.</b></p> <p><b>There is opportunity to use LIHEAP PROGRAM FUNDS for new system development, and DCF is pursuing that at the time of this report. Total needed is \$549K. See the attached LIHEAP application "LIHEAP Block Grant Plan FFY2016.pdf".</b></p> <p>DCF Operating Budget: \$3.3M</p>

## 1.2 Disposition of Independent Review Deliverables

Deliverable	Highlights from the Review <i>Include explanations of any significant concerns</i>
Acquisition Cost Assessment	The acquisition cost is comparable when compared to comparable projects.
Cost Analysis and Model for Benefit Analysis	Cost analysis provides accurate 7 year costs. Monetary benefits are expected and outlined in the Cost/Benefit section.
Impact Analysis on Net Operating Costs	Decrease in Operating Costs of \$360K. See attached Cost Analysis spreadsheet.
Technology Architecture Review	FIS provides all system hardware (HP NonStop Blade servers in both data centers), operating software, application software, security systems, telecommunications equipment, and other products necessary to maintain statewide EBT processing environment in their states.
Implementation Plan Assessment	Consistent project management approach and methodology has yielded positive results on previous projects of similar duration and scope.

## 1.3 Identified High Impact &/or High Likelihood of Occurrence Risks

Risk Description	State's Planned Risk Response	Reviewer's Assessment of Planned Response
See Risk Register		

## 1.4 Other Key Issues

*Recap any key issues or concerns identified in the body of the report.*

1. No other issues identified.

## 1.5 Recommendation

*Provide your independent review recommendation on whether or not to proceed with this technology project and vendor(s).*

It is recommended the project proceed as specified in this report, based on the following:

1. Confirmation that LIHEAP Funding Source will cover DDI fees.
2. Confirmation that Cost Per Case Month will be an annual vs. Monthly Fee.
3. DCF Succession plan defined before project commences.
4. Satisfactorily reviewing and mitigating the specific Risk Register items not mentioned above.

## 1.6 Certification

I hereby certify that this Independent Review Report represents a true, independent, unbiased and thorough assessment of this technology project/activity and proposed vendor(s).

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Signature

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Date

## 2. Scope of this Independent Review

*Add or change this section as applicable.*

### 2.1 In-Scope

The scope of this document is fulfilling the requirements of Vermont Statute, Title 3, Chapter 45, §2222(g):

*The Secretary of Administration shall obtain independent expert review of any recommendation for any information technology initiated after July 1, 1996, as information technology activity is defined by subdivision (a)(10), when its total cost is \$1,000,000 or greater or when required by the State Chief Information Officer.*

The independent review report includes:

- An acquisition cost assessment
- A technology architecture review
- An implementation plan assessment (which includes a Risk Analysis)
- A cost analysis and model for benefit analysis; and
- An impact analysis on net operating costs for the Agency carrying out the activity

### 2.2 Out-of-Scope

*If applicable, describe any limits of this review and any area of the project or proposal that you did not review.*

A separate deliverable contracted as part of this Independent Review may be procurement negotiation advisory services, but documentation related to those services are not part of this report *at this time*.

### 3. Sources of Information

#### 3.1 Independent Review Participants

*List the individuals that participated in this Independent Review.*

Name	Employer and Title	Participation Topic(s)
Sean Brown	SOV; Deputy Commissioner, Economic Services Division; <b>PROJECT EXECUTIVE SPONSOR</b>	Role in Agency, Role on project, Success criteria, Concerns/Risks, Funding Sources and Uses
Morgan Davis	SOV; <b>Fuel EBT Project Manager</b> ; Business Analyst	Primary Point of contact for IR, Discussed Project Management Approach, Coordinate meeting schedules with project participants
Barbara Cormier	SOV; DII Oversight Project Manager	Project Management Oversight
Barrie Brigham	SOV; Fuel Program SME	Role in Agency, Role on project
Dan McDevitt	SOV; EBT Director, Project Executive Sponsor	Role in Agency, Role on project, Success criteria, Concerns/Risks, Solution Scope and Testing
Jack Green	SOV; AHS Security Officer	Solution review relative to security criteria
Leo Clark	SOV; DCF Chief Financial Officer	Funding Sources and Uses
Lisa Allard	SOV; DMH Deputy Commissioner	Funding Sources and Uses
Mike Morey	SOV; Chief Technology Officer; DII Enterprise Architect	Enterprise Architecture considerations
Patty Hartman	SOV; ACCESS (Legacy System) Development Supervisor	Role in Agency, Role on project, Success criteria, Concerns/Risks, Changes required by ACCESS
Richard Moffi	SOV; Fuel and Utility Program Director; <b>PROJECT SPONSOR</b>	Role in Agency, Role on project, Success criteria, Concerns/Risks
Rich DiMatteo	SOV; Deputy IT Director	Role in Agency, Role on project, Technical Standards, Architecture
Tina Wilder	SOV; Assistant Program Administrator; Fuel Program SME	Role in Agency, Role on project, Success criteria, Concerns/Risks
Lucia Skow	FIS; Account Manager/ <b>Project Manager</b> for Vermont EBT project	Oversight role on project
Steve Travis	FIS; Senior Product Manager	Define the What and How, and turn project over to PM
Doug Darr	Xerox; Program Manager	Xerox oversight role with FIS on this project
Stephen Parsons	Xerox; Program Manager	Xerox oversight role with FIS on this project



### 3.2 Independent Review Documentation

Complete the chart below to list the documentation utilized to compile this independent review.

Document Name	Description	Source
VT Change Request -Fuel Benefits v.02 07.27.15.pdf	Project Cost per Xerox and FIS	Xerox
00 Title Page (VT).doc through 14.09 Pricing for NCS EBT Rate Escalators.doc (152 documents in total)	Xerox Proposal	Dan McDevitt
eSigned IT_ABC_Form_DCF Fuel Payment Restructuring v1.pdf	<i>Initial</i> and IT ABC and Cost Analysis Form	Project SharePoint Site
IT_ABC_Form_DCF Fuel Payment Restructuring v1.1 7.28.15.pdf	<i>Resubmitted</i> IT ABC Cost Analysis form	Morgan Davis
PJK_Draft_Copy_Contract_AHS DCF_Xerox 27312.pdf	Xerox contract	Peter Kipp
Fuel Payment Restructure - Approved Project Charter 5.5.15.pdf	Project Charter	Project SharePoint Site
DCF ISD Project and Task Process-checklist.docx	DCF ACCESS Team Business Requirements Gathering and Software Development/Testing check list/sign off process	Patty Hartman
FNS OD re-test plan 04.07.15.xlsx	DCF ACCESS Team Testing template spreadsheet	Patty Hartman
Processing Refund Reports.docx	Fuel Refund Business Process Documentation	Richard Moffi
SF EBT Q. & A. Feb 2015.docx	Documented request to initiate this project	Richard Moffi
Fuel Payment Restructure Business_Requirements_Document.doc	Business Requirements Summary	Project SharePoint Site
Who Benefits and How.xlsx	Summary of who benefits from this project and how they benefit	Project SharePoint Site
A number of CURRENT STATE and FUTURE STATE Visio diagrams	Self-explanatory	Project SharePoint site

## 4. Project Information

### 4.1 Historical Background

*Provide any relevant background that has resulted in this project.*

#### **SUMMARY**

The Department for Children and Families, Economic Services Division, (hereinafter called DCF), is seeking a solution to issue Seasonal Fuel benefits directly to the eligible head-of-household via an EBT card. The EBT card will limit the use of Fuel Assistance to only those fuel or energy suppliers certified with the Fuel Assistance Program and that have an EBT card terminal hard-coded to accept benefits. This system eliminates the "up-front" pay out of cash as transactions are only posted and funds are paid out after the client contracts for a fuel delivery. This system eliminates the end-of-season reconciliation of accounts and return of unused benefits. The system significantly reduces the opportunity for accidental or intentional mismanagement of public funds.

### 4.2 Project Goal

*Explain why the project is being undertaken.*

This project is intended to reduce the time Eligibility Specialists spend processing applications and determining eligibility, streamline payment processes for the Business Office, reduce the number of case specific benefit reconciliations, and reduce administrative burden for program operations staff. For third party payees (fuel and utility suppliers) this project will be extremely efficient saving hours of work as the need for daily electronic data posting and the transfer of individual client funds in and out will be completely eliminated. Through current and future process mapping, it has been determined the proposed solution will save the State annually in administrative costs due to the increased efficiency the solution is anticipated to provide.

### 4.3 Project Scope

*Describe the project scope and list the major deliverables. Add or delete lines as needed.*

Through implementation of the Fuel EBT System, DCF intends to achieve the following objectives:

Type	Requirement Description
General	Issue the fuel benefit via EBT Card
EBT	Fuel applications can be approved, but the benefit will not be available for use until a specified date (first date of the fuel season 11/1).
EBT	Fuel Benefits will be "shut off" at the end of the fuel season (April 30 <sup>th</sup> )
EBT	Fuel benefits must have the ability to be extended past April 30 <sup>th</sup> on a case by case basis
EBT	The funds must only be used for fuel (oil, kerosene, propane, electric) cannot be used for service, parts, repairs, deposits
EBT	Utility companies must still be certified through the Fuel Program in order to participate with fuel assistance
EBT	When a utility company/dealer becomes "decertified" during a heating season, there must be the ability to "shut off" the cards for use at that location/terminal.
EBT	When a utility company/dealer becomes certified in the middle of the heating season, there

	must be the ability to add a new dealer/location to outstanding cards to be used at a new location/terminal.
EBT-Reporting	Report of dollar amount of benefit used at each dealer (how much money was paid to each dealer).
EBT-Reporting	Report of funds that aged off the EBT card at the end of the Heating Season
EBT-Reporting	Report of funds issued by category code to the EBT card
EBT	Fuel Office needs the ability to place “holds” on benefits that will freeze the benefit for reasons determined by the fuel office (recalculations, etc.) this action must be able to be done directly by the fuel office.
EBT	The fuel funds must sit in a separate silo on the EBT card, not to be combined with other funds
EBT	This fuel benefit has to be separate from the other fuel benefit that is already issued to EBT cards. This benefit (“vendor benefit”) must have its own category code and not be combined with any other fuel benefit that is issued.
EBT	Client must be able to call dealer/utility company and order product and pay using their EBT card number over the phone for the transaction
EBT	Client shall be able to order/pay their dealer/utility company for product online where it is offered with their EBT card
ACCESS	ACCESS should allow question mark or certified vendor name for the vendor field – this field must have something entered in order for the application to be processed.
ACCESS	Batch jobs and daily check writes that go to vendor must be redirected to the EBT card (or direct deposit if that is how other benefits are received).
ACCESS	Eliminate the e-mail that is generated to the fuel dealers with the client list (currently system generated)
ACCESS	Year-end/Refund report can be disabled – take the job off the schedule.
ACCESS	Allocation and encumbrance report will need to include count for new EBT cards for vendor payments
Notice Changes in ACCESS	Eligibility notice – vendor information needs to be removed from notice.
Notice Changes in ACCESS	All notices that are sent from Fuel Office to clients will have a new blurb that explains fuel benefits can only be used at certified fuel dealers and direct clients to where they can find a list of certified dealers.
Notice Changes in ACCESS	Change Notice – Vendor information needs to be removed.
Notice Changes in ACCESS	Benefit notice information – Vendor information needs to be removed.
Notice Changes in ACCESS	Interim Report Notice – vendor information needs to be removed
Outreach notice - ACCESS	Mass outreach notice will be sent to fuel benefit clients to notify them of the changes in the distribution of benefits.
ACCESS	Eliminate TODO message to worker telling when a vendor is decertified
ACCESS	Eliminate eligibility stat edit on worker daily when decertifying dealers
ACCESS -	VEND/F/VEND Screen has to be altered to NOT require vendor **bank data** when certifying

VEND	dealers
ACCESS - BCR	Payment method on the BCR will need to be changed to EBT
ACCESS - ELIG	ELIG screens 1 & 3 payment method needs to be changed from EFT to EBT
ACCESS	Add an additional fuel type M – entered on utility panel for metered accounts. This code should function like W (wood) or P (cash on EBT card)
ACCESS	Soft Edit needs to appear when fuel type M is entered that alerts BPS of required verification form.

### 4.3.1 Major Deliverables

See Section 4.4.

## 4.4 Project Phases, Milestones and Schedule

*Provide a list of the major project phases, milestones and high level schedule. You may elect to include it as an attachment to the report instead of within the body.*

The DDI portion of the project is expected to last approximately 16 months (July 2015 through October 2016).

The M&O portion of the project is expected to go through 9/30/2021 as per the Xerox contract, unless other contractual arrangements are made.

The detailed Project Schedule is expected to be developing during contract discussions and/or as FIS is on site working directly with the Vermont team at project initiation.

In the meantime, the table below outlines the project Phases that are standard for Electronic Payment Card (EPC) projects per the Xerox proposal:

1. EPC STARTUP PHASE
2. EPC DESIGN PHASE
3. EPC DEVELOPMENT PHASE
4. TRANSITION/CONVERSION PHASE
5. EPC OPERATIONS PHASE [ONGOING ACTIVITIES]
6. END-OF-CONTRACT TRANSITION PHASE

## 5. Acquisition Cost Assessment

List all acquisition costs in the table below (i.e. the comprehensive list of the one-time costs to acquire the proposed system/service). Do not include any costs that reoccur during the system/service lifecycle. Add or delete lines as appropriate. Based on your assessment of Acquisition Costs, please answer the questions listed below in this section.

The following chart represents the Acquisition Costs over a 7 year period.

Acquisition Costs	Cost	Comments
Hardware Costs	\$0	There are no expected hardware to be acquired through this project
Software Costs	\$0	This is a services contract
Implementation Services (DDI)	<b>\$550K</b>	
Vendor Costs	\$486K	
Internal Costs	\$63K	Staffing, Project Management, etc.
Other	\$0	
Maintenance and Operations	<b>\$3.3M</b>	
Vendor Costs	\$109K	CPCM: Cost Per Case Month
Internal Costs	\$3.2M	Staffing, ACCESS usage, etc.
Other	\$48K0K	EPMO Services
<b>Total Acquisition Costs</b>	<b>~\$3.8M</b>	

### 5.1 Cost Validation

Describe how you validated the Acquisition Costs.

The Acquisition Costs were validated through the following methods:

1. The Acquisition Costs were first validated through discussions with Vendor regarding how the Vermont project compared with other projects Vendor has undertaken which are similar in scope to the Vermont project. Their response follows in grey background below:

*Red apples to green apples: Vermont project is similar in type to Kansas (2005) and Utah (2000), in that, the solution Vermont is implementing allows the State to issue restricted benefits authorized to certain locations. In the case of Kansas and Utah, that is a "cash benefit" to child care providers. In the Vermont case, it is a "cash benefit" to fuel dealers.*

2. The primary cost driver for this initiative are the implementation costs and the operation costs. The implementation cost numbers are hard to validate against comparable projects, as comparable projects were full implementations vs. add-on to existing services, like this project. The operations costs are largely a function of **Cost Per Case Month (CPCM)**. This measure is a widely available number and the costs for this project are roughly double to triple standard CPCM of the comparable Kansas and Utah projects mentioned above, as well as the cost per case month of projects in other states included in the Northeast Coalition of States (NCS) (Massachusetts, New Hampshire, Rhode Island, and Vermont, Connecticut and New York). (CPCM to this project: \$0.62 compared to typical CPCM costs in the \$0.20 - \$0.30 range). This difference may be considered acceptable in aggregate, in that these costs are now expected to be ANNUAL

vs. MONTHLY, as Xerox notes that this cost is triggered at benefit card load time, which is ANNUAL for Fuel benefits.

3. Other costs were validated through readily available market data, which prove competitive pricing, including analysis of:
  - a. Professional Services Rates: Range from \$166.50/hour for technical services, which fall in line with industry averages.

## 5.2 Cost Comparison

*How do the above Acquisition Costs compare with others who have purchased similar solutions (i.e., is the State paying more, less or about the same)?*

1. Vermont costs are **comparable** in terms of DDI, given the Professional service rates and effort necessary to implement.
2. Vermont costs are **comparable** for M&O, given the underlying **Cost Per Case Month** only be charged annually, as noted above. Should this become a monthly fee, this cost would be consider high vs. comparable.
3. Vermont costs are **comparable** in terms of overall solution costs when compared to other comparable projects.

## 5.3 Cost Assessment

*Are the Acquisition Costs valid and appropriate in your professional opinion? List any concerns or issues with the costs.*

It is the opinion of the report writer that the Acquisition Costs as outlined in the associated costing spreadsheet are **comparable**, given the cost comparison conducted above.

### Additional Comments on Acquisition Costs:

None.

## 6. Technology Architecture Review

*After performing an independent technology architecture review of the proposed solution, please respond to the following.*

See **ATTACHMENT 4** for a summary of the proposed solution's underlying technology/toolset.

1. **State's IT Strategic Plan:** Describe how the proposed solution aligns with the [State's IT Strategic Plan](http://dii.vermont.gov/sites/dii/files/pdfs/DII-Strategic-Plan-FY2014-2019.pdf) (<http://dii.vermont.gov/sites/dii/files/pdfs/DII-Strategic-Plan-FY2014-2019.pdf>).
  - a. The State's 2015-2019 IT Strategic Plan contains 4 major goals and uses 8 key principles in designing and prioritizing work.
    - i. 4 Major Goals:
      1. To operate IT effectively and efficiently.
      2. To enable Successful Projects.
      3. To enhance information security.
      4. To partner with State Agencies and Departments for Solutions.
    - ii. 8 Key Principles:
      1. Leverage successes of others, learning best practices from outside Vermont.
      2. Leverage shared services and cloud-based IT, taking advantage of IT economies of scale.
      3. Adapt the Vermont workforce to the evolving needs of state government.
      4. Apply enterprise architecture principles to drive digital transformation based on business needs.
      5. Couple IT with business process optimization, to improve overall productivity and customer service.
      6. Optimize IT investments via sound Project Management.
      7. Manage data commensurate with risk.
      8. Incorporate metrics to measure outcomes.
  - b. The following describes how this project exploits these principles:
    - i. Leverage successes of others, learning best practices from outside Vermont.
      1. *Xerox has successfully implemented several projects similar to the Scope of Work DCF is requesting. Specifically, Xerox supports 17 EBT programs, 32 Electronic Payment Card (EPC) Services programs in 23 states, as well as an EPC program for the U.S. Department of the Treasury. Xerox supports numerous benefit and payment programs with more than 30 million cards issued and operate 11 childcare time and attendance tracking programs and three Special Supplemental Nutrition Programs for Women, Infants, and Children (WIC EBT) programs.*
    - ii. Leverage shared services and cloud-based IT, taking advantage of IT economies of scale.
      1. *This solution is vendor hosted and in short, is a "services" solution vs. purchasing or using software on a hosted environment.*

- iii. Adapt the Vermont workforce to the evolving needs of state government.
  - 1. *The proposed solution facilitates and supports the business needs articulated in the RFP and supports the workforce in accomplishing the stated business objectives.*
- iv. Apply enterprise architecture principles to drive digital transformation based on business needs.
  - 1. *The platform upon which the proposed solution is based is modern IT framework and enterprise-class architecture.*
- v. Couple IT with business process optimization, to improve overall productivity and customer service.
  - 1. *The Vermont project team is comprised of a blend of business and technical staff, with the very intent of not only implementing the solution, but improving business processes.*
- vi. Optimize IT investments via sound Project Management.
  - 1. *Both the vendor (FIS) and Vermont are proposing a Project Manager to manage the project, and sound Project Management techniques are to be used.*
- vii. Manage data commensurate with risk.
  - 1. *The software supports granular security in terms access to data. Data is secure both in transit and at rest.*
- viii. Incorporate metrics to measure outcomes.
  - 1. *There are specific measures DCF hopes to achieve, in terms of reduced time to approve benefits, reduced time to collect unused funds back, and reduction in potential for fraud or abuse as the card holder vs the fuel dealers now hold the funds.*



2. **Service Level(s):** What is the desired service level for the proposed solution and is the technical architecture appropriate to meet it?

FIS had demonstrated through current work with Vermont as with other projects, that that the technical architecture in the proposed solution will meet the desired Service Level Requirements.

**If the Xerox Team fails to comply with these requirements, the affected State reserves the right to withhold one percent of the most current monthly voucher or \$10,000, whichever is greater.**

Unscheduled events or systems operations, incidents, and problems that interrupt or prevent system operations at the client/retailer interface are reported to the CSA (Contracting State Agency) immediately. Such events, incidents, and problems that have a duration of more than 15 minutes and occur over a geographic area appearing likely to constitute as much as or more than a ZIP code, if not immediately reported to the CSA, **will be cause for assessment of liquidated damages.**

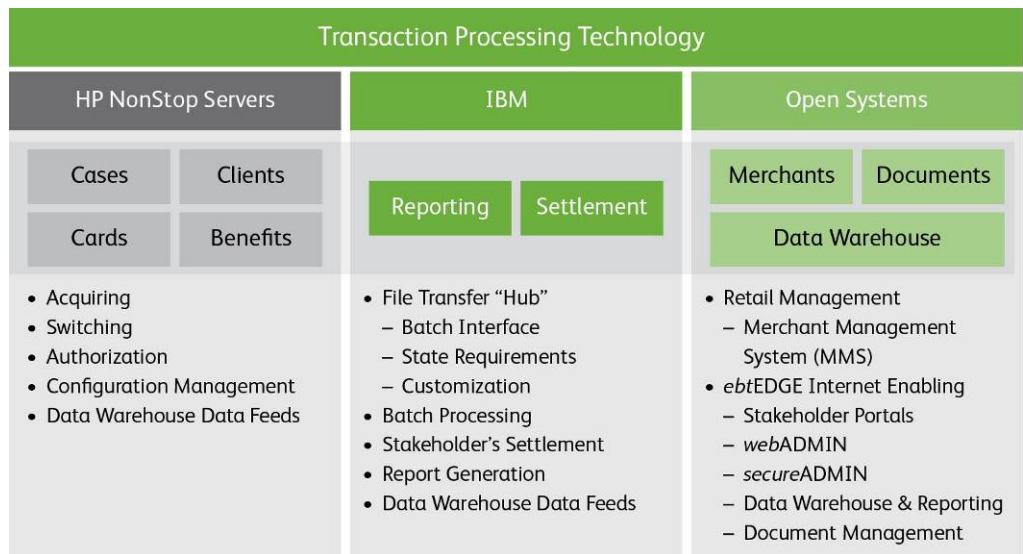
Business Continuity is supported in the following manner:

FIS supports multiple application instances running on servers located in its data center located in **New Berlin, Wisconsin**. FIS also operates a “hot site” backup at a data center located in **Phoenix, Arizona**. Administrative procedures and controls are in place to enable FIS to cut over at any time to a backup system in a short and efficient timeframe.

- The hot site is a complete replica of the primary system and is constantly updated with data flowing from the production system. This ensures the backup system is, at its worst, less than a second behind the primary system. Should any failover be needed, processing work load is switched from the production to the backup system within 10-15 minutes, allowing 100 percent of functionality and capability to be available.
- FIS also maintains two diverse DS3 telecommunications circuits, AT&T and MCI, between the primary and backup data centers. These circuits are used to replicate the authorization engine database from the primary system to the backup system in real time.

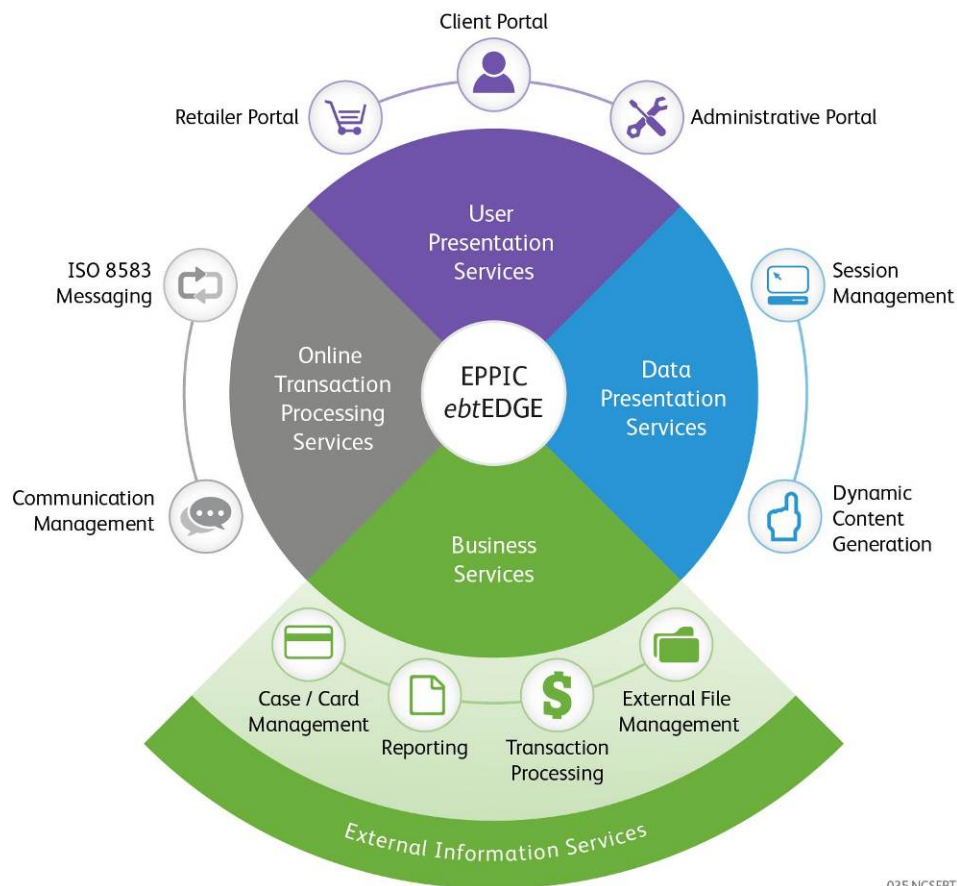
3. **Sustainability:** Comment on the sustainability of the solution’s technical architecture (i.e., is it sustainable?).

- a. It appears that the technical architecture is sustainable, given the following considerations:
  - i. *ebtEDGE* is based on industry standard technologies, such as the Open Source Linux operating system, SUN system Unix, or Microsoft Windows server hardware
  - ii. FIS uses the HP NonStop™ System (integrated server fault tolerance), providing highly accurate and reliable system availability.
  - iii. It utilizes technology that is supported by State of Vermont EA staff, although in this case, the solution is hosted by the vendor.
  - iv. It utilizes technology that many users are already trained in/familiar with, and is implemented in the following manner:



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- b. The functionality of *ebtEDGE* are composed of four basic service components, as shown in chart below. Each service provides specific functions and features as described in the following paragraphs.
- i. User Presentation Services. The user presentation component provides user-friendly interfaces to all authorized users of the system. Users can access these user-friendly interfaces through a secure intranet or the Internet using an enhanced Web based administrative terminal application.
  - ii. Data Presentation Services. The data presentation services support the management and content for user interaction through the interfaces supported by the user presentation component. The data presentation services provided are as follows:
    1. Security management for administrative terminal users
    2. Session management (e.g., automatic log off)
    3. Dynamic content generation
    4. It should be noted that the user security management component is extremely flexible as it allows designated security personnel to create user types, user roles, and user profiles to provide specific access to the administrative terminal functionality for each user.
  - iii. Business Services. The business services encapsulate the implementation all of the EBT business rules and provide data and functionality to the data presentation services and the Online Transaction Processing (OLTP) services. We work with each CSA (Contracting State Agency), including Massachusetts, New Hampshire, Rhode Island, and Vermont (those States currently being processed by our Team) during the Design Phase to create a Business Requirements Document to ensure that unique requirements are addressed. The business services also serve the external information services for data importing and exporting.
  - iv. Online Transaction Processing (OLTP) Services. The OLTP services manage the communication to retailers using an EBT-only POS device, TPPs, and the interoperability gateway. These services also validate encryption keys, retailer privileges, and transactional validity.



4. **License Model:** What is the license model (e.g., perpetual license, etc.)?  
 a. Not applicable, as this is considered a service provided by FIS vs. software used by DCF.

5. **Security:** Does the proposed solution have the appropriate level of security for the proposed activity it will perform (including any applicable State or Federal standards)? Please describe.

Yes it does, as it meets federal regulatory requirements requested in the RFP, specifically, FNS handbook 901, FNS EBT System Security Guidelines. Additionally, there is a solid security approach as described below.

Federal Regulations: The Xerox Team uses a security-based foundation consisting of system security measures that are standard for the commercial EFT industry. This foundation is tailored to meet the specific needs of EBT. The EBT system has received federal certification, meets all FNS requirements, and adheres to the requirements in FNS handbook 901, FNS EBT System Security Guidelines. The security measures used by the EBT System meet U.S. Department of Agriculture requirements as presented by USDA FNS in 7 CFR §274.12 (h) (3) and 7 CFR §277.18(p).

### System Security Plan:

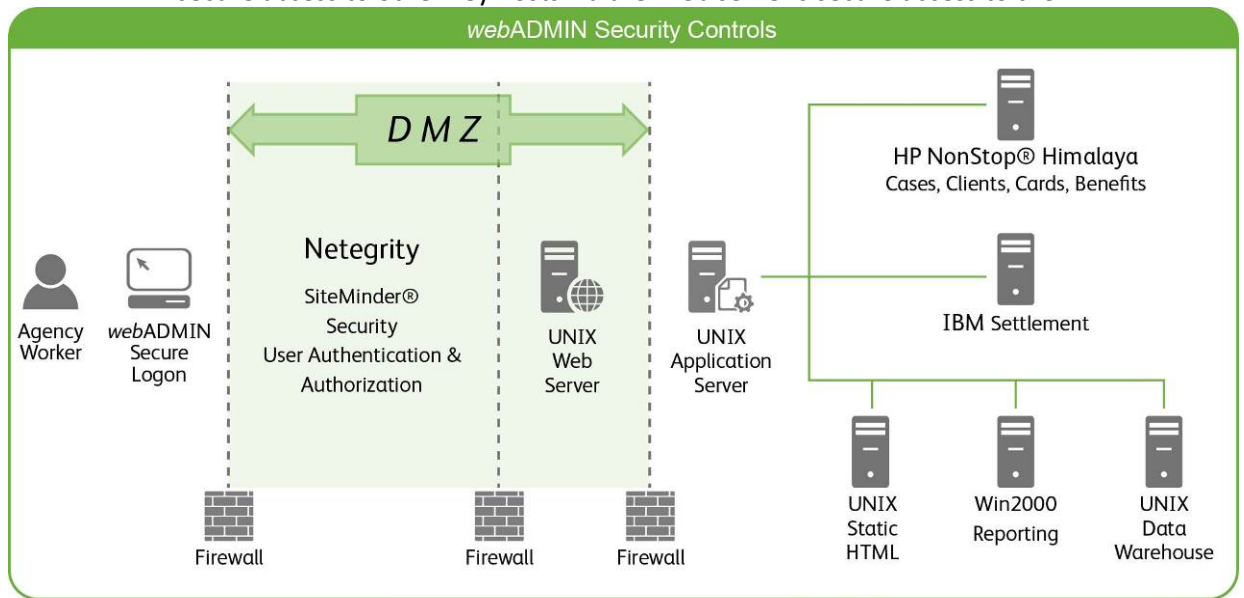
- The States of New Hampshire, Rhode Island, and Vermont can continue to use their current System Security Plans. If there are any changes or updates to a current plan, it is revised and sent to the State and FNS for review and approval. The plan describes the network/security architecture and the administrative, physical, technical, and systems controls already implemented for the EBT system. The plan also describes the procedures to address any deficiencies or security breaches identified during the contract.
- As noted above, current plans adhere to the requirements in FNS handbook 901 and the FNS EBT Security Manual, and meets U.S. Department of Agriculture requirements, as presented by USDA FNS in 7 CFR §274.12 (h) (3) and 7 CFR §277.18(p). The plan also references OMB Circular A-130 and 90-08. The plan also provides the steps for ongoing certification and examination of the Xerox Team's operations and control systems, so the EBT system remains in full compliance with all regulations. The EBT system has received federal certification and meets all FNS requirements.
- State and federal agency staff and Xerox Team personnel are restricted by their roles to ensure separation of duties and controlled access, as shown in the plan. State staff are currently assigned to user profiles, which define the level of access to the EBT system. All federal agency staff have view-only access to any State's data. Xerox Team personnel are restricted based on their job.
- If a CSA requests any changes or updates, a first draft is provided to the CSA 30 calendar days after the contract start date and a final draft 90 calendar days after the contract start date. No changes or updates are incorporated into the plan until reviewed and approved by a CSA and FNS.
- Should New Hampshire, Rhode Island, or Vermont desire new documentation, the Xerox Team works collectively with the individual CSA to address these requests, leveraging FIS experience in the NCS with the information provided throughout this proposal section.

### **Approach**

Xerox security solution deals with the issues of identity and authorization so that the right people get access to the right information, enabling them to conduct business easily and transparently. The Xerox Team employs authentication management information (who the user is), and authorization management (what the user is allowed to access) to maintain a secure environment.

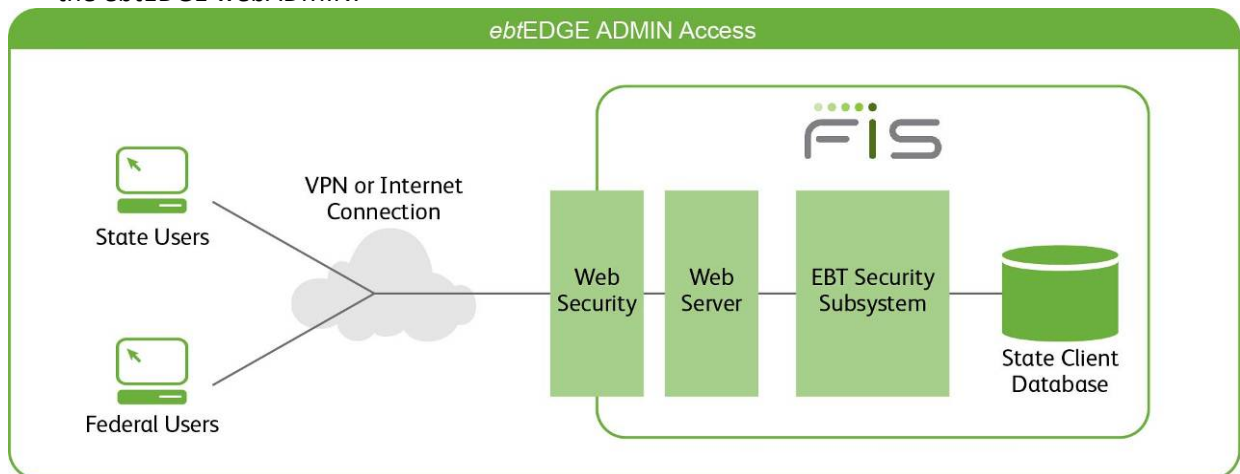
- Control and Security Requirements:
  - The security standards and conventions used for the States of New Hampshire, Rhode Island, and Vermont are based on EFT industry standards and FNS regulations:
    - Using Secure Socket Layer (SSLv3) to encrypt data, the Xerox Team protects the integrity and information confidentiality between two endpoints. For example, SSLv3 is used to secure the data transmitted between a desktop endpoint being used in a CSA office and the server. We are committed to providing superior end-to-end security encryption, and will monitor the technology and upgrade if and when this becomes necessary.
  - Common terminology used in describing security applications and controls includes:
    - Netegrity®/SiteMinder®: FIS uses Netegrity's leading-edge solution, SiteMinder, an access management software solution that provides centralized security services for managing user authentication and access to Web-based applications.
    - Authentication: Verification of the identity of a person. Authentication is the process of verifying identity so that one entity can be sure that another entity is who it claims to be.
    - Authorization: Granting of permissions.
    - Firewalls: A security scheme that prevents unauthorized users from gaining access to a computer network and monitors the transfer of information to and from the network.

- Demilitarized Zone (DMZ): Industry-standard security implementation in which browser interfaces have direct secure access to Web servers, but only indirect secure access to other key hosts via the Web server's secure access to them.



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- Multi-Level Access Controls: To control the functions that a user can access on the webADMIN application, the secureADMIN allows CSAs to define and establish the following multi-level user profiles:
  - System Administrator
  - Area Administrator
  - Password Administrator
- Federal users will continue to access the FIS host through the Internet by means of a connection outside of a CSA's telecommunications infrastructure. Secure Socket Layer (SSLv3) protects the data between the two endpoints per the following graphic showing connectivity for FNS (USDA Food and Nutrition Service Field Offices) and State access to the ebtEDGE webADMIN:



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- Facilities Physical Security:
  - Data Center, Entrance, Locks, Cipher or Proximity/Swipe Card Type Devices, Data Storage Security, Fire Protection and Suppression, Control of Card Stock, Control of PINs
- User Identification and Authentication

- System Access Audit Controls
- Transaction Communications: This standard mandates that the Xerox Team systems comply with all of the end to end encryption, device verification, field level checking, and validation of authenticity of the transaction required for each transaction.
- System Data Security: System data is protected by “secured libraries” and by onsite and offsite backup. The secured libraries restrict application code access to only staff authorized to work in a specific application. This ensures that system and confidential information is not disclosed for unauthorized purposes. Further, security administrators monitor the activities of the development and programming staff to ensure that confidential information, when accessed, is handled properly
- Disclosure of Information and Data: Eligibility and benefit-related data and sensitive information of any nature received from a State are subject to privacy and confidentiality considerations. Disclosure to anyone other than an authorized officer or employee of a federal or State agency or local office is prohibited without prior written approval.
- Data Destruction: Written procedures ensure data storage devices are electronically purged prior to reuse. System architecture dictates the storage devices integral to the system are not removed for reallocation. Standard operating procedures ensure the proper destruction of magnetic media when no longer required.
- Separation of Duties
- Backup and Contingency Operations
- System and Procedural Documentation
- System Modification and Tampering Controls
- User Profiles:
  - To control the user functions on the *webADMIN* application, the *ebtEDGE secureADMIN* feature allows the flexibility to define and establish multiple user profiles. These profiles define the level of access based on the specific job functions of each user. Each administrative terminal user, as he/she is granted access, is assigned to a specific security profile based on the requirements for his/her job. CSAs will continue to have the ability to quickly add, modify, or delete user profiles at any time without incurring any costs for these changes. The Xerox Team will continue to support an unlimited number of profiles based on each State’s current and future business needs. CSAs and the Xerox Team are involved in the process for defining the “User Profiles” during detail design. A user profile is made up of security resources (for example, Client Inquiry, Case Inquiry, Card Issue, Card Reissue, PIN Reset, etc.), which are functions that EBT security personnel can group together, depending on a user’s job function. The profile(s) are assigned to a user ID so that when the user logs on to the *webADMIN* application, that user will have access only to the functions allowed with that specific profile(s). This feature provides for the separation of duties. A sample security profile/role list is in the chart below:

Role	Permissions
Inquiry Profile —Access to all inquiry functions	<ul style="list-style-type: none"> <li>• SearchBySSN</li> <li>• <i>webADMIN</i> Inquiry</li> </ul>
Add Benefit – State Only	<ul style="list-style-type: none"> <li>• AddBenefit</li> <li>• SearchBySSN</li> <li>• UpdateBenefit</li> <li>• <i>webADMIN</i> Inquiry</li> </ul>
Create New Case – State	<ul style="list-style-type: none"> <li>• AddCard</li> <li>• AddCase</li> <li>• AddClient</li> <li>• CreateAccount</li> <li>• SearchBySSN</li> <li>• UpdateCard</li> <li>• UpdateCase</li> <li>• UpdateClient</li> </ul>

Role	Permissions
	<ul style="list-style-type: none"> <li>ReplaceCard</li> <li>webADMIN Inquiry</li> </ul>
Update – No PIN Reset	<ul style="list-style-type: none"> <li>AddCard</li> <li>DisplayRepayments</li> <li>ReplaceCard</li> <li>SearchBySSN</li> <li>UpdateCard</li> <li>webADMIN Inquiry</li> </ul>
Update All	<ul style="list-style-type: none"> <li>AddBenefit</li> <li>AddCard</li> <li>AddCase</li> <li>AddClient</li> <li>CreateAccount</li> <li>DisplayHoldFlagsList</li> <li>DisplayRepayments</li> <li>IssueOrResetPIN</li> <li>ReplaceCard</li> <li>SearchBySSN</li> <li>UpdateBenefit</li> <li>UpdateCard</li> <li>UpdateCase</li> <li>UpdateClient</li> <li>webADMIN Inquiry</li> </ul>
PIN Reset (unsuspend)	<ul style="list-style-type: none"> <li>IssueOrResetPIN</li> <li>SearchBySSN</li> <li>webADMIN Inquiry</li> </ul>

- **Password Management:** When a user logs in for the first time, *webADMIN* forces the user to change their password and select challenge questions and answers on the Password Change Request page. This same page is presented to users any time a password must be changed, either at the choice of the user or after 45 days, at which time the system automatically prompts the user for a new password. The Xerox Team also supports a lockout threshold for excessive invalid access attempts.
- **Automatic Timeout:** The *webADMIN* automatically times out after 15 minutes of inactivity, at which time the user is prompted to enter their log on credentials to gain access to the system
- **Security Procedures:**
  - Government services such as EBT, whether delivered by public sector personnel or by private sector employees, must be performed to the highest standards of ethical conduct. All employees should strive to attain the highest levels of integrity and accountability. In order to bolster EPPIC's built-in security features and other Xerox technical and procedural controls, we apply rigorous organizational, management, and personnel security provisions to protect EBT program data and funds from accidental or fraudulent misuse by Xerox and subcontractor personnel. These personnel practices, along with regular security awareness training, are key components of our management methodology that ensures and reinforces our NCS EBT project employees' strict adherence to State, federal, and company procedures and policies.
  - Strict security procedures for new hires, to comply fully with all OTDA security procedures. Anyone currently employed by Xerox has passed a background and drug screening. The Xerox applicant is sent the background check form to complete immediately. Xerox engaged the services of a nationally recognized background security firm, Lexis-Nexis, to conduct criminal background checks for all Xerox State and Local Solutions, Inc. employees. This activity ensures that we continue to do the best job we can to achieve consistency and quality in our investigative measures. We also apply this requirement to all newly hired employees. In addition to the actual background check, our application for employment requires the disclosure of any prior conviction for any reason.
  - A background check includes:
    - A Social Security verification
    - A seven-year felony including misdemeanor search

- National Criminal Record File search
  - A Global Watch search
  - A Department of Motor Vehicle check
- When the form is completed, the background check is initiated and the applicant is sent for drug screening. Considering the high-profile nature of an EBT operation and the complexity of duties required by each position, Xerox insists that every employee be drug-free. We continue to be committed to a universal drug screening process. Xerox has not changed its long-standing requirement that every employee of the company completes and passes a drug screen. No individual who fails this screening test can be employed by Xerox.
- Once all results are received with a successful completion, the new hire is given the all clear from the agency. When a start date is determined, the new hire completes their new hire paperwork. An appointment is made to have the new hire's I-9 Form pre-certified through E-Verify prior to their start date. We verify all new hires through E-Verify.
- With these protocols already in place, we agree, as determined by OTDA, that our officers, agents, employees, and subcontractors may be required to consent to undergo background security clearances, to include fingerprinting and background checks, prior to being authorized to work on the NCS EBT project. If deemed necessary at the sole discretion of the State, OTDA arranges for the scheduling of fingerprinting and pays any processing fees, such as those prescribed by the New York State Division of Criminal Justice Services. As background checks are customary for any Xerox new hire, fees otherwise related to conducting background checks are paid by Xerox.
- Further, once hired, all Xerox employees are required to take and pass an annual ethics test. Using Web technologies and simple instructional techniques, this training is delivered over the Internet to more than 120,000 employees worldwide. Through the use of interactive scenarios, the test covers a full range of ethical dilemmas that can confront employees, including the giving or receiving of inappropriate gifts, what constitutes theft or fraud, sexual harassment, diversity issues, and other types of potentially unethical workplace behavior. The ethics training is modified each year to remain current and ensure coverage over time of the full range of ethical problems. Strict annual monitoring ensures that every employee of Xerox takes and passes this test every year.
- In addition to Xerox employees, we extend our policies on security and confidentiality to all of our subcontractors as well. They are required to have all of their employees undergo criminal background checks and drug screening tests. Our subcontractors are also required to use Lexis-Nexis or demonstrate to us that their own background check procedures are equivalent to or better than those of Lexis-Nexis. Again, this is to ensure uniformity in the depth and quality of these investigations.

**Security Architecture and Design:** Describe the Vendor's proposed approach to support technical controls and technology solutions that must be secured to ensure the overall security of the System:

Covered in the section above.



6. **Disaster Recovery:** What is your assessment of the proposed solution’s disaster recovery plan; do you think it is adequate? How might it be improved? Are there specific actions that you would recommend to improve the plan?

Overall, the DR/BC plan is solid. The project calls for a Disaster Recovery and Contingency Planning document. A sample was provided in the proposal submission process and included the Table of Contents outlined below. The sample plan looked comprehensive and thorough.

Additionally, there is a draft Disaster Services Plan which describes the services provided in the event of a disaster.

From an infrastructure standpoint, FIS supports multiple application instances running on servers located in its data center located in **New Berlin, Wisconsin**. FIS also operates a hot site backup at a data center located in **Phoenix, Arizona**. Administrative procedures and controls are in place to enable FIS to cut over at any time to a backup system in a short and efficient timeframe.

- The hot site is a complete replica of the primary system and is constantly updated with data flowing from the production system. This ensures the backup system is, at its worst, less than a second behind the primary system. Should any failover be needed, processing work load is switched from the production to the backup system within 10-15 minutes, allowing 100 percent of functionality and capability to be available.
- FIS also maintains two diverse DS3 telecommunications circuits, AT&T and MCI, between the primary and backup data centers. These circuits are used to replicate the authorization engine database from the primary system to the backup system in real time.

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**7. Data Retention:** Describe the relevant data retention needs and how they will be satisfied for or by the proposed solution.

FIS uses the following backup scheme:

1. **Method:** FIS has two hot sites, which back up each other via replication, FIS also does onsite backups as Disk to Disk and on certain platforms off-site storage via tape to Iron Mountain Secured storage.
  2. **Location:** (on site data center and off site copy) Brown Deer, WI, Oak Creek, WI, New Berlin, WI and Phoenix, AZ
  3. **Frequency:** Replication is real-time, most items have Daily backups and Monthly
  4. **Retention Policy:** Daily is 7 days, weekly is 3 generations, Monthly is 3 generations, Financial transactions in the Data Warehouse and Reports are 5 years per contract
  5. **RPO:**
    - a. Financial Transactions and other critical items: Near Real Time
    - b. Important but Non-critical: Less than 30 minutes
    - c. Non-critical items: less than 24 hours
  6. **RTO:**
    - a. Financial Transactions and other critical items: less than 30 minutes
    - b. Important but Non-critical – less than 4 hours: 24 hours depending on the process
    - c. Non-critical items: less than 72 hours
- 8. Service Level Agreement:** What is your assessment of the service level agreement provisions that the proposed vendor will provide? Are they appropriate and adequate in your judgment?

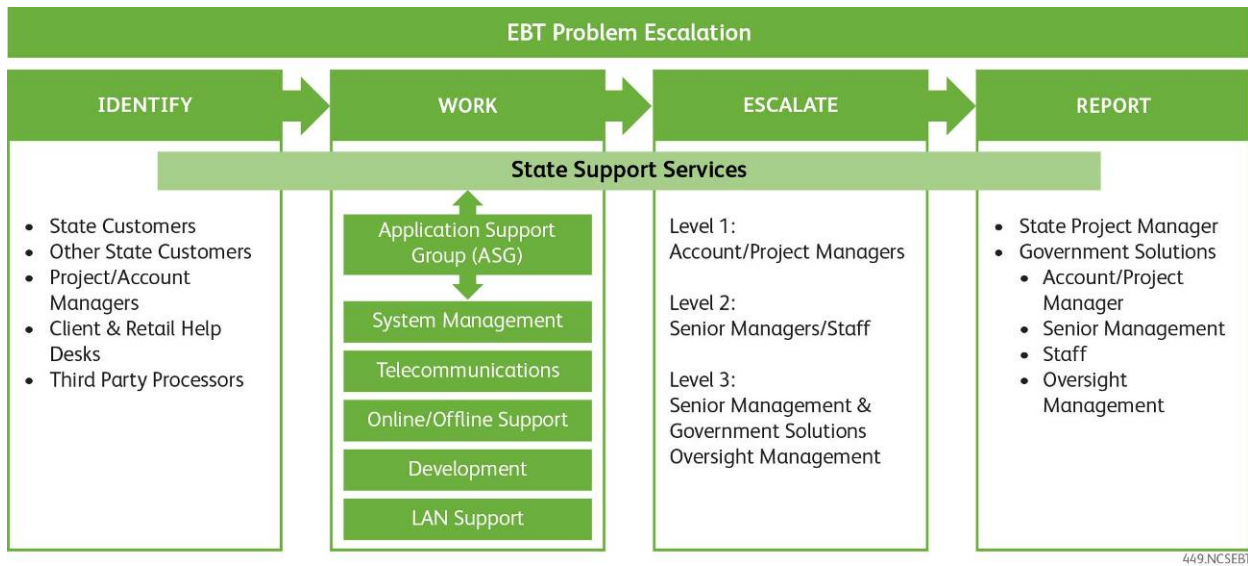
The Service Level Agreements described below meet the needs of DCF as described in the following:

**24/7 Support for State Staff**

CSA (Contracting State Agency) staff will always be able to reach someone at FIS to address whatever issue may arise:

- FIS' State Support Services is fully staffed Monday through Friday from 8:00 a.m. until 7:00 p.m. ET to provide data processing and other technical support to the CSA.
- CSA staff can contact State Support Services by toll-free telephone number, email, or fax. Much of the contact between a CSA and FIS is by email, which is an efficient means for CSA staff to report problems, request documentation, or communicate with the support team.
- After hours and on weekends and holidays, State Support Services is available by pager (BlackBerry®), and is fully backed up and supported by FIS' Production Control group at our 24/7 data center as described in more detail later in this section.
- Additionally, local office staff who use POS/PIN select equipment may call the retailer customer service center 24/7 for equipment troubleshooting and assistance.

**Problem Escalation Path:**



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**Incident Monitoring:**

FIS uses the Case Management System (CMS) tool for documenting incidents and problems and tracking their resolution. CMS is a Windows-based application that features pull-down menus and prompts for data center staff to identify the affected customer and clearly describe the issue. CMS can also be used as a historical tracking tool to search against specified criteria for all previous entries and issues involving a particular customer. This allows FIS to note any trends or recurring issues for a particular customer. If it is determined that an incident or problem requires support from other organizations within or outside of the Xerox Team, the data center continues to use CMS to log actions taken to resolve the trouble.

When an incident is reported, data center staff creates an incident ticket within CMS and opens assignments for personnel who will work the incident to resolution. All actions taken to resolve the trouble are logged in CMS. When service has been restored and further remediation is not required, the incident ticket is closed.

CMS tracks an incident/problem from the development of the Impact Statement until it is resolved. All data remains stored for historical purposes.

The Report Card, a monthly report, currently provides a summary of significant events, accomplishments, outstanding issues, and the status of pending problems. If any CSA requires a change in this report, it can be defined during the detail design discussions.

As a member of the Xerox Team, FIS will continue to provide the States of New Hampshire, Rhode Island, and Vermont with the existing Monthly Report Card. The Monthly Report Card contains System Performance Measurements that detail the percentage of system availability for each contracted performance category. In addition, outstanding issues/problems and closed items are also recorded along with significant events or accomplishments and the status of any pending enhancement requests and system change orders. State-specific reports will continue to be provided as they are today.

The **Incident Severity Level** matrix is defined below. The Severity Level determines the priority, resources, and timeframe needed to resolve an incident or problem:

Severity Level	Description
1	<p>Incident:</p> <ul style="list-style-type: none"> <li>Major system (or network) segment is out of service</li> <li>Essential system function or product has been lost</li> <li>System is experiencing major operational difficulties</li> <li>Financial integrity of the system or customer is compromised</li> </ul> <p>The goal is to resolve the incident <b>within 24 hours</b>. Support staff will work around-the-clock until the incident is resolved.</p>
2	<p>Incident:</p> <ul style="list-style-type: none"> <li>System (or network) has suffered significant, but not essential, functional loss</li> <li>System is experiencing significant, but not major, operational difficulties</li> <li>System is experiencing transaction servicing integrity problems</li> <li>Majority of transactions are successfully processed, but there is a significant impact to the business relationship between FIS and the customer, or between the customer and their customer</li> </ul> <p>The goal is to resolve the incident <b>within 3 business days</b>. Support staff will work extended business hours until the incident is resolved.</p>
3	<p>Problem:</p> <ul style="list-style-type: none"> <li>System (or network) has suffered some, but not all, significant functional loss</li> <li>System is experiencing some significant operational difficulties</li> <li>System is experiencing occasional transaction servicing integrity problems</li> <li>Majority of transactions are successfully processed</li> </ul> <p>The goal is to resolve the problem <b>within 5 business days</b>. Support staff will work normal business hours until the problem is resolved.</p>
4	<p>Problem:</p> <ul style="list-style-type: none"> <li>Functional or operational problem requires correction; however, for the most part the system (or network) performs correctly</li> <li>No apparent major service interruption</li> </ul> <p>The goal is to resolve the problem <b>based on timing priorities between the Xerox Team and the State</b>. Support staff will work normal business hours until the problem is resolved.</p>

- Additionally, the table below shows possible levels of availability that Vermont asked the Vendor to propose.

AVAILABILITY %	DOWNTIME PER YEAR	DOWNTIME PER MONTH	DOWNTIME PER WEEK
99.9% ("three nines")	8.76 hrs	43.2 min	10.1 min
99.95%	4.38 hrs	21.56 min	5.04 min
99.99% ("four nines")	52.56 min	4.32 min	1.01 min

The pricing submitted by Vendor assumes support at the 99.9% (three nines) level.

9. **System Integration:** Is the data export reporting capability of the proposed solution consumable by the State? What data is exchanged and what systems will the solution integrate/interface with? **Please create a visual depiction** and include as **Attachment 1** of this report. Will the solution be able to integrate with the State's Vision and financial systems (if applicable)?
- a. The SOV expects that the data exchanges outlined in this RFP will occur with the same frequency and in the same format when the current EBT contract expires. (No changes are anticipated from the time of this writing until the end of the present contract, however SOV maintains the right to make changes between now and that time in order to best serve the State's clients under the present contract.)
  - b. SOV requires that the existing outbound and inbound file formats and record layouts be preserved and therefore unmodified for all data file exchanges.
  - c. There may be additional file exchanges needed to support the Fuel EBT Transactions, but is not yet clear how different those are compared to existing EBT transactions. This is expected to be defined when FIS does their initial Scoping work.

**Additional Comments on Architecture:**

1. None.

# 7. Assessment of Implementation Plan

## 7.1 Implementation Readiness

*After assessing the Implementation Plan, please comment on each of the following.*




### 1. The reality of the implementation timetable

- a. The overall proposal contemplates a 7 year period, comprised of a 12month implementation schedule followed by 6 years of maintenance and operations.
- b. Given other project experiences by Vendor, the 12 month implementation period seems very achievable.

### 2. Training of ADMINISTRATIVE USERS in preparation for the implementation

- a. Because FIS is the current contractor for the States of New Hampshire, Rhode Island, and Vermont, these State workers are already familiar with FIS systems and know how to use its EBT reports, *webADMIN*, and Web portals.
- b. FIS will continue to provide Web-based, self-paced training tutorials for *webADMIN*, complete online training manuals, and hover-assisted help, which explains individual field codes on *webADMIN* in New Hampshire, Rhode Island, and Vermont. The Web-based materials are always available to CSA staff through [www.ebtEDGE.com](http://www.ebtEDGE.com).
- c. The Xerox Team will provide New Hampshire, Rhode Island, and Vermont with updated versions of our written user manuals that describe all functionality contained in the *webADMIN*. The State administrative system training manuals are produced in hard copy and electronic format, using Microsoft Office Suite products, and will be submitted to each CSA for approval. Whenever *webADMIN* functionality is modified, the Xerox Team provides updated materials to the CSA. Individual differences that may exist within the CSA's administrative functionality will be included in training materials. Master training materials will be provided to the NCS on CD as well as in the online documentation library. The training material is customizable to include or exclude specific functions based on audience requirements. Online tutorials covering *webADMIN* functions are also available.
- d. The table below highlights topics covered in the staff training. The mouse icon indicates manuals that will be posted on *webADMIN* and available online



Topic	Description
<p><b>webADMIN System Administrative Functionality</b></p>  <p>Manual will be posted on Agency portal and available online</p>	<p><i>FIS webADMIN System User's Manual</i></p> <p>Documents and explains all the administrative application's functions. The manual is written in clear, easy-to-understand language and contains step-by-step instructions accompanied by web page prints. Topics include:</p> <ul style="list-style-type: none"> <li>• User Security – How to log on, log off, change a password, and use general system security features.</li> <li>• Web Page Navigation and Searches – How to navigate using buttons, tabs, and the computer keyboard, and how to search for client and transaction information.</li> <li>• Modules for each ADMIN function chosen by the NCS, such as Account Setup and Maintenance, Account Status Change, Card Issuance and Replacement, Card Status Change, Customer Search, Customer Account Information Inquiry, Card Inquiry, Transaction History Inquiry, PIN Selection, Repayment, Benefit Authorization, or Benefit Cancellation.</li> <li>• Dispute resolution procedures, overview of customer service, administrative staff support, code descriptions.</li> <li>• Web Pages and Field Explanations – Definition and purpose of each <i>webADMIN</i> page and fields on the page(s).</li> </ul>
<p><b>System Security Procedures and Access Control</b></p>  <p>secureADMIN User's Manual will be posted on Agency portal and available online</p>	<p><i>SecureADMIN User's Manual</i>  <i>Security Administrator User Manual</i>  <i>Area Administrator User Manual</i>  <i>Password Administrator User Manual</i></p> <ul style="list-style-type: none"> <li>• <i>secureADMIN</i> is the security system for the <i>ebtEDGE</i> System and <i>webADMIN</i>. These manuals document the security functions for various levels of security administration such as setting security profiles, assigning rights and controlling access to groups or individual users.</li> </ul>
<p><b>Accessing and Using the Online Reports Function</b></p>  <p>EBT Reports Manual will be posted on Agency portal and available online</p>	<p><i>EBT Reports Manual</i>  <i>EBT Settlement and Reconciliation Manual</i></p> <p>Documents the use of reports to meet federal reporting and settlement requirements (including fraud reports and data), and effectively monitor and manage use of the FIS <i>ebtEDGE</i> System.</p> <p><i>FIS Federal Reporting and Monitoring Requirements Document</i></p> <p>Addresses the five areas of reconciliation required by the Federal Regulation 7 CFR 274.12(j)(1) and presented in the Food and Nutrition Service publication <i>EBT Reconciliation—Guidance for State Agencies</i> and the methods, reports, and files provided by FIS to meet these requirements. This document is to be used in conjunction with the FIS <i>EBT Reports Manual</i> and the FIS <i>EBT Settlement and Reconciliation Manual</i>.</p>
<p><b>Ongoing Operations Assistance for NCS staff</b></p>	<p><i>FIS System Operation/Interface Procedures Manual</i></p> <p>Documents the interface specifications between the NCS eligibility system and FIS. It also documents how NCS staff contact FIS with operational issues 24/7 including support from FIS' State Support Services, Government Solutions Application Support Group (ASG), and FIS Production Control Analyst.</p>
<p><b>webADMIN Online Tutorials</b></p>	<p>Web-based, self-paced tutorials on the Agency portal can be used as refresher training for existing staff or initial training for newly hired staff.</p>

### 3. Training of CARDHOLDERS in preparation for the implementation

- a. The RFP requirements stated: The contractor shall provide instructional materials to the Cardholders written in English and Spanish, at a reading level no higher than the 5th grade. The State shall have final approval of instructional materials provided with the debit card.
- b. The instructional materials are included in the card issuance packet and explains how cardholders can activate their accounts, their rights and responsibilities, how to use the card, identification of all fees, and customer service telephone numbers to obtain account and program information or

report any issues. These materials are available in both English and Spanish and written at a comprehension level no higher than fifth grade.

**4. Readiness of impacted divisions/ departments to participate in this solution/project**

- a. The team is in place and ready for this project. The team has the governance structure, skill set, time allocation, and experience to undertake a project of this scope.

**5. Adequacy of design, conversion, and implementation plans**

- a. The Design, Conversion, and Implementation plans are proven and adequate. FIS has successfully implemented several solutions similar in scope to this project.
- b. Per Xerox: *“Establishing a system to encompass all the facets of the NCS EBT project is a complex undertaking that requires strict **project management** and controls throughout the life of the project. The EBT project lifecycle consists of four generally sequential phases with some overlap, including: **Design, Development, Transition/Conversion, and Operations**. Effective project management, vigilant monitoring, and tight control make the difference between meeting and failing to meet schedules and providing task deliverables during each phase. We work in partnership with each CSA to execute each phase as appropriate.”*
- c. The **Design** plan is summarized as follows:
  - i. The Design Phase commences with the signing of the contract, and contains most of the planning tasks involved in the EBT program. It includes all program design components for a State, cardholder training materials, retailer management, and call center activities. The Xerox Team spends an extensive amount of time during the Design Phase focusing on system activities because of their importance and impact on virtually every other aspect of the project. Xerox uses the joint configuration session (JCS) as a mechanism to listen to and understand each State’s specific requirements, and these inputs are used as the basis for generating system requirements, a functional design document, and a detailed system design document. Each of these items is documented, reviewed internally, and then examined with the JCS participants to ensure that all parties are in full agreement on the functionality, timing, and responsibilities prior to any system customization or modification. Virtually all of the deliverable documents inputs are identified during the Design Phase.
- d. The **Development** plan is summarized as follows:
  - i. The main goal of the Development Phase is to either create or customize the items identified during the Design Phase as required by each CSA. Whereas the Design Phase has the most impact on the efficiency and integrity of system deliverables, the Development Phase is the most time-critical phase and ultimately has the most impact on the timing of the transition and operational tasks. Items such as the development of the Administrative Terminal Manual or the retailer download procedures for POS terminals are all dependent on the functionality and results from the system documents and tests that occur during the Development Phase. Most of the software tasks are dependent upon or sequential to their predecessor tasks in this phase. Items such as integrated testing simply cannot occur until the coding has been unit tested by our internal staff and checked for quality. The result is a “waterfall” effect on the Gantt chart of the Project Work Plan where the majority of the tasks occur immediately after the completion of the previous linked predecessor task.
- e. The **Transition/Conversion** plan is summarized as follows:
  - i. The Transition/Conversion Phase is critical in that it includes the conversion of the database, if applicable. For the states of New Hampshire, Rhode Island, and Vermont, the focus will be more on system updates, which eliminates the need for a data conversion in

these States. The Project Work Plan typically focuses on two central transition areas— database and retailer conversion. Constant testing, open communications, results monitoring, and tightly managed execution of the detailed plan is the formula for a successful transition. Every task that needs to occur for the transition (or “transformation” as necessary in Massachusetts, New Hampshire, Rhode Island, and Vermont) is identified (and tested prior to transition) on the project work plan. The Transition/Conversion Phase also includes activities such as staff training on the administrative terminals and conversion of the POS equipment to a technologically advanced terminal as applicable. The Xerox Team provides the appropriate resources to handle all the tasks associated with the Transition/Conversion Phase to ensure a seamless transition.

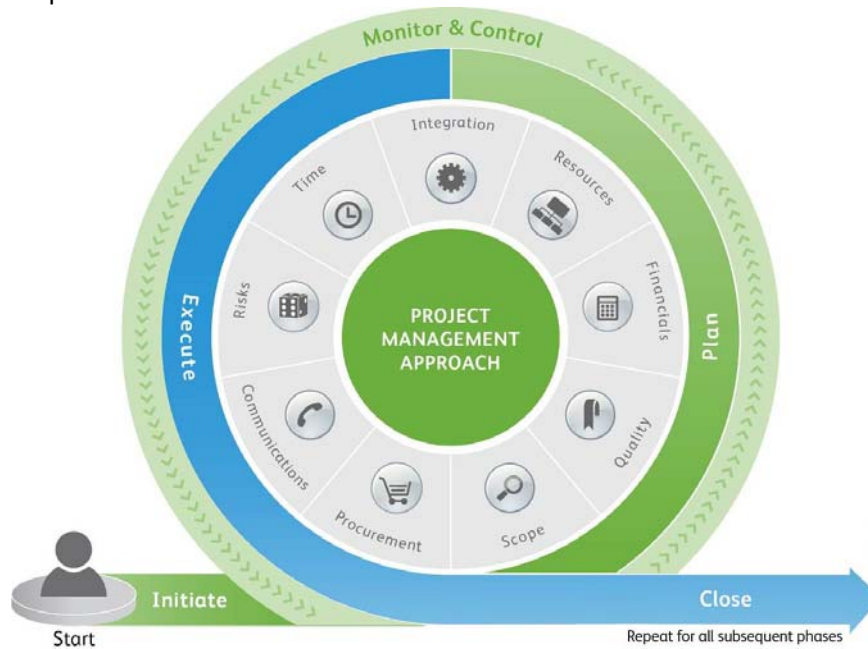
- f. The **Operations** plan is summarized as follows:
  - i. After full conversion, the Xerox Team continues to manage all aspects of the project. Qualified personnel continually review project operations first hand. We focus on the data center/software, call center, and reconciliation operations to look for signs of problems or issues that may be occurring. We review reports nightly to determine any patterns that should be communicated to the appropriate personnel. At the onset of the Operations Phase, each functional area’s manager on the Xerox Team is responsible to continually review, track, and manage their operations. Each State Project Manager, under the guidance of NCS Project Manager, routinely works closely with each of these functional area managers to manage the project and communicate with a CSA. Each manager meets with their CSA counterparts on a regular basis during the Operations Phase to discuss the status of open and closed issues.

**6. Adequacy of support for design/conversion/implementation activities**

- a. The project appears adequately staffed and skilled to carry out the design/development, conversion, and implementation activities.

**7. Adequacy of agency and partner staff resources to provide management of the project and related contracts (i.e. vendor management capabilities)**

- a. Both DCF and FIS are providing adequate Project Management skill set and time allocation to this project.
- b. Vermont has assigned Morgan Davis as Project Manager. It is anticipated given other projects on her plate, she will be assigned 50% to this project.
- c. FIS has named Lucia Skow as Project Manager.
- d. FIS' approach to Project Management is described below:
  - i. The Xerox Project Management Methodology (PMM) is consistent with the PMBOK five phase project lifecycle of **initiating, planning, executing, controlling, and closing** to ensure standards, quality, and continuity. Based on the best practices outlined in PMBOK, the project management approach is generalized and manages the entire spectrum of activities on a large-scale transition project. By using prescribed processes defined in each phase of the project, each State project manager, under the guidance of NCS Project Manager, is in control of, and able to respond to, all State-specific requirements, from design through ongoing operations. This approach is described in the following graphic representation.



- ii. Project management processes are not discrete, one-time events, rather, they consist of overlapping activities that occur at varying levels of intensity throughout each phase of the project. The processes connect by the results they produce. The nine knowledge areas of project management as defined in the PMBOK form the basis of the Xerox methodology, and they match the knowledge areas to the project activities. During the initiation phase, all appropriate deliverables are assigned to one of the nine areas. The repeatable process has proven its value in large-scale human services projects. The individual processes that comprise this methodology ensure standards, quality, and governance that lead to punctual transitions and successful operations. The nine knowledge areas are shown in the graphic below:



- e. The Toolset used to manage the project include:
- i. Project Management Documentation. Residing within the project management website, Xerox provides a library full of detailed plans, including quality assurance, risk management, scope management, and other important plans based on PMI knowledge areas of project management practices. These plans are continuously updated for each of our state clients and are consistently available to our project team to ensure they have the knowledge and support they need for smooth operations.
  - ii. JTrac. An open source and highly customizable Web-based issue tracking application that is fast, easy to use, and highly customizable for any kind of issues. JTrac is used by Xerox in order to manage change request tickets.

- iii. Rational Team Concert (RTC). This tool provides a collaborative development environment that connects teams so they can work together to simplify, automate, and govern software delivery in real time. With RTC, the Xerox Team gains more visibility into individual and team work while allowing us to track project progress with dashboards that include real-time project statuses.
- iv. Rational Quality Manager (RQM). This tool is a Web-based centralized test management environment for test planning, workflow control, tracking, and metrics reporting capable of quantifying how project decisions and deliverables impact and align with business objectives. Used by the Xerox Team for test management, it provides a collaborative application environment for test planning, construction, and execution.
- v. Microsoft Office. Word, Excel, and PowerPoint provide communication and analysis for our customers.
- vi. Microsoft Project. This tool produces Gantt charts that document our Project Work Plan. Project team members enter progress on specific tasks that merge to provide overall project status and analysis. Microsoft Project provides tools to identify the critical path as well as potential impacts to the long-term schedule.

## 8. Adequacy of testing plan/approach

The **Change Management, Quality Assurance, Life Cycle Test, and System Test Plans** described below comprise a thorough and comprehensive overall testing plan.

- a. The testing plan is part of an overall **Change Management** process followed by Xerox which is described below:
  - i. Change management is the process of controlling and coordinating work products and technical environments throughout a project's lifecycle. Effective change management includes more than managing software components. Hardware platforms, designs, models, databases, data, documentation, and other project work products require ongoing tracking. Version control ensures that the most recent copies of work products are maintained, accessible, and protected. Change management encompasses the technical infrastructure, providing control of multiple environments and the migration and control of components among environments, including the ultimate production environment. The Xerox Team has identified several critical success factors for an effective change management strategy, including the following:
    1. Plan for Change Management from the Start. Change management for the NCS EBT project requires significant resources and effort, and should be included in the earliest estimates and planning. It is very important to raise awareness about change management with key stakeholders from the start.
    2. Integrate Across the Project. Change management must be coordinated and integrated across quality management, design, development, testing, and project management areas. It cannot be effective as an isolated function.
    3. Use the Right Tools in the Right Way. No single tool can handle the variety of work products on a complex project. The strategy must determine which tools help achieve the objectives and are worth the investment. Manual procedures always have an important role, regardless of the tools.
    4. Staff, Train, and Organize for Success. An experienced person who understands the system architecture and the project methodology must oversee change management. There should also be more than one person capable of performing change management activities to avoid bottlenecks.

5. Use and Enforce Policies Consistently. Policies and procedures will not matter if they are not used, and they will not be used if they are not enforced.

b. As noted above, Rational Quality Manager (RQM) is used to manage Testing.

c. A **Quality Assurance Plan** will be developed, consisting of:

Category	Key Characteristics
Quality Policy	<ul style="list-style-type: none"> <li>Fully supported by the Xerox management team and the management teams of our subcontractors</li> <li>Designed to promote consistency across the organization</li> </ul>
Quality Objectives	<ul style="list-style-type: none"> <li>All organizations follow each defined quality task to completion</li> <li>Quality objectives are clearly defined and measurable</li> </ul>
Quality Control	<ul style="list-style-type: none"> <li>All organizations use the quality objectives</li> <li>All processes and products are monitored</li> <li>Identify and eliminate problem causes</li> <li>Increase the efficiency of processes</li> </ul>
Quality Assurance	<ul style="list-style-type: none"> <li>All organizations ensure delivery of products and services are at required quality</li> <li>All organizations meet or exceed quality objectives</li> </ul>
Quality Audit	<ul style="list-style-type: none"> <li>Xerox ensures subcontractors conform to quality requirements in provision of goods and services</li> <li>Each organization follows established quality procedures</li> <li>Each organization performs periodic audits of activities</li> </ul>
Quality Plan	<ul style="list-style-type: none"> <li>Objectives provide clear framework for quality checks</li> <li>Objectives define when quality checks are to be performed</li> </ul>

a. The current FIS Test Plan in New Hampshire, Rhode Island, and Vermont meets the requirements of the current RFP.

b. Xerox maintains a test environment throughout the contract period. The processes on the test system mimic those on the production system. The test system is available to test any system change made to the program, and it is available 24/7 for unattended testing as well as attended testing scheduled with Xerox.

c. A **Life Cycle Test Plan** will be developed, consisting of:

- i. Prototype testing
- ii. Unit testing
- iii. Component integration testing
- iv. Regression testing
- v. Capacity testing

d. The Xerox Team submits a **System Test Plan** during the Design Phase to test system functionality prior to implementation of enhancements/changes. The System Test Plan addresses all major system components including:

- vi. POS transaction processing
- vii. Interoperable transaction processing
- viii. Interface file editing and processing
- ix. Account set up and benefit posting
- x. Settlement and reconciliation
- xi. SIVR/ARU and customer service functionality for cardholders and retailers/merchants
- xii. Administrative system applications and functionality
- xiii. Reporting

d. The **System Test Plan** is comprised of the sections in the table below and tests major components including:

- i. Functional Demonstration

- ii. System Acceptance Test
- iii. System Network Capacity Test
- iv. SIVR/ARU Test
- v. System Interface Test
- vi. Federal Interfaces
- vii. Call Center

Section Number	Section Title	Section Contents
Section 1	Introduction	This section describes the purpose, scope, and audience of the document, as well as details the overall organization of the manual and any related documents.
Section 2	Processing Overview	This section describes the system processing that is segmented into the tests described in Section 3, Testing Approach. The intent of this overview is to provide a basis for making decisions regarding the structure of the testing to be performed.
Section 3	Testing Approach	Using the processing overview described in Section 2 as a basis, this section describes in more detail the functionalities and features that needed to be tested along with a brief narrative of how and where they will be tested. Also outlined are testing methodologies to be used in executing the test cases and test documents, and procedures for how test cases are executed.
Section 4	Test Environment	This section describes the test environment needed to support the execution of the acceptance test. The required environment is detailed for each test to be performed in terms of actual equipment and testing resources.
Section 5	Test Cases	This section contains the detailed test cases that are used to validate the processing of the system. The test cases are the conditions that are exercised by the certification test scripts and consequently are the summary of all the test conditions detailed in the certification testing scripts.

**9. General acceptance/readiness of staff**

- a. Staff appear ready, well-prepared, and willing to adopt the solution.

**Additional Comments on Implementation Plan:**

None.



## 7.2 Risk Assessment & Risk Register

After performing a Risk assessment in conjunction with the Business, please create a **Risk Register** as an **Attachment 2** to this report that includes the following:

- 1) **Source of Risk:** Project, Proposed Solution, Vendor or Other
- 2) **Risk Description:** Provide a description of what the risk entails
- 3) **Risk ratings to indicate:** Likelihood and probability of risk occurrence; Impact should risk occur; and Overall risk rating (high, medium or low priority)
- 4) **State's Planned Risk Strategy:** Avoid, Mitigate, Transfer or Accept
- 5) **State's Planned Risk Response:** Describe what the State plans to do (if anything) to address the risk
- 6) **Timing of Risk Response:** Describe the planned timing for carrying out the risk response (e.g. prior to the start of the project, during the Planning Phase, prior to implementation, etc.)
- 7) **Reviewer's Assessment of State's Planned Response:** Indicate if the planned response is adequate/appropriate in your judgment and if not what would you recommend.

See **Attachment 2**.

### Additional Comments on Risks:

None.

## 8. Cost Benefit Analysis

*This section involves four tasks:*

- 1) *Perform an independent Cost Benefit Analysis.*
- 2) **Create a Lifecycle Cost Benefit Analysis spreadsheet** as an **Attachment 3** to this report. A sample format is provided.
  - a) *The cost component of the cost/benefit analysis will include all one-time acquisition costs, on-going operational costs (licensing, maintenance, refresh, etc.) plus internal costs of staffing and "other costs". "Other costs" include the cost of personnel or contractors required for this solution, enhancements/upgrades planned for the lifecycle, consumables, costs associated with system interfaces, and any costs of upgrading the current environment to accept the proposed solution (new facilities, etc.).*
  - b) *The benefit side of the cost/benefit will include: 1. Intangible items for which an actual cost cannot be attributed. 2. Tangible savings/benefit such as actual savings in personnel, contractors or operating expense associated with existing methods of accomplishing the work which will be performed by the proposed solution. Tangible benefits also include additional revenue which may result from the proposed solution.*
  - c) *The cost benefit analysis will be for the IT activity's lifecycle.*
  - d) *The format will be a column spreadsheet with one column for each year in the lifecycle. The rows will contain the itemized costs with totals followed by the itemized benefits with totals.*
  - e) *Identify the source of funds (federal, state, one-time vs. ongoing). For example, implementation may be covered by federal dollars but operations will be paid by State funds.*
- 3) *Perform an analysis of the IT ABC form (Business Case/Cost Analysis) completed by the Business.*
- 4) *Respond to the questions/items listed below.*

1. **Analysis Description:** Provide a narrative summary of the cost benefit analysis conducted: The approach used was to gather all costs associated with project for a 7 year period, identify revenue sources for the project, and identify tangible benefits that might also be used as revenue sources or expense reductions.
  - a. **COST COMPONENT:** See the detailed spreadsheet referenced in **Attachment 3** to gain an understanding of:
    - i. Source of Funds
    - ii. Use of Funds
    - iii. Change in Operating Costs
  - b. **BENEFIT COMPONENT:**
    - i. See the Tangible and Intangible Benefits described below.
2. **Assumptions:** List any assumptions made in your analysis.
  - a. One FTE Staff reduction is expected through retirement with a 2 year hire back during DDI.
  - b. There is no revenue recovery available.
3. **Funding:** Provide the funding source(s). If multiple sources, indicate the percentage of each source for both Acquisition Costs and on-going Operational costs over the duration of the system/service lifecycle.
  - a. The primary source of funds include:
    - i. Anticipating LIHEAP funding will be approved for DDI.
    - ii. DCF General Funds (M&O)
  - b. See the detailed spreadsheet referenced in **Attachment 3** for actual dollar amounts.

4. **Tangible Benefits:** Provide a list and description of the tangible benefits of this project. Tangible benefits include specific dollar value that can be measured (examples include a reduction in expenses or reducing inventory, with supporting details).

a. **Benefit realized through retiring employee:**

Current Cost of Retiring staff member @ \$36/hour for 2080 hours:	\$74,880
LESS: Plan to hire that staff member back at Pay Grade 24, Step 7, \$27.95/hour for 2080 hours for Years 1 and 2:	\$58,136
Net Savings During Implementation (Year 1):	\$16,744
Net Savings During Implementation (Year 2):	\$16,744
Savings During M&O based on realizing full amount of retiring employee salary (Years 3-7):	\$74,880 annually
<b>TOTAL SAVINGS from STAFF REDUCTION:</b>	<b>\$407,888</b>
<b>\$16,744 x 2 years (Years 1 and 2): \$33,488</b>	
<b>\$74,880 x 5 years (Years 3-7): \$374,400</b>	

b. **Benefit realized through staff cost allocated to 3Squares and the associated 50/50 federal match:**

Estimated annual savings to Fuel Admin Budget (See "Hours Savings" chart below)	\$127,640.40
LESS: FTE annual salary of retiring staff member	\$74,880.00
Remainder of savings shifted to 3Squares Budget	\$52,754.40
<b>TOTAL ANNUAL SAVINGS from COST ALLOCATION to 3Squares based on 50/50 Match by feds for 3Squares Admin Cost:</b>	<b>\$26,377.20</b>
<b>TOTAL SAVINGS (Years 3-7) as this savings starts once implementation is complete:</b>	<b>\$131,886</b>

**TOTAL TANGIBLE BENEFIT OVER THE PROJECT LIFECYCLE:** \$407,888 plus \$131,886 = **\$539,774**

5. **Intangible Benefits:** Provide a list and description of the intangible benefits of this project. Intangible benefits include cost avoidance, the value of benefits provided to other programs, the value of improved decision making, public benefit, and other factors that become known during the process of analysis. Intangible benefits must include a statement of the methodology or justification used to determine the value of the intangible benefit.

- a. Reduction in time spent by Fuel Dealers reconciling payments (expected to be 3,000 hours annually per "Hours Savings" chart below).
- b. Reduction in opportunity for fraud as EBT solutions are more secure than current processes.
- c. **Beneficiary Benefits:**
  - i. The flexibility to choose a certified supplier or suppliers at the time of delivery (rather than at the time of application for assistance);
  - ii. The Fuel Program will not require the client to report the suppliers name or account number;
  - iii. The client will have the ability to use the fuel benefit for more than one type of heating product.
- d. **Fuel Dealer Benefits:** Fuel Dealers will be eliminated from most of the fuel assistance process.
- e. **Leverage an existing solution:** Fuel Program's use of EBT card benefits utilizes an existing system, that is familiar to clients, and well established in the Economic Services Division.

**HOURS SAVINGS CHART**

Current Business Process	State Hours							Dealer Hours (165 Dealers)	Client Hours
	Fuel Office	Benefit Service Center	ADPC (mail center)	Business Office	District Office	FTE ISD Developer	Total State Hours		
Dealer Certification & Prenot Job	14.00	0.00	0.00	0.00	0.00	0.00	14.00	27.75	0.00
Client Calls because Dealer doesn't have benefit	10.00	15.00	0.00	0.00	0.00	0.00	25.00	10.00	10.00
Dealer calls because something is missing from FA report	8.30	3.30	0.00	0.00	0.00	0.00	11.60	15.00	3.30
Wrong information reported by Fuel Dealer	163.00	0.00	23.30	105.00	87.00	0.00	378.30	58.00	11.60
Application Process & Disbursement of Funds Flow	0.00	700.00	1041.60	770.00	1978.10	0.00	4489.70	1540.00	0.00
Return of Fuel Assistance Funds at end of heating season (reconciliation process)	176.35	0.00	16.30	63.15	0.00	0.00	255.80	1347.50	0.00
Client Calls because Fuel Benefit issued is incorrect	64.00	64.00	29.00	105.00	0.00	0.00	262.00	46.50	64.00
<b>Total Time (annual effort hours) - Current Business Model</b>	435.65	782.30	1110.20	1043.15	2065.10	0.00	5436.40	3044.75	88.90
<b>Total Cost (annual cost)- Current Business Model*</b>	\$15,683.40	\$28,162.80	\$39,967.20	\$37,553.40	\$74,343.60	\$74,880.00	\$270,590.40		

Future Business Process	State Hours							Dealer Hours (165 Dealers)	Client Hours
	Fuel Office	Benefit Service Center	ADPC (mail center)	Business Office	District Office	FTE ISD Developer	Total State Hours		
Dealer Certification & Prenot Job	5.50	0.00	0.00	0.00	0.00	0.00	5.50	27.75	0.00
Client Calls because Dealer doesn't have benefit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dealer calls because something is missing from FA report	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wrong information reported by	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Fuel Dealer									
Application Process & Disbursement of Funds Flow	0.00	152.90	833.30	0.00	833.30	0.00	1819.50	0.00	0.00
Return of Fuel Assistance Funds at end of heating season (reconciliation process)	1.00	0.00	0.00	1.00	0.00	0.00	2.00	0.00	0.00
Client Calls because Fuel Benefit issued is incorrect	35.00	29.00	0.00	0.00	0.00	0.00	64.00	0.00	29.00
<b>Total Time (annual effort hours)- Proposed Model (EBT Card)</b>	<b>41.50</b>	<b>181.90</b>	<b>833.30</b>	<b>1.00</b>	<b>833.30</b>	<b>0.00</b>	<b>1891.00</b>	<b>27.75</b>	<b>29.00</b>
<b>Total Cost (annual cost) - Proposed Model (EBT Card)*</b>	<b>\$1,494.00</b>	<b>\$6,548.40</b>	<b>\$29,998.80</b>	<b>\$36.00</b>	<b>\$29,998.80</b>	<b>\$74,880.00</b>	<b>\$142,956.00</b>		

Savings from Current to Future State Processes	State Hours							Dealer Hours (165 Dealers)	Client Hours
	Fuel Office	Benefit Service Center	ADPC (mail center)	Business Office	District Office	FTE ISD Developer	Total State Hours		
Dealer Certification & Prenot Job	8.50	0.00	0.00	0.00	0.00	0.00	8.50	0.00	0.00
Client Calls because Dealer doesn't have benefit	10.00	15.00	0.00	0.00	0.00	0.00	25.00	10.00	10.00
Dealer calls because something is missing from FA report	8.30	3.30	0.00	0.00	0.00	0.00	11.60	15.00	3.30
Wrong information reported by Fuel Dealer	163.00	0.00	23.30	105.00	87.00	0.00	378.30	58.00	11.60
Application Process & Disbursement of Funds Flow	0.00	547.10	208.30	770.00	1144.80	0.00	2670.20	1540.00	0.00
Return of Fuel Assistance Funds at end of heating season (reconciliation process)	175.35	0.00	16.30	62.15	0.00	0.00	253.80	1347.50	0.00
Client Calls because Fuel Benefit issued is incorrect	29.00	35.00	29.00	105.00	0.00	0.00	198.00	46.50	35.00
<b>Total Annual Time Savings</b>	<b>394.15</b>	<b>600.40</b>	<b>276.90</b>	<b>1042.15</b>	<b>1231.80</b>	<b>0.00</b>	<b>3545.40</b>	<b>3017.00</b>	<b>59.90</b>
<b>Total Annual Cost Savings*</b>	<b>\$14,189.40</b>	<b>\$21,614.40</b>	<b>\$9,968.40</b>	<b>\$37,517.40</b>	<b>\$44,344.80</b>	<b>\$0.00</b>	<b>\$127,634.40</b>		

6. **Costs vs. Benefits:** Do the benefits of this project (consider both tangible and intangible) outweigh the costs in your opinion? Please elaborate on your response.
  - a. The Tangible Benefit of \$539,774 offsets any increase in costs, as the Net Change In Operating Costs are reduced by a total of \$360K over the 7 year project lifecycle. The breakeven occurs in Year 3.
  
7. **IT ABC Form Review:** Review the IT ABC form (Business Case/Cost Analysis) created by the Business for this project. Is the information consistent with your independent review and analysis? If not, please describe.
  - a. The IT ABC Form is a good summary, and was mostly accurate at the time of its writing. A revised version has been generated as of 7/28/15, and is accurate with the following exceptions:
    - i. Staff costs for current solution of \$270K compared to staff costs with new solution of \$143K. That would result in a 7 year tangible benefit of \$889,000 when in actuality, as calculated above, tangible benefits due to staff cost savings are \$539,774
    - ii. There are differences in the DDI and M&O costs in the IT ABC form when compared to the Project Cost spreadsheet submitted with this report.

**Additional Comments on the Cost Benefit Analysis:**

No additional comments.

## 9. Impact Analysis on Net Operating Costs

- 1.) Perform a lifecycle cost impact analysis on net operating costs for the agency carrying out the activity, minimally including the following:
  - a) Estimated future-state ongoing annual operating costs, and estimated lifecycle operating costs. Consider also if the project will yield additional revenue generation that may offset any increase in operating costs.
  - b) Current-state annual operating costs; assess total current costs over span of new IT activity lifecycle
  - c) Provide a breakdown of funding sources (federal, state, one-time vs. ongoing)
- 2.) Create a table to illustrate the net operating cost impact.
- 3.) Respond to the items below.

1. Insert a table to illustrate the Net Operating Cost Impact.

a. See the detailed spreadsheet referenced in **Attachment 3** and the table below:

	Year 1 (FY16)	Year 2 (FY17)	Year 3 (FY18)	Year 4 (FY19)	Year 5 (FY20)	Year 6 (FY21)	Year 7 (FY22)	TOTAL
<b>Proposed Operating Costs:</b>								
M&O	\$548,804	\$548,805	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$3,299,150
<b>Total: Proposed Operating Costs:</b>	<b>\$548,804</b>	<b>\$548,805</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$3,299,150</b>
<b>Current Operating Costs:</b>								
Staffing Costs	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$1,894,382
Annual Maintenance Agreement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Use of ACCESS System	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$1,764,000
External Project Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Professional Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paper	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement								
<b>Total: Current Operating Costs:</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$3,658,382</b>
<b>Net Operating Cost Decrease/(Increase)</b>	<b>(\$26,178)</b>	<b>(\$26,179)</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$359,232</b>

2. Provide a narrative summary of the analysis conducted and include a list of any assumptions.
  - a. As outlined in **Attachment 3** section titled “NET CHANGE IN OPERATING COSTS”, you will see the delta in Operating Costs between the current solution and the proposed new solution.
  
3. Explain any net operating increases that will be covered by federal funding. Will this funding cover the entire lifecycle? If not, please provide the breakouts by year.
  - a. N/A
  
4. What is the break-even point for this IT Activity (considering implementation and on-going operating costs)?
  - a. Year 3, given the Cost/Benefit analysis above.



## **Attachment 1 - Illustration of System Integration**

The project calls for **System Integration** using the same file layouts and data exchange methods as exist today with FIS. There is one additional file that is to be exchanged, specifically, request for payment coming out of ACCESS.

## **Attachment 2 - Risk Register**

See attached document: [FINAL-REVIEW-SOV-DCF-FuelEBT-STS Risk Register.pdf](#)

## **Attachment 3 – Lifecycle Costs and Change in Operating Costs**

See attached document: [FINAL-REVIEW-SOV- DCF-FuelEBT Cost Detail.xlsx](#)

# Attachment 4 – Technology Infrastructure

## OVERVIEW

The following describes the underlying technology used to develop the application, the database system used, and the servers used in the hosting environment.

## SERVER ARCHITECTURE

- Hosted solution running in redundant data centers New Berlin, Wisconsin and a “hot site” backup at a data center located in Phoenix, Arizona.
- Open Source Linux operating system, SUN system Unix, or Microsoft Windows server hardware

## DATABASE

- PostgreSQL 9.4

## CLIENT

- The minimum PC requirements for the *ebtEDGE*, *webADMIN* and other Xerox Team Web products are:
  - Internet access
  - Microsoft Internet Explorer Version 6, 7, or 8 (all certified for *webADMIN*)
  - 15" monitor (or larger) capable of displaying 800x600 resolution (for viewing ease)
  - 266 MHz Processor
  - 128 MB of RAM
  - Updates: Since New Hampshire, Rhode Island, and Vermont users access the *ebtEDGE*, *webADMIN* using a browser, software installations or upgrades to individual users' personal computer workstations are eliminated. Users automatically receive any available updates when they log in to the *webADMIN* application.

## Department of Children and Families (DCF) Economic Services Division (ESD) Fuel EBT Project

### RISK REGISTER DESCRIPTION:

1. Risk Description: Provide a description of what the risk entails
2. Source of Risk: Project, Proposed Solution, Vendor or Other
3. Risk Rating: Risk ratings to indicate: Likelihood and probability of risk occurrence; Impact should risk occur; and Overall risk rating (high, medium or low priority)
4. Risk Strategy: State's Planned Risk Strategy: **Avoid, Mitigate, Transfer or Accept**
5. Timing of Risk Response: Describe the planned timing for carrying out the risk response (e.g. prior to the start of the project, during the Planning Phase, prior to implementation, etc.)
6. State's Planned Risk Response: Describe what the State plans to do (if anything) to address the risk
7. Reviewer's Assessment of State's Planned Response: Indicate if the planned response is adequate/appropriate in your judgment and if not what would you recommend.

## **RISK REGISTER:**

*NOTE: Hyperlinks are used on the Risk #. CTL-CLICK on a link to see the Risk Response, or from the Risk Response, CTL-CLICK on a link to go back to the Risk Register.*

<b>Risk #:</b>	<b>Risk Description</b>	<b>Source of Risk</b>	<b>Risk Rating: Impact</b>	<b>Risk Rating: Probability</b>	<b>Risk Rating: Overall Risk</b>	<b>State Risk Strategy Summary</b> (Avoid, Mitigate, Transfer, Accept)	<b>Timing of Response</b>	<b>Reviewer Assessment of Response</b>
<a href="#">1a</a>	<b>Budget/Funding:</b> Insufficient funding to cover the DDI (Implementation) for this project. As 10% of the LIHEAP budget can be allocated to Administrative costs, and as that 10% is already being consumed by the existing Vermont Fuel Assistance program, there are no additional funds to cover DDI.	Project	High	High	High	Mitigate	Prior to starting project	This is mitigated only if DCF changes policy and is approved by HHS to use Program Funds to fund this new system. The LIHEAP application to do so is due to HHS by 9/30/2015.
<a href="#">1b</a>	<b>Budget/Funding:</b> The pricing proposed by FIS/Xerox includes a Cost Per Case Month of \$0.62 and indicated monthly billing. DCF assumed this to be an annual charge vs. a monthly charge. This pricing needs to be clarified as it would have large budget impact.	Project	High	Low	Medium	Mitigate	Prior to starting project	This is mitigated if FIS/Xerox updates the contract to say \$0.62 is levied only when benefits are loaded, vs. levied monthly.
<a href="#">2a</a>	<b>Contract:</b> Although contract review is not requested of this Independent Review, the pricing proposal/contract has been reviewed, and several items have been noted as questions. For example, it has been noted that <b>FIS Global</b> was the named Xerox subcontractor, but Xerox pricing proposal arrived naming <b>eFunds Corporation</b> as the subcontractor. Upon further investigation, eFunds is a subsidiary of FIS Global. We need to be clear who we are contracting with, and who the contractor is subcontracting with in order to reduce State of Vermont exposure.	Contract	Medium	Medium	Medium	Mitigate	Prior to signing contract	This is mitigated if DCF addresses/resolves the comments and questions submitted by Mr. Gadway related to FIS/Xerox pricing proposal/contract
<a href="#">3a</a>	<b>Vendor Risk:</b> FIS Global (or eFunds) are developing this Fuel EBT solution for the first time. There is similar precedent in that the proposed solution follows a model similar to Child Care reimbursement, but this is the first Fuel EBT solution to be implemented by the vendor.	Project	Low	Medium	Low	Mitigate	During project	Risk to be Mitigated during project

<a href="#">4a</a>	<u>SOV Staffing:</u> There are various concerns regarding key staff assigned to this project: Richard Moffi: Program Leader and eligible for retirement Tina Wilder: Operational Leader and eligible for retirement Barrie Brigham: Expected to assume many of Ms. Wilder's responsibilities but new to Fuel Program although has been in department for a long time	Project	High	Medium	Medium	Mitigate	Prior to starting project	This is mitigated so long as mitigation steps defined below by SOV are completed prior to project initiation.
<a href="#">5a</a>	<u>Project Management Staffing:</u> Both FIS Global (Lucia Skow) and DCF (Morgan Davis) have adequate time allocated to this project. This will be the largest project Ms. Davis will undertake to date.	Project	Low	Medium	Low	Mitigate	Prior to starting project	Risk Mitigation Response Accepted.
<a href="#">6a</a>	<u>Project Schedule:</u> Project schedule may end up being impacted by funding impact, should adequate funding sources not be found by 9/1, which is the projected latest project start date that meets a 10/1/2016 Go Live.	Project	Medium	Medium	Medium	Mitigate	Prior to starting project	This is mitigated if DCF changes policy and is approved to use Program Funds to fund this new system. See 1a above. Additionally, required ACCESS modifications are at risk with schedule slippage.
<a href="#">7a</a>	<u>Data Conversion:</u> No risks noted, as there will not be a Data Conversion component to this project.					N/A		N/A
<a href="#">8a</a>	<u>Functionality:</u> Tied to 3a above. This is new, yet to be developed functionality.	Project	Low	Medium	Low	Mitigate – see answer to risk 3a	During project	Risk to be Mitigated during project
<a href="#">9a</a>	<u>Interoperability:</u> No risks noted, as the solution will use existing data exchange with ACCESS system.					N/A		N/A

## **RISK RESPONSE:**

<b>Risk #:</b>	<b>State's Planned Risk Response and Reviewer's Assessment of State's Risk Response</b>
<a href="#">1a</a>	<p><b>STATE'S RISK RESPONSE:</b> This risk is no longer valid. When the pricing estimates came in from Xerox and there was an increase in the estimated implementation cost, the funding was revisited. This project is now going to be 100% Federally funded and the money will be coming from program dollars and <b>not</b> Administrative funds. Richard Moffi has received permission from the Feds to use federal program dollars for this project. He will encumber half of the implementation cost out of the FY16 budget and the remaining half will come out of the FY17 fuel budget.</p> <p><b>REVIEWER'S ASSESSMENT:</b> Federal Funding has not yet been approved to cover DDI (Implementation costs) for DCF. Mr. Moffi did seek advice from Lauren Christopher from HHS on this, and the excerpt from that email exchange is provided below. In question is whether VT LIHEAP Policies have defined System Development activities as Program Costs, as highlighted in the response from Ms. Christopher, and whether those policy changes have been approved by HHS, allowing DCF to use program funds for "systems development and/or purchase".</p> <p>The LIHEAP application draft has been prepared by Mr. Moffi asks for \$500K in DDI funding from Program Funds, and is due to HHS by 9/30/2015.</p> <p>Furthermore, the IT ABC Form contemplates \$533K in implementation (DDI) costs, but the Project Cost spreadsheet suggests those implementation (DDI) costs of \$550K, so we want to highlight that difference, which should be considered in the LIHEAP application.</p> <hr/> <p><b>From:</b> Christopher, Lauren (ACF) [<a href="mailto:lauren.christopher@acf.hhs.gov">mailto:lauren.christopher@acf.hhs.gov</a>] <b>Sent:</b> Monday, March 09, 2015 6:27 PM <b>To:</b> Moffi, Richard <b>Subject:</b> RE: Requesting Clarification on Use of Block Grant for Payment &amp; Data Systems</p> <p>Richard,</p> <p>My apologies for not getting back to you! There's no excuse and that is not how I like to operate (or not as it were). Margarita had come to me with at least one question, so I thought that she had gotten back to you on at least some questions. Let's see if I can help with this one:</p> <ul style="list-style-type: none"><li>• <b><i>Is the cost of changing data systems or (implementing) new data systems paid out of administration (capped at 10%) or out of the remaining program funds (90%)?</i></b></li><li>• Answer: It depends on how you/State of Vermont define "administrative costs" for LIHEAP. Grantees can choose to define certain data systems costs as program funds so long as it is related to systems development and/or purchase. Routine maintenance of systems must be considered administrative costs. See our Information Memorandum (<a href="#">LIHEAP-IM-2000-12</a>) which provides the TANF guidance as an example of the flexibility LIHEAP grantees also have though our block grant when defining administrative costs. <b>If your current written LIHEAP policies do not break out systems development/procurement into program costs, you can amend those policies and submit a Revised LIHEAP Plan to us through OLDC.</b> You can submit the revised Plan within a reasonable amount of time after implementing the change, but we should receive the notice within the same federal fiscal year. Please include a "remark" in OLDC on the Form Status page of the Plan regarding which section(s) of the Plan you have revised. I've also attached an issue brief from the LIHEAP Clearinghouse which talks more about administrative costs. I know Montana separates out the systems costs between administrative and program, so you might also want to reach out to their coordinator, Mr. Kane Quenemoen, at 406-447-4267 or <a href="mailto:kquenemoen@mt.gov">kquenemoen@mt.gov</a></li></ul>

[1b](#)

**STATE'S RISK RESPONSE:** Per email provided below by Xerox, benefit load onto card triggers the Cost Per Case Month charge of \$0.62. As this occurs only annually, this will be an annual charge vs. monthly charge.

**REVIEWER'S ASSESSMENT:**

This is mitigated if FIS/Xerox updates the contract to say \$0.62 is levied only when benefits are loaded, vs. levied monthly, per the email below.

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**From:** Parsons, Stephen [<mailto:Stephen.Parsons@xerox.com>]

**Sent:** Thursday, July 30, 2015 5:08 PM

**To:** Davis, Morgan

**Cc:** Skow, Lucia

**Subject:** RE: Vermont Fuel Questions

I believe you have it correct. The CPCM for the Fuel will be assessed only when you add a benefit to a case. Since you plan to only add benefits one time per year, this translates to a once a year CPCM assessment. When another Fuel benefit is added to the same case, it will again constitute a benefit add. This would be true if it was added the following month, or the next annual Fuel campaign.

It's important to understand that only a benefit "add" trips the CPCM counter.

With regard to the tiered pricing, these Fuel cases will be treated separately and away from the other SNAP/TANF totals. The entire NCS casemonth count is used for the tiered pricing in SNAP/TANF. We wanted to be clear that Fuel would be outside the tiered pricing calculation for SNAP/TANF.

I hope this clears it up, if not, just let me know.

**Stephen (Steve) Parsons, MBA, PMP®**

Program Manager

Xerox State & Local Solutions, Inc

[Stephen.Parsons@xerox.com](mailto:Stephen.Parsons@xerox.com)

P: 615.306.3639

[2a](#)

**STATE'S RISK RESPONSE:** Accept: eFunds is owned by FIS Global. The government contracts with FIS Global are handled under the eFunds name. The master contract will be held with Xerox, but the State requires that any subcontractor agrees to the terms and conditions of the master contract. This is also how the current EBT Contract with Xerox is written, with FIS as the subcontractor.

**REVIEWER'S ASSESSMENT:**

The entire FIS/Xerox pricing proposal comments submitted by Mr. Gadway should be reviewed prior to signature. There remains several open questions.

<p><a href="#">3a</a></p>	<p><b>STATE'S RISK RESPONSE:</b> This risk will be mitigated by closely monitoring progress of the Vendor and identifying risk and issues early on. The contract deliverables and payment provisions will be written in such a way that the Vendor will be paid only for successful implementation. Validation sessions will be held in the form of status meetings with the State of Vermont and the Vendor to validate functionality and requirements prior to vendor development.</p> <p><b>REVIEWER'S ASSESSMENT:</b> Risk Migration Response accepted.</p>
<p><a href="#">4a</a></p>	<p><b>STATE'S RISK RESPONSE:</b> This risk will be mitigated by working with Fuel team to ensure they have an adequate succession plan in place in the event that any of the key staff working on this project leaves state government.</p> <p><b>Update as of 9/10/15:</b></p> <ul style="list-style-type: none"> <li>• Pending Wendy &amp; Sean's review and approval of the F&amp;U Staffing plan</li> <li>• Tina would stay in her current position as long as necessary feasible to her.</li> <li>• "Feasible to her" is to obtain and keep into retirement the next COLA.</li> <li>• After formal retirement from state service, Tina would return to the F&amp;U Team to work almost exclusively on Payment Restructuring in a position that does not risk her COLA or the acceptance of the Retirement Incentive</li> <li>• The ESD approval of the F&amp;U staffing plan would provide the basis for ESD's request to the Secretary of Administration to have Tina return to work primarily on Fuel Payment Restructuring under the following requirement: Sec. B 1104.1 State Employee Retirement Incentive; (d) No employee who receives the incentive set forth in subsection (a) of this section may return to State employment for at least one year from his or her retirement date unless otherwise approved by the Secretary of Administration.</li> </ul> <p><b>REVIEWER'S ASSESSMENT:</b> Response accepted so long as this plan is in place before commencing project.</p>
<p><a href="#">5a</a></p>	<p><b>STATE'S RISK RESPONSE:</b> Joanne Heath (DCF PMO Director and PMP) is acting in the capacity of Morgan's mentor throughout this process. Morgan also has an extensive background in the fuel industry and fuel assistance program in her role as an Office Manager at a Vermont Fuel Company that participated in the Fuel Assistance Program prior to her position with the State of Vermont.</p> <p><b>REVIEWER'S ASSESSMENT:</b> Risk Migration Response accepted.</p>
<p><a href="#">6a</a></p>	<p><b>STATE'S RISK RESPONSE:</b> See answer to Risk 1a</p> <p><b>REVIEWER'S ASSESSMENT:</b> See response to Risk 1a.</p> <p>Additionally, any schedule slippage may impact DCF's window of time to make necessary changes to ACCESS system, as ACCESS is expected to go into a "lockdown" stage of no further enhancements in the future, due to Integrated Eligibility project.</p>
<p><a href="#">7a</a></p>	<p><b>STATE'S RISK RESPONSE:</b> N/A</p> <p><b>REVIEWER'S ASSESSMENT:</b></p>



<a href="#">8a</a>	<p><b>STATE'S RISK RESPONSE:</b> Mitigate - See answer to risk 3a</p> <p><b>REVIEWER'S ASSESSMENT:</b> Risk Migration Response accepted.</p>
<a href="#">9a</a>	<p><b>STATE'S RISK RESPONSE:</b> N/A</p> <p><b>REVIEWER'S ASSESSMENT:</b></p>

Department of Children and Families (DCF) Economic Services Division (ESD) Fuel EBT Project  
 STATEMENT OF: Use of Funds (Expenses), Source of Funds (Revenue), Cash Flow, and Change in Net Operating Cost

KEY:  
 Click on the links to the left to go to that data  
**ITEMS IN RED require further dialog**

SUMMARY:  
 Total Project Cost Over 7 Years: [\\$1,848,378](#) NET DECREASE/(INCREASE) IN OP. COSTS: [\\$319,232](#)  
 Total Funding: [\\$1,848,378](#) CASH FLOW ANALYSIS: [Click Here](#)  
 Potential Revenue Recovery: [\\$0](#)  
 Fundina Excess/(Shortage): [\\$0](#)

USE OF FUNDS - START														DDI (One time)	MBO		
DESCRIPTION	Using Milestone	Unit Price	# of Units	One Time Costs	State Funded	Fed Funded	DDI	Year 1 (FY15)	Year 2 (FY17)	Year 3 (FY18)	Year 4 (FY19)	Year 5 (FY20)	Year 6 (FY21)	Year 7 (FY22)	Software Total		
<b>VENDOR OUT OF POCKET EXPENSES</b>																	
<b>SOFTWARE AND SERVICES</b>																	
SOFTWARE				\$0													
Not applicable (DMS is a services)		\$0	0	\$0	0%	54%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SOFTWARE TOTAL</b>				<b>\$0</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SERVICES</b>																	
<b>IMPLEMENTATION SERVICES</b>																	
IMPLEMENTATION				\$0													
FIS Solution		5486.180	1	\$0	0%	100%		\$243,000	\$243,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0		\$0	0%	100%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL IMPLEMENTATION SERVICES</b>								<b>\$243,000</b>	<b>\$243,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SERVICES TOTAL</b>				<b>\$0</b>				<b>\$243,000</b>	<b>\$243,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SOFTWARE AND SERVICES TOTAL</b>				<b>\$0</b>				<b>\$243,000</b>	<b>\$243,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>HARDWARE</b>																	
HARDWARE				\$0													
N/A		\$0		\$0	45%	55%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>HARDWARE TOTAL</b>				<b>\$0</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>MAINTENANCE AND OPERATIONS SUPPORT</b>																	
MAINTENANCE AND OPERATIONS SUPPORT				\$0													
Cost per Case Month Allocation of Monies contract to this project		25,147	0.62	\$0	45%	55%		\$15,591.14	\$15,591.14	\$15,591.14	\$15,591.14	\$15,591.14	\$15,591.14	\$15,591.14	\$15,591.14	\$15,591.14	\$109,138
Annual Maintenance Agreement				\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Use of ACCESS System				\$0	45%	55%		\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$17,745
External Project Management Services				\$0	45%	55%		\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$1,764,000
Security Assessment				\$0	45%	55%		\$5,184	\$5,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,368
Other Professional Services				\$0	45%	55%		\$4,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000
Fueler				\$0	45%	55%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement				\$0	45%	55%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency				\$0	45%	55%		\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$5,692
<b>MAINTENANCE AND OPERATIONS SUPPORT TOTAL</b>				<b>\$0</b>				<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$15,591.14</b>	<b>\$109,138</b>
<b>TOTAL VENDOR OUT OF POCKET EXPENSES</b>								<b>\$258,681</b>	<b>\$258,681</b>	<b>\$15,591</b>	<b>\$15,591</b>	<b>\$15,591</b>	<b>\$15,591</b>	<b>\$15,591</b>	<b>\$15,591</b>	<b>\$15,591</b>	<b>\$955,318</b>

<b>DCF INTERNAL COSTS</b>																		
Staffing Costs				\$0														\$0
Implementation (DDI)	See IT ABC Form			\$0	45%	55%		\$22,320	\$22,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,640
OnGoing Operations	See IT ABC Form			\$0	1			\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$1,894,382
Staff Cost Savings Realized Through This Project																		
Staff Retirement and hired back in limited service for Years 2 and 2	Detailed calculations provided in report							(\$16,744)	(\$16,744)	(\$74,880)	(\$74,880)	(\$74,880)	(\$74,880)	(\$74,880)	(\$74,880)	(\$74,880)	(\$74,880)	(\$407,880)
Staff Resource Allocation to Equivars due to increased efficiency of new contract	Savings start once solution is implemented. Detailed calculations provided in report									(\$26,377)	(\$26,377)	(\$26,377)	(\$26,377)	(\$26,377)	(\$26,377)	(\$26,377)	(\$26,377)	(\$111,888)
Annual Maintenance Agreement	Oil fee for Fuel EBT SCL Server hosting			\$0				\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$2,535	\$17,745
Use of ACCESS System	Suggested to install in 4 years, although tied to long fig project, so will leave in for duration			\$0				\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$1,764,000
External Project Management Services	Not anticipated			\$0				\$5,184	\$5,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,368
Security Assessment	Business Analysis Services			\$0				\$4,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000
Other Professional Services	Equipment Replacement			\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fueler	Embossing equipment, computers, new card stock, new training material, card holder/Card sleeves. Estimated to cost \$142,300 over the contract of which LHAP would be allocated approximately etc			\$0				\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$5,692
Contingency				\$0				\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$5,692
<b>DCF INTERNAL COSTS TOTAL</b>								<b>\$540,754</b>	<b>\$540,754</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$424,717</b>	<b>\$3,205,093</b>

<b>Summary of Costs by DDI (One Time) and MBO</b>																		
DDI (One Time)								\$274,614	\$274,614	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$549,228
MBO								\$541,565	\$541,565	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$3,284,671
<b>TOTAL</b>								<b>\$816,179</b>	<b>\$816,179</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$3,833,899</b>

<b>PROJECT SUB TOTAL COSTS</b>				<b>\$0</b>				<b>\$799,435</b>	<b>\$799,435</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$3,800,411</b>
1% Charge for DII PMO/EA Services				\$0				\$23,987	\$23,984	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,967
<b>PROJECT TOTAL COSTS</b>				<b>\$0</b>				<b>\$823,418</b>	<b>\$823,419</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$3,848,378</b>

**USE OF FUNDS - END**

<b>SOURCE OF FUNDS (PAYMENT SCHEDULE BASED ON DELIVERABLES) - START</b>									
Revenue Source:		Year 1 (FY15)	Year 2 (FY17)	Year 3 (FY18)	Year 4 (FY19)	Year 5 (FY20)	Year 6 (FY21)	Year 7 (FY22)	TOTAL
LHAP Block Grant of \$19M annually	10% of which can be used for Administrative Funds. OF NOTE: This 10% is already consumed by the current program, therefore, no additional administrative funds are available to fund this project.								\$0
LHAP Block Grant use of Program Funds for Software Implementation	Program funding of new applications/technology in over 500 workbooks of budget (pending approval of FY17 LHAP Project Review by DCF)	\$274,614	\$274,614	\$0	\$0	\$0	\$0	\$0	\$549,228
DCF Operating Budget/Fuel Project		\$541,565	\$541,565	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$3,284,671
<b>TOTAL</b>		<b>\$816,179</b>	<b>\$816,179</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$3,848,378</b>

**SOURCE OF FUNDS - END**

<b>OVERALL PROJECT CASH FLOW - START</b>									
Use	Year 1 (FY15)	Year 2 (FY17)	Year 3 (FY18)	Year 4 (FY19)	Year 5 (FY20)	Year 6 (FY21)	Year 7 (FY22)	TOTAL	
Source	\$823,418	\$823,419	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$3,848,378
Net Cash by Fiscal Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential Revenue Recovery:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash by Fiscal Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**CASH FLOW - END**

**NET CHANGE IN OPERATING COSTS - START**

		Year 1 (FY21)	Year 2 (FY22)	Year 3 (FY23)	Year 4 (FY24)	Year 5 (FY25)	Year 6 (FY26)	Year 7 (FY27)	TOTAL
<b>Proposed Operating Costs:</b>									
	See "DCF INTERNAL COSTS" above for details. TOTAL INDIRECT COSTS less DDI								
W&S		\$148,804	\$148,805	\$440,308	\$440,308	\$440,308	\$440,308	\$440,308	\$3,229,150
<b>Total Proposed Operating Costs:</b>		<b>\$548,804</b>	<b>\$548,805</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$440,308</b>	<b>\$3,229,150</b>
<b>Current Operating Costs:</b>	From IT ABC Form								
Staffing Costs		\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$270,626	\$1,894,382
Annual Maintenance Agreement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Use of ACCESS system		\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000	\$1,764,000
External Project Management		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security Assessment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Professional Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Power		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Current Operating Costs:</b>		<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$522,626</b>	<b>\$3,616,309</b>
<b>Net Operating Cost (Decrease/Increase)</b>		<b>(\$28,178)</b>	<b>(\$26,179)</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>\$82,318</b>	<b>(\$10,212)</b>

**NET CHANGE IN OPERATING COSTS - END**

**NOTES / ASSUMPTIONS:**

- Not applicable (this is a services contract)
- Staffing costs obtained from IT ABC Form
- As the cost of the Xerox contract is based on CPCM estimates, no Xerox contract costs are allocated to this project, as we already account for CPCM for this project directly via FIS/Xerox pricing proposal/pending contract

**Change Request Customer Authorization**

**Vermont Fuel Benefits**

**NO. 2174x**

**07/27/15**


Xerox Contact Steve Parsons [Stephen.Parsons@xerox.com](mailto:Stephen.Parsons@xerox.com) 615-306-3639

FIS Contact Lucia Skow [Lucia.Skow@fisglobal.com](mailto:Lucia.Skow@fisglobal.com) 414-341-4291

Project Overview Provide an EBT Fuel Benefit program for the State of Vermont

Deliverables Xerox's subcontractor, **eFunds**, will: 

**Set up a new Fuel Benefit program for the State of Vermont as follows:**

- **New Benefit Group/Type**
  - Create new benefit group (Fuel) and benefit type (Fuel).
  - The new benefit group and type will be set up with a dispense priority of 1 and settle as cash.
  - Fuel benefits will show as a third balance on the EBT card: SNAP, Cash, and Fuel.
  - The new Fuel benefit type will be sent by VT as part of their regular benefit issuance files.
- **IVR Updates**
  - Update the VT IVR to allow for Fuel vendor payments. Client would identify vendor to be paid, the benefit group/type to be used (Fuel) and the amount. Fuel IVR will allow for multiple payments per month, and allow for payments to be made to multiple Fuel vendors in the same call.
  - Provide a draft script to VT for the IVR changes. Upon signoff, provide updated final script. IVR changes should be isolated to Fuel benefit program functionality.
  - Update benefit schedule to include Fuel vendor payment schedule.
  - Update balance script to identify Fuel benefits as a third benefit balance (only if client receives the benefit).
- **MMS (Merchant Management System) updates to include NH vendors** 
  - Update MMS to allow for the addition of Fuel vendors. Fuel vendors do not need to be FNS authorized but rather state authorized. The state will submit to eFunds, via a daily interface file, the initial set of approved Fuel vendors and any modifications to that list going forward.
- **Web modifications to show separate benefit types**
  - Client and CSRs will see Fuel benefits as a separate balance in *ebtEDGE*.
  - Update Frequently Asked Questions posted to the Cardholder Portal about the new benefit.
  - Cardholder Portal will be updated to show Fuel Benefits balance on Home Page.
- **Allow for multiple payments to multiple Fuel vendors**
  - As Fuel benefits are issued, payments to Fuel vendors will be allowed multiple times during the month. Payments to multiple Fuel vendors will also be available.

## Change Request Customer Authorization

### Vermont Fuel Benefits

N0. 2174x

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- The interfaces, IVR and web, will allow the client to do multiple payments to Fuel vendors prior to hanging up/ exiting out. Each payment is a separate autonomous event.
- **Payment via web**
  - Allow for payments through the web. Modify the Cardholder portal to allow cardholders to enter a Fuel vendor (web returns vendor information such as name and address), then enter an amount to transfer. Once approved a confirmation message will be returned and the clients balance will be reduced.
  - Allow vendors to view payments made via Merchant Portal.
- **Vendor agreement**
  - Create a vendor agreement that will be used to collect the vendor information, including TIN information, to add the vendors to our system. These would be Fuel only merchants without terminals. Agreement will need to be approved by FIS Legal prior to use.
  - IRS 1099K handling will be handled as it is for other merchants on the *ebtEDGE* System. If valid TIN information is not provided, IRS withholding will be performed, as with regular merchant processing, and according to the existing IRS 1099K processing procedures.
- **Contract with vendors**
  - Contract with VT authorized Fuel vendors to accept Fuel payments. After receiving the vendor information from VT, eFunds will reach out to the vendor with the contract, and update MMS accordingly to activate the vendor on the *ebtEDGE* System.
  - eFunds will provide the daily interface file format to VT along with a group of MMS location ids for them to assign to vendors.
- **QC testing**
  - eFunds will setup and test changes in QC.
- **Certification testing**
  - Test with VT the Daily Interface File for MMS as well as other project changes.
  - Test with VT the Vendor Maintenance Error File (returned to VT).
  - Test with VT the batch files for client case and benefit adds/deletes/modifies.
  - 40 hours of assisted testing scheduled in advance allowed for this project. Unlimited unassisted testing scheduled in advance.
- **Online and offline database setup**
  - Incorporate vendor specific project changes to support Fuel vendor payment in the online and offline databases, including CED, Configuration Manager, IBM, web portal, IVR, and Actuate.
- **Help Desks**
  - Update the Client and Merchant Online Information Guides for CSRs with the new processing for VT clients in regards to Fuel benefits.

## Change Request Customer Authorization

### Vermont Fuel Benefits

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- Create and install a new *pcADMIN* application 
- Provide training to CSRs on new program
- **Documentation updates**
  - Provide Vermont with updated documentation:
    - 1) Detail Design Document (Fuel benefit)
    - 2) Interface Manual (Fuel benefit type, MMS interface file)
    - 3) IVR Script (vendor payments)
- **File Changes**
  - Create and provide to VT a Monthly Vendor Status File. Shows each vendor and the current status of the vendor (active or deleted).
  - Create and provide to VT a Monthly Client Balance File which lists the ending balances per client each month.
- **Training Updates**
  - Provide VT with information they may need on the new fuel benefit program so that they can properly train their vendors and clients and update brochures accordingly.
- **Aging Program Changes**
  - Implement, leveraging the existing Aging Program set up for Food and Cash, and identify the Aging Periods for the Fuel Program.
- **Vendor File processing**
  - eFunds will provide the State of VT with a Daily Interface File layout including header, detail and trailer record layouts. The file will be transmitted by the State and delivered to eFunds for adding, updating and deactivating vendors.
  - eFunds will transmit a Maintenance Error File to VT for the purpose of reviewing any Fuel vendor records from the Daily Interface File that may have rejected. For every Daily Interface File sent to eFunds by VT, a corresponding Maintenance Error File will be returned to VT, regardless of whether any records rejected or not.
  - eFunds will use standard merchant processing time schedules to add/update/delete vendors. Once a vendor is rolled into production as deactivated, no new payments will be allowed to be processed by clients, but all outstanding payments will be processed.
- **History**
  - eFunds will define a new transaction type Fuel Vendor Payment. This new transaction type will be used to log and display in online and offline and data warehouse history.
- **Updated IVR recordings**
  - Updated professional recordings for the IVR as part of the implementation, per the modified IVR script.

**Change Request Customer Authorization**



**Vermont Fuel Benefits**

N0. 2174x


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**Contingencies**

Xerox's' performance under this Change Request Customer Authorization (CA) is contingent upon:

- Receipt by Xerox of this signed Change Request Customer Authorization.
- Project schedule to be mutually agreed upon once this Change Request Customer Authorization is signed by both parties.
- Xerox's and the States' agreement that:
  - POS devices will not be used for this benefit type. Only IVR and web.
  - The State will remain as a single agency state. The new program will not involve a multi-agency environment
  - The State will handle any incorrect payments when the client pays the wrong Fuel vendor.
  - There will be no changes to existing Merchant Portal.
  - The new Fuel Benefit Program will be reported to VT via the Standard EBT reports the State receives today. (There are no new reports as part of this project).
  - **The State is responsible for training both their clients and the vendors.** 
  - **The State is responsible for making any updates to client training materials.** 
  - Anything not outlined in this CA is outside the scope of this project.
- Xerox to obtain VT's performance of its obligations set forth herein and in the Agreement to the extent necessary for eFunds Corporation to perform.
- Acceptance of the deliverables hereunder is upon delivery by eFunds.
- Xerox and/or eFunds not being responsible for issues or delays outside of eFunds' reasonable control.
- Fulfillment of the payment terms listed below.

**Project Pricing**

\$486,180.00      One Time Upfront Pricing  
 \$0.62 CPCM      **Ongoing Pricing**   
 \$166.50/Hour      Additional hours of assisted testing beyond the 40 hours provided as part of the project.

**Payment Terms**

This Customer Authorization is payable as follows:

- 100% of the Project Pricing (\$486,180.00) will be to be invoiced and due with the state's monthly invoice following implementation of this project.
- Ongoing Pricing (CPCM) for Fuel Benefits to be **invoiced monthly** and due with the regular monthly EBT invoice. Fuel benefits will not be included towards totals used in tiered pricing used for SNAP and cash benefits
- Additional Testing hours if applicable will be invoiced and due with the next monthly invoice issued from eFunds to Xerox following the implementation of this project.

## Change Request Customer Authorization

### Vermont Fuel Benefits

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**Other Terms**

- This offer is valid for a period of sixty (60) days from the date stated at the top of this CA. In the event that this CA is not executed within the sixty (60) day period, this offer shall expire.
- Project schedule to be mutually agreed upon once this CA is approved and executed by both Vermont and Xerox.
- No government funds to be paid under this CA are being used to develop any current or future intellectual property of eFunds Corporation except as expressly set forth in this CA. No rights in intellectual property are being transferred except as expressly set forth in this CA.
- This CA supersedes any verbal or written agreements or understandings made previously regarding this subject.
- Except as amended hereby all other terms and conditions of the Agreement shall remain in full force and effect.
- Xerox reserves the right to nullify this CR if it is altered from its original form.

**Approvals**

I have read and understand all the project specifications above and this CA is effective as of the date of last signature below ("Effective Date"):

**VERMONT DEPARTMENT FOR CHILDREN AND FAMILIES**

**XEROX STATE & LOCAL SOLUTIONS, INC.**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

PLEASE PRINT NAME

PLEASE PRINT NAME

TITLE

TITLE

DATE

DATE



# DETAILED MODEL PLAN (LIHEAP)

## Mandatory Grant Application SF-424

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 06/30/2017

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

<b>* 1.a. Type of Submission:</b> <input checked="" type="radio"/> Plan	<b>* 1.b. Frequency:</b> <input checked="" type="radio"/> Annual	<b>* 1.c. Consolidated Application/Plan/Funding Request?</b>  <b>Explanation:</b>	<b>* 1.d. Version:</b> <input checked="" type="radio"/> Initial <input type="radio"/> Resubmission <input type="radio"/> Revision <input type="radio"/> Update
		<b>2. Date Received:</b>	<b>State Use Only:</b>
		<b>3. Applicant Identifier:</b>	
		<b>4a. Federal Entity Identifier:</b>	<b>5. Date Received By State:</b>
		<b>4b. Federal Award Identifier:</b>	<b>6. State Application Identifier:</b>

#### 7. APPLICANT INFORMATION

<b>* a. Legal Name:</b> State of Vermont			
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 1-036000264-D4		<b>* c. Organizational DUNS:</b> 809376155	
<b>* d. Address:</b>			
<b>* Street 1:</b>	103 SOUTH MAIN ST.	<b>Street 2:</b>	
<b>* City:</b>	WATERBURY	<b>County:</b>	
<b>* State:</b>	VT	<b>Province:</b>	
<b>* Country:</b>	United States	<b>* Zip / Postal Code:</b>	05676 -
<b>e. Organizational Unit:</b>			
<b>Department Name:</b> Children and Families		<b>Division Name:</b> Economic Services Division	

#### f. Name and contact information of person to be contacted on matters involving this application:

<b>Prefix:</b> Mr.	<b>* First Name:</b> Richard	<b>Middle Name:</b> Hart	<b>* Last Name:</b> Moffi
<b>Suffix:</b>	<b>Title:</b> LIHEAP Coordinator	<b>Organizational Affiliation:</b> n/a	
<b>* Telephone Number:</b> 802-769-6448	<b>Fax Number:</b> 802-769-2186	<b>* Email:</b> richard.moffi@svermont.gov	

#### \* 8a. TYPE OF APPLICANT:

A: State Government

**b. Additional Description:**  
VT Agency of Human Services, Dept for Children & Families, Economic Services Division

#### \* 9. Name of Federal Agency:

	<b>Catalog of Federal Domestic Assistance Number:</b>	<b>CFDA Title:</b>
<b>10. CFDA Numbers and Titles</b>	93568	Low-Income Home Energy Assistance

#### 11. Descriptive Title of Applicant's Project

LIHEAP Seasonal & Crisis Fuel Assistance

**12. Areas Affected by Funding:**  
Client grants and operation of the Vermont Fuel Assistance Program

#### 13. CONGRESSIONAL DISTRICTS OF:

<b>* a. Applicant</b> 01	<b>b. Program/Project:</b> State of Vermont
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Attach an additional list of Program/Project Congressional Districts if needed.

Vermont has a Single Congressional District

<b>14. FUNDING PERIOD:</b>		<b>15. ESTIMATED FUNDING:</b>	
<b>a. Start Date:</b> 10/01/2015	<b>b. End Date:</b> 09/30/2016	<b>* a. Federal (\$):</b> \$0	<b>b. Match (\$):</b> \$0
<b>* 16. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?</b>			
a. This submission was made available to the State under the Executive Order 12372			
Process for Review on :			
b. Program is subject to E.O. 12372 but has not been selected by State for review.			
c. Program is not covered by E.O. 12372.			
<b>* 17. Is The Applicant Delinquent On Any Federal Debt?</b>			
<input type="radio"/> YES			
<input checked="" type="radio"/> NO			
<b>Explanation:</b>			
18. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)			
<b>**I Agree</b> <input checked="" type="checkbox"/>			
<b>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</b>			
<b>18a. Typed or Printed Name and Title of Authorized Certifying Official</b>		<b>18c. Telephone (area code, number and extension)</b>	
		<b>18d. Email Address</b>	
<b>18b. Signature of Authorized Certifying Official</b>		<b>18e. Date Report Submitted (Month, Day, Year)</b>	
<b>Attach supporting documents as specified in agency instructions.</b>			

## Section 1 - Program Components

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 06/30/2017

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Washington, DC 20447

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01  
OMB Approval No. 0970-0075  
Expiration Date: 02/28/2005

**THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)** Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

## Section 1 Program Components

Program Components, 2605(a), 2605(b)(1) - Assurance 1, 2605(c)(1)(C)

**1.1 Check which components you will operate under the LIHEAP program.**

(Note: You must provide information for each component designated here as requested elsewhere in this plan.)

**Dates of Operation**

		Start Date	End Date
<input checked="" type="checkbox"/>	Heating assistance	10/01/2015	09/30/2016
<input type="checkbox"/>	Cooling assistance		
<input checked="" type="checkbox"/>	Crisis assistance	11/30/2015	04/29/2016
<input type="checkbox"/>	Weatherization assistance		

**Provide further explanation for the dates of operation, if necessary**

During FFY2016 and FFY2017 the state of Vermont will undertake an information technology (IT) project: **Fuel Payment Restructuring**. When implemented in October 2016 winter heat benefits (Seasonal Fuel Assistance) will be issued on a client's EBT benefit card. The EBT card system will only allow winter heat benefits to be negotiated for a fuel purchase with a fuel supplier certified by the Fuel Assistance Program. The design, development and implementation costs of this IT project are estimated to be about \$500,000. Vermont defines the design, development and implementation of this specific IT project as being a block grant "program" expenditure. LIHEAP block grant "program" funds will be utilized to cover the **Fuel Payment Restructuring** project's costs. By comparison the IT activities of operational costs, routine maintenance, licensing fees, transaction fees, etc. of an established payment system are defined as "administrative" expenditures.

Applications for heating assistance are processed year-round by the State DCF Economic Services Division (ESD). Applications for winter crisis assistance are processed by Vermont's five community action agencies under grant agreements with ESD beginning the last Monday in November to and including the last business day in April, or until funds are exhausted.

**Estimated Funding Allocation, 2604(C), 2605(k)(1), 2605(b)(9), 2605(b)(16) - Assurances 9 and 16**

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.	Percentage ( % )
Heating assistance	70.62%
Cooling assistance	0.00%
Crisis assistance	16.30%
Weatherization assistance	0.00%
Carryover to the following federal fiscal year	2.00%
Administrative and planning costs	10.00%

Services to reduce home energy needs including needs assessment (Assurance 16)	1.00%
Used to develop and implement leveraging activities	0.08%
<b>TOTAL</b>	<b>100.00%</b>

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

**1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:**

<input type="checkbox"/>	Heating assistance	<input type="checkbox"/>	Cooling assistance
<input type="checkbox"/>	Weatherization assistance	<input checked="" type="checkbox"/>	Other (specify:) Crisis assistance until the last business day in April. After April any remaining funds are reprogrammed for Carryover

**Categorical Eligibility, 2605(b)(2)(A) - Assurance 2, 2605(c)(1)(A), 2605(b)(8A) - Assurance 8**

**1.4 Do you consider households categorically eligible if one household member receives one of the following categories of benefits in the left column below?**  Yes  No

If you answered "Yes" to question 1.4, you must complete the table below and answer questions 1.5 and 1.6.

	Heating	Cooling	Crisis	Weatherization	
TANF	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	
SSI	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	
SNAP	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	
Means-tested Veterans Programs	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	
Other(Specify) 1	Program Name	Heating	Cooling	Crisis	Weatherization
		<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No

**1.5 Do you automatically enroll households without a direct annual application?**  Yes  No

If Yes, explain:

**1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?**

SNAP Nominal Payments

**1.7a Do you allocate LIHEAP funds toward a nominal payment for SNAP households?**  Yes  No

If you answered "Yes" to question 1.7a, you must provide a response to questions 1.7b, 1.7c, and 1.7d.

**1.7b Amount of Nominal Assistance:** \$21

**1.7c Frequency of Assistance**

<input checked="" type="checkbox"/>	Once Per Year
<input type="checkbox"/>	Once every five years
<input type="checkbox"/>	Other - Describe:

**1.7d How do you confirm that the household receiving a nominal payment has an energy cost or need?**

Eligibility determination for LIHEAP heating assistance and SNAP benefits (called 3SqsVT in Vermont) is determined by the Economic Services Division (ESD). SNAP clients are required to complete a "shelter expense statement" that identifies for SNAP and LIHEAP the heat and utilities that they a) must pay for, and b) that are included in their monthly housing rental payment. Households where 'the heat is included in the rent' are deemed by state statute and by department rules to "make undesignated payment for energy for heat in the form of rent." These households are deemed to have the lowest energy burden, regardless of income, and are granted the lowest LIHEAP heating assistance benefit of \$21.

Determination of Eligibility - Countable Income

**1.8. In determining a household's income eligibility for LIHEAP, do you use gross income or net income ?**

<input checked="" type="checkbox"/>	Gross Income
<input type="checkbox"/>	Net Income

**1.9. Select all the applicable forms of countable income used to determine a household's income eligibility for LIHEAP**

<input checked="" type="checkbox"/>	Wages		
<input checked="" type="checkbox"/>	Self - Employment Income		
<input checked="" type="checkbox"/>	Contract Income		
<input type="checkbox"/>	Payments from mortgage or Sales Contracts		
<input checked="" type="checkbox"/>	Unemployment insurance		
<input checked="" type="checkbox"/>	Strike Pay		
<input checked="" type="checkbox"/>	Social Security Administration (SSA ) benefits		
<input checked="" type="checkbox"/>	Including MediCare deduction	<input type="checkbox"/>	Excluding MediCare deduction
<input checked="" type="checkbox"/>	Supplemental Security Income (SSI )		
<input checked="" type="checkbox"/>	Retirement / pension benefits		
<input checked="" type="checkbox"/>	General Assistance benefits		
<input checked="" type="checkbox"/>	Temporary Assistance for Needy Families (TANF) benefits		
<input type="checkbox"/>	Supplemental Nutrition Assistance Program (SNAP) benefits		
<input type="checkbox"/>	Women, Infants, and Children Supplemental Nutrition Program (WIC) benefits		
<input type="checkbox"/>	Loans that need to be repaid		
<input type="checkbox"/>	Cash gifts		
<input type="checkbox"/>	Savings account balance		
<input type="checkbox"/>	One-time lump-sum payments, such as rebates/credits, winnings from lotteries, refund deposits, etc.		
<input checked="" type="checkbox"/>	Jury duty compensation		
<input checked="" type="checkbox"/>	Rental income		
<input checked="" type="checkbox"/>	Income from employment through Workforce Investment Act (WIA)		
<input checked="" type="checkbox"/>	Income from work study programs		
<input checked="" type="checkbox"/>	Alimony		
<input checked="" type="checkbox"/>	Child support		
<input checked="" type="checkbox"/>	Interest, dividends, or royalties		
<input checked="" type="checkbox"/>	Commissions		
<input type="checkbox"/>	Legal settlements		
<input type="checkbox"/>	Insurance payments made directly to the insured		
<input type="checkbox"/>	Insurance payments made specifically for the repayment of a bill, debt, or estimate		

<input checked="" type="checkbox"/>	<b>Veterans Administration (VA) benefits</b>
<input type="checkbox"/>	<b>Earned income of a child under the age of 18</b>
<input type="checkbox"/>	<b>Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty.</b>
<input type="checkbox"/>	<b>Income tax refunds</b>
<input type="checkbox"/>	<b>Stipends from senior companion programs, such as VISTA</b>
<input type="checkbox"/>	<b>Funds received by household for the care of a foster child</b>
<input type="checkbox"/>	<b>Ameri-Corp Program payments for living allowances, earnings, and in-kind aid</b>
<input type="checkbox"/>	<b>Reimbursements (for mileage, gas, lodging, meals, etc.)</b>
<input checked="" type="checkbox"/>	<b>Other</b> Some "Ameri-Corp Program payments for living allowances, earning, and in-kind aid" are counted as income and some are not.

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

## Section 2 - HEATING ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 06/30/2017

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

## Section 2 - Heating Assistance

Eligibility, 2605(b)(2) - Assurance 2

**2.1 Designate the income eligibility threshold used for the heating component:**

Add	Household size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	HHS Poverty Guidelines	150.00%

**2.2 Do you have additional eligibility requirements for HEATING ASSISTANCE?**  Yes  No

**2.3 Check the appropriate boxes below and describe the policies for each.**

**Do you require an Assets test ?**  Yes  No

**Do you have additional/differing eligibility policies for:**

- Renters?  Yes  No
- Renters Living in subsidized housing ?  Yes  No
- Renters with utilities included in the rent ?  Yes  No

**Do you give priority in eligibility to:**

- Elderly?  Yes  No
- Disabled?  Yes  No
- Young children?  Yes  No
- Households with high energy burdens ?  Yes  No
- Other? Residency requirement  Yes  No

**Explanations of policies for each "yes" checked above:** Applicants must occupy a living unit or separate living quarters in Vermont, as their primary residence, and intend to occupy that living unit or separate living quarters or another living unit or separate living quarters in Vermont indefinitely in order to be eligible for fuel assistance, with the following exception: migrant workers will be determined eligible for fuel assistance if they meet all other applicable eligibility requirements. The standard for primary residence is the fuel households or roomer fuel households occupation (or, for new Vermont residents, the households intent to occupy) of a living unit or separate living quarters, located in Vermont, as their primary residence during any month(s) during the benefit period of November 1 through March 31.

Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**2.4 Describe how you prioritize the provision of heating assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.** No eligibility priority is given to households with vulnerable members. Eligibility processing for heads of households who are elderly (age 60 or older) or disabled (in receipt of permanent disability benefits) are typically reviewed every two years along with SNAP eligibility. All others are reviewed annually.

**2.5 Check the variables you use to determine your benefit levels. (Check all that apply):**

- Income
- Family (household) size
- Home energy cost or need:
  - Fuel type
  - Climate/region
  - Individual bill
  - Dwelling type
  - Energy burden (% of income spent on home energy)
  - Energy need
  - Other - Describe:

Dwelling "size" by the number of bedrooms in the home.

Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**2.6 Describe estimated benefit levels for FY 2016:**

<b>Minimum Benefit</b>	\$50	<b>Maximum Benefit</b>	\$1,400
------------------------	------	------------------------	---------

**2.7 Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?**  Yes  No

If yes, describe.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.



**Section 3 - COOLING ASSISTANCE**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
 OMB Clearance No.: 0970-0075  
 Expiration Date: 06/30/2017

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
 MODEL PLAN  
 SF - 424 - MANDATORY**

Section 3 - Cooling Assistance

Eligibility, 2605(c)(1)(A), 2605 (b)(2) - Assurance 2

**3.1 Designate The income eligibility threshold used for the Cooling componenet:**

Add	Household size	Eligibility Guideline	Eligibility Threshold
1			0.00%

**3.2 Do you have additional eligibility requirements for COOLING ASSISTANCE?**  Yes  No

**3.3 Check the appropriate boxes below and describe the policies for each.**

**Do you require an Assets test ?**  Yes  No

**Do you have additional/differing eligibility policies for:**

- Renters?  Yes  No
- Renters Living in subsidized housing ?  Yes  No
- Renters with utilities included in the rent ?  Yes  No

**Do you give priority in eligibility to:**

- Elderly?  Yes  No
- Disabled?  Yes  No
- Young children?  Yes  No
- Households with high energy burdens ?  Yes  No
- Other?  Yes  No

**Explanations of policies for each "yes" checked above:**

**3.4 Describe how you prioritize the provision of cooling assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.**

Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**3.5 Check the variables you use to determine your benefit levels. (Check all that apply):**

- Income
- Family (household) size
- Home energy cost or need:
  - Fuel type
  - Climate/region
  - Individual bill
  - Dwelling type
  - Energy burden (% of income spent on home energy)
  - Energy need
  - Other - Describe:

Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**3.6 Describe estimated benefit levels for FY 2016:**

<b>Minimum Benefit</b>	\$0	<b>Maximum Benefit</b>	\$0
------------------------	-----	------------------------	-----

**3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?**  Yes  No

If yes, describe.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 4 - CRISIS ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 06/30/2017

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

## Section 4: CRISIS ASSISTANCE

Eligibility - 2604(c), 2605(c)(1)(A)

### 4.1 Designate the income eligibility threshold used for the crisis component

Add	Household size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	HHS Poverty Guidelines	150.00%

### 4.2 Provide your LIHEAP program's definition for determining a crisis.

#### **CRISIS FUEL ELIGIBILITY**

It is not the intent of these regulations to establish a program of entitlement, meaning that a household whose income and resources are within the specified limits and who has a home heating fuel crisis does not become entitled to a grant, and indeed may be denied. It is the intent of this regulation to provide a framework within which a crisis fuel worker, based on their judgment, may determine eligibility and grant assistance to households who face a home heating crisis.

Within this framework, crisis fuel workers will determine eligibility on the basis of assisting the household, conserving program funds, accessing other benefits for which the household may be eligible, and utilizing the household's or the community's resources to the maximum extent reasonably possible. Workers will base their eligibility judgment on each client's individual situation and crisis fuel history. Workers will make every effort to assist those who are denied eligibility to find alternative solutions to the home heating crisis and to prevent a recurrence of the crisis in the future. Crisis fuel workers shall determine eligibility for crisis assistance based on the following seven requirements.

#### **1) Income Eligibility for Crisis Fuel Assistance**

The gross monthly income of all household members shall not be greater than 200 percent of the federal poverty level based on household size. Household members, required or excluded, are identified in section 2910 above. Countable income is identified in section 2930 above.

#### **2) Receipt of Seasonal Fuel Assistance**

Based on the household's income at the time of the crisis fuel application, eligibility for crisis fuel assistance is contingent on the household first obtaining seasonal fuel assistance program benefits.

- Households that have received a seasonal fuel assistance grant **and** meet all crisis eligibility requirements are eligible to receive crisis fuel assistance.
- Households that, in the opinion of the crisis fuel worker, are over-income for seasonal fuel assistance **and** meet all crisis eligibility requirements are eligible to receive crisis fuel assistance. These households are not required to apply for seasonal fuel assistance in order to receive a crisis fuel grant.
- Households that, in the opinion of the crisis fuel worker, are income eligible for seasonal fuel assistance but have not received seasonal fuel assistance are not eligible to receive crisis fuel assistance. The crisis fuel worker **must** assist income-eligible households to obtain a seasonal fuel assistance grant.
- Households that are denied seasonal fuel assistance for any reason other than being over-income are not eligible to receive crisis fuel assistance. The crisis fuel worker **must** assist income-eligible households to obtain a seasonal fuel assistance grant.

#### **3) Maximum Number of Crisis Grants per Season**

Each household is limited to a maximum number of crisis fuel grants per season as follows:

- One grant for households that are income-eligible for and have received a seasonal fuel assistance grant and meet all eligibility requirements for crisis fuel assistance.
- Two grants for households that are not income-eligible for seasonal fuel assistance and meet all eligibility requirements for crisis fuel assistance.

#### **4) Accessible Resources**

Available cash resource limits for households with at least one member who is elderly or living with a disability are set at \$1,500 for a household of one and \$2,250 for a household of two or more. For all other households it is expected that every accessible cash resource will be utilized in addressing (even in part) the crisis. For purposes of this section, an accessible resource is that which may be obtained in time to resolve the crisis. For example: funds in a retirement account that cannot be obtained prior to the household running out of fuel would not be considered accessible. Property/real estate that is listed for sale would not be considered an accessible resource.

The crisis fuel worker will use judgment in protecting money set aside in a special account to pay property taxes, or money necessary to meet immediate basic needs such as food, rent, utilities, healthcare etc., when such payments are required before the household would have resources remaining to be utilized in addressing (even in part) the fuel crisis.

The crisis fuel worker will also consider what potential resources, including income, are available and the extent to which the household can commit all or a portion of such potential toward meeting or partially meeting their current heating crisis. This potential shall include all members of the household and not simply those bearing direct responsibility for the purchase of fuel or electric service to operate the heating system.

Access to other benefit programs the client is eligible for including but not limited to: 3SqsVT, Reach Up, health care, and pharmacy benefits, Lifeline phone credit,

and low income utility rates from electric and natural gas companies. Clients not accessing available benefit programs for which they are eligible must be required as a condition of a crisis fuel grant (Section 2983 paragraph 7.) to obtain specific benefit resources to be eligible for crisis assistance in the current or future crisis program periods.

**5) Is There a Home Heating Crisis?**

Crisis fuel assistance may be extended to alleviate a home heating emergency due to lack of heating capacity for individual households when the head of household is responsible for providing home heating fuel or utility service. The crisis fuel worker will determine if the applicant has a home heating crisis. Non-residential uses serviced by a common heating system make an application ineligible for crisis fuel assistance.

- Is the applicant the head of household or do they represent the head of household?
- Does the household have a "fuel liability" or is heat included in the rent?
- Who owns the home or who has signed a rental lease for the home?
- Is there one-quarter of a tank or less of fuel remaining?
- Is there one week or less of firewood, wood pellets or coal remaining?
- Has a disconnect notice been received for metered heat service of: electricity, natural gas, or propane?
- Does the electric service operate the heating system and has a disconnect notice been received?
- Is the head of household domiciled and physically present in Vermont?

**6) Extenuating or Unpredictable Circumstance**

An extenuating or unpredictable circumstance is defined as: death in the family which results in additional expenses to the applicant household; illness of a household member which results in the household incurring additional expenses; and unanticipated work-related expense necessary to preserve employment; extraordinary housing expenses which are required to remove life-threatening hazards or to keep the home habitable; or other unanticipated circumstances or occurrences which could not have been foreseen or prevented by the applicant household. Households living in poverty, or on fixed or limited incomes without sufficient funds to meet their basic needs qualifies as an extenuating circumstance. The department examines the circumstances that precipitated the fuel crisis to determine the likelihood that a similar fuel crisis will recur in the future and the degree to which the crisis was preventable. It is to the benefit of both the applicant and the department to attempt to prevent the recurrence of a fuel crisis.

**7) Use of Funds Over the Past 30 Days for Basic Living Expenses**

The crisis fuel worker will complete a careful assessment of past income; uses made of income and resources; relative necessity of such uses including consideration of age, health, and other factors having impact on necessity; and adequacy of planning (past and future) to avoid a home heating crisis. Households will be expected to decline or delay payment for non-essentials in favor of assuring themselves an adequate fuel supply and to make reasonable efforts to conserve fuel to avoid a crisis. The department assesses how past income was used to determine the likelihood that a similar fuel crisis will recur in the future and the degree to which the crisis was preventable. It is to the benefit of both the applicant and the department to attempt to prevent the recurrence of a fuel crisis.

**8) Required Conditions of a Prior Crisis Fuel Grant**

A crisis fuel worker may establish conditions to a crisis fuel grant that a household is required to meet to obtain additional crisis fuel assistance in the current or future crisis program periods. For example: clients will be required to access ESD benefits (3SqsVT, Reach Up, health care, etc.) or utility discounts (such as Green Mountain Power and Vermont Gas Systems) for which they are eligible. Or, the completion and submission of a prior crisis application documents or verification would be a required condition to obtain additional crisis assistance.

**4.3 What constitutes a life-threatening crisis?**

A life-threatening crisis is any medical condition (physical, cognitive or other) that requires a member of the fuel assistance household to remain in the home and not be temporarily relocated to an alternate residence (such as another home belonging to family or friends, a commercial lodging establishment or a residential shelter). The medical condition must be documented in writing (a letter or an email written within 30 days of the crisis fuel application) by a Vermont-licensed medical practitioner who is knowledgeable about the household member's condition. Services to resolve the home heating crisis must be completed within 18 hours of the household being determined eligible. If necessary, a benefit to pay for special trip, start-up or similar charges may be included in the crisis fuel grant.

**Crisis Requirement, 2604(c)**

**4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48Hours**

**4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18Hours**

**Crisis Eligibility, 2605(c)(1)(A)**

**4.6 Do you have additional eligibility requirements for CRISIS ASSISTANCE?**  Yes  No

**4.7 Check the appropriate boxes below and describe the policies for each**

**Do you require an Assets test ?**  Yes  No

**Do you give priority in eligibility to :**

**Elderly?**  Yes  No

**Disabled?**  Yes  No

**Young Children?**  Yes  No

**Households with high energy burdens?**  Yes  No

**Other?**  Yes  No

**In Order to receive crisis assistance:**

**Must the household have received a shut-off notice or have a near empty tank?**  Yes  No

**Must the household have been shut off or have an empty tank?**

	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Must the household have exhausted their regular heating benefit?</b>	<input checked="" type="radio"/> Yes <input type="radio"/> No
<b>Must renters with heating costs included in their rent have received an eviction notice ?</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Must heating/cooling be medically necessary?</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Must the household have non-working heating or cooling equipment?</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Other? See 4.2 above</b>	<input checked="" type="radio"/> Yes <input type="radio"/> No
<b>Do you have additional / differing eligibility policies for:</b>	
<b>Renters?</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Renters living in subsidized housing?</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Renters with utilities included in the rent?</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Explanations of policies for each "yes" checked above:</b>	
<p>4.6 Eligibility requirements are outlined in 4.2. The difference between Crisis and Winter heating assistance ("Seasonal" assistance in Vermont) is that Seasonal assistance is an entitlement program: an income eligible household with a completed applications is guaranteed a benefit.</p> <p>4.7 Assets Test - see item 4) in section 4.2 above</p> <p>4.7 Priority - If the head of households is elderly or disabled, they are allowed to apply for crisis assistance by phone, and not come into the office. All required paperwork is done by mail. If the head of household is elderly or disabled, or if there are young children in the household, assistance (by phone) is available from 8:30 a.m. to 4:00 p.m. on Saturdays, Sundays and state holidays. All required paperwork is done by mail for elderly and disabled. Households with young children must go into the office to complete paperwork.</p> <p>4.7 In Order to Receive Crisis Assistance - see items 2), 5), 6), 7) and 8) in section 4.2 above as conditions to be met to receive crisis assistance in addition to income eligibility and the assets test.</p>	
Determination of Benefits	
<b>4.8 How do you handle crisis situations?</b>	
<input checked="" type="checkbox"/>	<b>Separate component</b>
<input type="checkbox"/>	<b>Fast Track</b>
<input checked="" type="checkbox"/>	<b>Other - Describe:</b> The Department for Children & Families' "Economic Services Division" (ESD) processes eligibility year-round for seasonal fuel assistance benefits. ESD's Office of Fuel & Utility Programs maintains grant agreements with the state's five community action agencies (CAPs) to operate the crisis fuel assistance component from the last Monday in November to the last business day in April - or until funds are exhausted.
<b>4.9 If you have a separate component, how do you determine crisis assistance benefits?</b>	
<input checked="" type="checkbox"/>	<b>Amount to resolve the crisis.</b>
<input checked="" type="checkbox"/>	<b>Other - Describe:</b> For oil, kerosene and propane: 125 gallons (NOTE: The average benefit of \$444 in section 4.14 below is based on 125 gallons @ \$3.50/gallon.) For firewood: one cord For coal and pellets: one ton For electric service to run a heating system: sufficient payment to the company to maintain service for one month For natural gas heat: sufficient payment to the company to maintain service for one month
Crisis Requirements, 2604(c)	
<b>4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?</b>	
<input checked="" type="radio"/> Yes <input type="radio"/> No <b>Explain.</b>	

The five community action agencies operate 15 separate offices that are geographically accessible to all households where crisis fuel application application intakes are performed. By comparison, the Economic Services Division operates 12 district offices.

**4.11 Do you provide individuals who are physically disabled the means to:**

**Submit applications for crisis benefits without leaving their homes?**

Yes  No **If No, explain.**

**Travel to the sites at which applications for crisis assistance are accepted?**

Yes  No **If No, explain.**

**If you answered "No" to both options in question 4.11, please explain alternative means of intake to those who are homebound or physically disabled?**

If the head of households is elderly or disabled, they are allowed to apply for crisis assistance by phone, and not come into the office. All required paperwork is done by mail. If the head of household is elderly or disabled, or if there are young children in the household, assistance (by phone) is available from 8:30 a.m. to 4:00 p.m. on Saturdays, Sundays and state holidays. All required paperwork is done by mail for elderly and disabled. Households with young children must go into the office to complete paperwork.

**Benefit Levels, 2605(c)(1)(B)**

**4.12 Indicate the maximum benefit for each type of crisis assistance offered.**

**Winter Crisis** \$444 maximum benefit

**Summer Crisis** \$0 maximum benefit

**Year-round Crisis** \$0 maximum benefit

**4.13 Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?**

Yes  No **If yes, Describe**

**4.14 Do you provide for equipment repair or replacement using crisis funds?**

Yes  No

**If you answered "Yes" to question 4.14, you must complete question 4.15.**

**4.15 Check appropriate boxes below to indicate type(s) of assistance provided.**

	Winter Crisis	Summer Crisis	Year-round Crisis
Heating system repair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating system replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cooling system repair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cooling system replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wood stove purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pellet stove purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Solar panel(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utility poles / gas line hook-ups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4.16 Do any of the utility vendors you work with enforce a moratorium on shut offs?**

Yes  No

**If you responded "Yes" to question 4.16, you must respond to question 4.17.**

**4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.**

The Vermont Public Service Board's Rule 3.300 "Disconnection of Residential Gas, Electric and Water Service" established detailed rules that utility vendors must comply with year-round for shut-offs. The full Rule 3.300 is available on-line at:  
[http://psb.vermont.gov/sites/psb/files/rules/OfficialAdoptedRules/3300\\_Disconnection\\_of\\_Essential\\_Service.pdf](http://psb.vermont.gov/sites/psb/files/rules/OfficialAdoptedRules/3300_Disconnection_of_Essential_Service.pdf)

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

**Section 5 - WEATHERIZATION ASSISTANCE**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
 OMB Clearance No.: 0970-0075  
 Expiration Date: 06/30/2017

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
 MODEL PLAN  
 SF - 424 - MANDATORY**

**Section 5: WEATHERIZATION ASSISTANCE**

**Eligibility, 2605(c)(1)(A), 2605(b)(2) - Assurance 2**

**5.1 Designate the income eligibility threshold used for the Weatherization component**

Add	Household Size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes		0.00%

**5.2 Do you enter into an interagency agreement to have another government agency administer a WEATHERIZATION component?**  Yes  No

**5.3 If yes, name the agency.**

**5.4 Is there a separate monitoring protocol for weatherization?**  Yes  No

**WEATHERIZATION - Types of Rules**

**5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)**

- Entirely under LIHEAP (not DOE) rules
- Entirely under DOE WAP (not LIHEAP) rules
- Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):
  - Income Threshold
  - Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days
  - Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).
  - Other - Describe:
- Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):
  - Income Threshold
  - Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.
  - Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR ) standards.
  - Other - Describe:

**Eligibility, 2605(b)(5) - Assurance 5**

**5.6 Do you require an assets test?**  Yes  No

**5.7 Do you have additional/differing eligibility policies for :**

- Renters**  Yes  No
- Renters living in subsidized housing?**  Yes  No

**5.8 Do you give priority in eligibility to:**

- Elderly?**  Yes  No
- Disabled?**  Yes  No
- Young Children?**  Yes  No
- House holds with high energy burdens?**  Yes  No
- Other?**  Yes  No

**If you selected "Yes" for any of the options in questions 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below.**

**Benefit Levels**

**5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household?**  Yes  No

**5.10 If yes, what is the maximum?** \$0

**Types of Assistance, 2605(c)(1), (B) & (D)**

**5.11 What LIHEAP weatherization measures do you provide ? (Check all categories that apply.)**

<input type="checkbox"/> Weatherization needs assessments/audits	<input type="checkbox"/> Energy related roof repair
<input type="checkbox"/> Caulking and insulation	<input type="checkbox"/> Major appliance Repairs
<input type="checkbox"/> Storm windows	<input type="checkbox"/> Major appliance replacement
<input type="checkbox"/> Furnace/heating system modifications/ repairs	<input type="checkbox"/> Windows/sliding glass doors
<input type="checkbox"/> Furnace replacement	<input type="checkbox"/> Doors
<input type="checkbox"/> Cooling system modifications/ repairs	<input type="checkbox"/> Water Heater
<input type="checkbox"/> Water conservation measures	<input type="checkbox"/> Cooling system replacement
<input type="checkbox"/> Compact florescent light bulbs	<input type="checkbox"/> Other - Describe:

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.



Section 6 - Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
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Expiration Date: 06/30/2017

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Section 6: Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

- Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Mass mailing(s) to prior-year LIHEAP recipients.
- Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.
- Other (specify):  
Mass Mailings: For Seasonal (heating) Fuel Assistance, the Vermont Economic Services Division (ESD) annually mails eligibility "renewal" documents for all public benefits that a household is receiving including LIHEAP, SNAP, TANF and healthcare programs. Other: Maintain an aggressive web presence with links between state government and non-profit programs that serve generally the same clientele. Provide annual trainings for advocates around the state. Operate an "800" state-wide "Benefits Service Center." For Seasonal (heating) Fuel Assistance, paper applications are available on-line, and clients can apply on-line.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

**Section 7 - Coordination, 2605(b)(4) - Assurance 4**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
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August 1987, revised 05/92,02/95,03/96,12/98,11/01  
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**Section 7: Coordination, 2605(b)(4) - Assurance 4**

**7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.).**

<input checked="" type="checkbox"/>	<b>Joint application for multiple programs</b>
<input checked="" type="checkbox"/>	<b>Intake referrals to/from other programs</b>
<input checked="" type="checkbox"/>	<b>One - stop intake centers</b>
<input checked="" type="checkbox"/>	<b>Other - Describe:</b>

The Department for Children & Families' "Economic Services Division" is responsible, state-wide for: SNAP, TANF, LIHEAP, all Health Care programs, General/Emergency Assistance and Essential Person benefits. A single coordinated application allows clients to apply for any benefits they require. Eligibility is coordinated and conducted once a year. Clients may apply with a traditional paper application or apply on-line. Confidential benefit information is available to clients at 12 district offices, on-line (password protected) and by phone (password protected) through the ESD Benefits Service Center.

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

**Section 8 - Agency Designation,, 2605(b)(6) - Assurance 6**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
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Expiration Date: 06/30/2017

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
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**Section 8: Agency Designation, 2605(b)(6) - Assurance 6 (Required for state grantees and the Commonwealth of Puerto Rico)**

**8.1 How would you categorize the primary responsibility of your State agency?**

<input type="checkbox"/>	Administration Agency
<input type="checkbox"/>	Commerce Agency
<input type="checkbox"/>	Community Services Agency
<input type="checkbox"/>	Energy / Environment Agency
<input type="checkbox"/>	Housing Agency
<input checked="" type="checkbox"/>	Welfare Agency
<input type="checkbox"/>	Other - Describe:

**Alternate Outreach and Intake, 2605(b)(15) - Assurance 15**

**If you selected "Welfare Agency" in question 8.1, you must complete questions 8.2, 8.3, and 8.4, as applicable.**

**8.2 How do you provide alternate outreach and intake for HEATING ASSISTANCE?**

The Department for Children & Families' "Economic Services Division" is responsible, state-wide for: SNAP, TANF and LIHEAP. A single coordinated application allows clients to apply for any benefits they require. Eligibility is coordinated so that all programs are reviewed at the same time once a year. Clients may apply with a traditional paper application or apply on-line. Confidential benefit information is available to clients at 12 district offices, on-line (password protected) and by phone (password protected) through the ESD Benefits Service Center.

**8.3 How do you provide alternate outreach and intake for COOLING ASSISTANCE?**

Vermont does not operate an established "cooling assistance" component.

**8.4 How do you provide alternate outreach and intake for CRISIS ASSISTANCE?**

Crisis Assistance Component is administered by the five community action agencies (CAPs) under annual grant agreements managed by Economic Services Division's "Office of Fuel & Utility Programs." The CAPs along with ESD and the F&U Office each perform outreach activities. ONLY the CAPs do crisis assistance intakes. When a client seeks a crisis assistance grant and has not received their seasonal fuel gran, the CAP worker will request that an ESD worker expedite that client's seasonal fuel grant to alleviate the crisis.

<b>8.5 LIHEAP Component Administration.</b>	<b>Heating</b>	<b>Cooling</b>	<b>Crisis</b>	<b>Weatherization</b>
<b>8.5a Who determines client eligibility?</b>	State Welfare Agency	Non-Applicable	Community Action Agencies	Non-Applicable
<b>8.5b Who processes benefit payments to gas and electric vendors?</b>	State Welfare Agency	Non-Applicable	Community Action Agencies	
<b>8.5c who processes benefit payments to bulk fuel vendors?</b>	State Welfare Agency	Non-Applicable	Community Action Agencies	
<b>8.5d Who performs installation of weatherization measures?</b>				Non-Applicable

**If any of your LIHEAP components are not centrally-administered by a state agency, you must complete questions 8.6, 8.7, 8.8, and, if applicable, 8.9.**

**8.6 What is your process for selecting local administering agencies?**

Crisis - the LIHEAP Crisis Assistance Component is administered by the five community action agencies (CAPs) under annual grant agreements managed by ESD's "Office of Fuel & Utility Programs." The CAPs are an established community partner with access to non-government resources to address a client's home heat or energy crisis. This 'one stop shopping' approach to crisis resolution provides the most effective customer service possible. Weatherization - Wx is NOT a function of the ESD. Wx is the responsibility of the Dept for Children & Families' "Office of Economic Opportunity (OEO). OEO maintains grant agreements with the five Weatherization Assistance Program (WAPs) agencies - four of which are components of community action agency and the fifth is an independent Wx non-profit.

**8.7 How many local administering agencies do you use? Five**

**8.8 Have you changed any local administering agencies in the last year?**

- Yes
- No

**8.9 If so, why?**

<input type="checkbox"/>	Agency was in noncompliance with grantee requirements for LIHEAP -
<input type="checkbox"/>	Agency is under criminal investigation
<input type="checkbox"/>	Added agency
<input type="checkbox"/>	Agency closed
<input type="checkbox"/>	Other - describe

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

Section 9 - Energy Suppliers,, 2605(b)(7) - Assurance 7

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 04/30/2014

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
MODEL PLAN

Section 9: Energy Suppliers, 2605(b)(7) - Assurance 7

9.1 Do you make payments directly to home energy suppliers?

Heating  Yes  No

Cooling  Yes  No

Crisis  Yes  No

Are there exceptions?  Yes  No

If yes, Describe.

Seasonal fuel assistance clients that heat with firewood or wood pellets receive a cash benefit to be used to pay for wood or pellets. Clients whose heat is included in their rent receive a cash benefit to off-set the undesignated portion of their monthly rent that is applied by the landlord to pay for heat and or utilities. There are no payment exceptions for crisis fuel assistance. All payments are made to the fuel or energy supplier by the CAP.

9.2 How do you notify the client of the amount of assistance paid?

For seasonal fuel assistance: clients receive a printed notice by mail advising them of the amount of their benefit, applicable terms and the name of the fuel or energy dealer who received their benefit. Clients who are denied assistance also receive a printed notice by mail. Clients may also go on-line or by phone through the ESD Benefits Service Center obtain information about the status of their seasonal assistance benefit. Information on-line and by phone are password protected. For crisis fuel assistance: clients receive a copy of their application from the CAP indicating the grant details (amount, fuel/energy type, dealer or utility paid), or if they were denied the reason for the denial.

9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment?

For seasonal fuel assistance: dealers are certified by the ESD F&U Office and payment terms and conditions and prices are established (see: [http://dcf.vermont.gov/sites/DCF/files/pdf/esd/fuel/Terms\\_Conditions.pdf](http://dcf.vermont.gov/sites/DCF/files/pdf/esd/fuel/Terms_Conditions.pdf)). Included in those terms is a requirement that the fuel supplier provide to the eligible households periodic statements of account activity including the receipt, credit and balance of the seasonal fuel benefit. At the end of the fuel season, all certified dealers are required to submit a "Consumption and Refund Report" documenting the use of each customers seasonal fuel assistance benefit. Annually, the F&U Office audits a selected number of dealers to confirm that billing and pricing practices are in accordance with certification requirements. The seasonal fuel benefit pays only a portion of a household's winter home heating bill. Clients are directed (in their notice referenced in 9.2 above) to contact the Economic Services Division (ESD) with questions or concerns regarding their benefit. Questions and concerns regarding account activity or pricing by the fuel supplier are referred to the F&U Office for resolution. For crisis fuel assistance: dealer and utilities submit bills for payment to the CAPs. The CAPs financial staff apply accepted accounts receivable review and payment practices. The certified dealers, the CAPs and the F&U Office cooperate fully on required adjustments (positive and negative) when payment or billing errors are identified in seasonal and/or crisis fuel assistance. And, errors do occur and they are resolved.

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

The terms and conditions of the fuel supplier certification agreement referenced in 9.3 above contains discrimination and confidentiality clauses. End of season audits of selected "Consumption and Refund Report" included a price comparison between the price charged to recipient households on specific dates with the supplier's "pricing sheet" for non-recipient customers. In addition the F&U Office accepts and investigates any complaint regarding discrimination in prices or services and the maintenance of confidentiality by a certified fuel supplier.

9.5. Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households?

Yes  No

If so, describe the measures unregulated vendors may take.

The certification agreement that permits payments to all certified fuel suppliers, regulated and unregulated, require annual the annual Consumption Reports referenced in 9.3 above. That information is shared with the Weatherization Offices. Wx services prioritize their services to LIHEAP recipients, with the highest energy consumption, and with 'vulnerable' household members.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 10 - Program, Fiscal Monitoring, and Audit, 2605(b)(10) - Assurance 10

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
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 Expiration Date: 06/30/2017

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
 MODEL PLAN  
 SF - 424 - MANDATORY**

Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10)

**10.1. How do you ensure good fiscal accounting and tracking of LIHEAP funds?**

The Economic Services Division (ESD) of the Vermont Department for Children and Families (DCF) together with the DCF Business Office monitor the LIHEAP funds. The Fuel & Utility Director meets monthly with a senior manager in the Business Office to review the past month's expenditures (including benefits issued) and update the budget. This process provides checks and balances on the management of program funds. All expenditures, check returns and refunds are recorded on a daily basis and are processed through the state-wide VISION fiscal management system. The program benefit financial recorded and available daily. Monthly, all Fuel Program accounts are balanced against the monthly statement from VSION. If there are any discrepancies, they are accounted for. The state has contracted with the firm of KPMG Peat Marwick to audit expenditures of amounts received under this title as an integrated audit with other state programs in a single audit authorized under OMB Circular A-133.

**Audit Process**

**10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A - 133?**

Yes  No

**10.3. Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited fiscal year.**

No Findings

Finding	Type	Brief Summary	Resolved?	Action Taken
1				

**10.4. Audits of Local Administering Agencies**

What types of annual audit requirements do you have in place for local administering agencies/district offices?  
 Select all that apply.

- Local agencies/district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133
- Local agencies/district offices are required to have an annual audit (other than A-133)
- Local agencies/district offices' A-133 or other independent audits are reviewed by Grantee as part of compliance process.
- Grantee conducts fiscal and program monitoring of local agencies/district offices

**Compliance Monitoring**

**10.5. Describe the Grantee's strategies for monitoring compliance with the Grantee's and Federal LIHEAP policies and procedures: Select all that apply**

**Grantee employees:**

- Internal program review
- Departmental oversight
- Secondary review of invoices and payments
- Other program review mechanisms are in place. Describe:

When applicable, the F&U Office will conduct sample reviews for Seasonal Fuel Assistance to review program eligibility and benefit determination in compliance with policies and procedures. Typically these reviews are for recent or complex changes made to any component of eligibility or benefit issuance, or when a pattern of questionable practice has been identified.

**Local Administering Agencies / District Offices:**

- On - site evaluation
- Annual program review
- Monitoring through central database

<input type="checkbox"/> Desk reviews
<input checked="" type="checkbox"/> Client File Testing / Sampling
<input checked="" type="checkbox"/> Other program review mechanisms are in place. Describe:
Targeted reviews for Crisis Fuel Assistance are established annually in the grant agreements as a "performance measure." All five Community Action Agency sub-grantees are required to report on a specific issue or condition of eligibility, household composition, benefit, or a combination. In general, these targeted reviews serve two purposes: program compliance and improved customer service. Crisis Fuel workers in each of the state's five community action agencies (CAPSs) determine CFA eligibility and grant amounts during the CFA season. CF workers are supervised by a CF Coordinator in each CAP. The CF Coordinator serves as the primary contact for all CF program eligibility and grant matters. During the CF season (last Monday in November until the last business day in April, or until funds are exhausted) the Fuel & Utility Programs Office provides program support, policy clarifications, technical assistance, and program monitoring as follows: Required CF Trainings: November 18 & 20, 2014 Opening Day (Nov 24/14) Technical Assistance Visits at 4 CAP offices Monthly CF Conference Calls Monitoring Visits with no less than 3 agencies Meet with CAP Director and CF Coordinator Observe CF intakes and decision making (with client's consent) Review use of ACCESS database for CF eligibility determination Review criteria for and progress toward current year's grant agreement required "performance measure" Provide the agency with a written report of the monitoring visit
<b>10.6 Explain, or attach a copy of your local agency monitoring schedule and protocol.</b>
Five community action agencies (CAPs) act on behalf of the DCF Economic Services Division through grant agreements for the operation, eligibility determination, and benefit issuance for Crisis Fuel Assistance.
<b>10.7. Describe how you select local agencies for monitoring reviews.</b>
<b>Site Visits:</b> For crisis fuel assistance the five local agencies are community action programs (CAPs). Site visits are conducted by the F&U Office with no less than three agencies per season. Site selection for agencies and their primary offices are rotated annually. Monitoring reviews happen at two points during the year. First - through technical assistance visits while the program is in operation and during regular business hours. This allows staff from the F&U Office to observe, contrast and compare operations and glean best practices. It is also an opportunity for immediate feedback, clarification or correction related to policy and procedures. Problems or opportunities observed in one agency are reported to all as a way to improve overall performance. Second - when final reports are submitted the F&U Director reviews for outlying indicators. These might be only a reporting or numbers error. Or they could be a more serious indicator of situational extremes that require further analysis and possibly corrective action. All findings, positive and negative, are reported to the local agency. Aggregated findings, positive and negative, are shared with all five agencies.
<b>Desk Reviews:</b> Desk reviews are not conducted for the Crisis Fuel program.
<b>10.8. How often is each local agency monitored ?</b> No less than every other year.
<b>10.9. What is the combined error rate for eligibility determinations? OPTIONAL</b>
<b>10.10. What is the combined error rate for benefit determinations? OPTIONAL</b>
<b>10.11. How many local agencies are currently on corrective action plans for eligibility and/or benefit determination issues? None</b>
<b>10.12. How many local agencies are currently on corrective action plans for financial accounting or administrative issues? None</b>
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>

Section 11 - Timely and Meaningful Public Participation, , 2605(b)(12) - Assurance 12, 2605(c)(2)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
 OMB Clearance No.: 0970-0075  
 Expiration Date: 06/30/2017

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
 MODEL PLAN  
 SF - 424 - MANDATORY**

Section 11: Timely and Meaningful Public Participation, 2605(b)(12), 2605(C)(2)

11.1 How did you obtain input from the public in the development of your LIHEAP plan?  
 Select all that apply.

- Tribal Council meeting(s)
- Public Hearing(s)
- Draft Plan posted to website and available for comment
- Hard copy of plan is available for public view and comment
- Comments from applicants are recorded
- Request for comments on draft Plan is advertised
- Stakeholder consultation meeting(s)
- Comments are solicited during outreach activities
- Other - Describe:

The Home Energy Assistance Task Force (HEAT Force) is a LIHEAP advisory committee established in Vermont statute. HEAT Force is emailed a copy of the draft plan and is engaged directly by the Fuel & Utility Office.

11.2 What changes did you make to your LIHEAP plan as a result of this participation?

The current document is out for public comment. This section will be updated as needed after a public hearing is held in late August or early September.

**Public Hearings, 2605(a)(2) - For States and the Commonwealth of Puerto Rico Only**

11.3 List the date and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?

	Date	Event Description
1	08/24/2014	Block Grants Public Hearing, held at the VT Agency of Human Services, 208 Hurricane Lane, Williston, VT

11.4. How many parties commented on your plan at the hearing(s)? 0

11.5 Summarize the comments you received at the hearing(s).

The current document is out for public comment. This section will be updated as needed after a public hearing is held in late August or early September. A copy of the Hearing Minutes will be attached to the final plan submission.

11.6 What changes did you make to your LIHEAP plan as a result of the comments received at the public hearing(s)?

The current document is out for public comment. This section will be updated as needed after a public hearing is held in late August or early September.

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**



Section 12 - Fair Hearings,2605(b)(13) - Assurance 13

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Section 12: Fair Hearings, 2605(b)(13) - Assurance 13

**12.1 How many fair hearings did the grantee have in the prior Federal fiscal year?** 15 approximate

**12.2 How many of those fair hearings resulted in the initial decision being reversed?** 5 approximate

**12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings?**

None. Initial decisions were reversed not by the hearing officer rather by the senior program policy staff in the Fuel & Utility Office.

**12.4 Describe your fair hearing procedures for households whose applications are denied.**

Clients may ask for a fair hearing if their claim for assistance, benefits, or services is denied, or in not acted upon with reasonable promptness; or because they are aggrieved by any other ESD action affecting their receipt of assistance, benefits , or services, or they are aggrieved by ESD policy as it affects their situation.

**12.5 When and how are applicants informed of these rights?**

Applicants are informed of their rights to a fair hearing first on their applications for benefits/assistance and every time they are notified of an action or decision regarding their application.

**12.6 Describe your fair hearing procedures for households whose applications are not acted on in a timely manner.**

Clients may ask for a fair hearing if their claim for assistance, benefits, or services is denied, or in not acted upon with reasonable promptness; or because they are aggrieved by any other ESD action affecting their receipt of assistance, benefits , or services, or they are aggrieved by ESD policy as it affects their situation.

**12.7 When and how are applicants informed of these rights?**

Applicants are informed of their rights to a fair hearing first on their applications for benefits/assistance and every time they are notified of an action or decision regarding their application.

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

Section 13 - Reduction of home energy needs,2605(b)(16) - Assurance 16

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August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
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Section 13: Reduction of home energy needs, 2605(b)(16) - Assurance 16

**13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?**

Vermont supports four firewood programs around the state that serve LIHEAP recipients who utilize firewood as their renewable home heating fuels.

- 1) Northeast Firewood Project provides free firewood to LIHEAP recipients through NEKCA community action agency and the St. Johnsbury district Agency of Human Services Field Director.
- 2) Lamoille County Firewood Project provides free firewood to LIHEAP recipients through United Way of Lamoille (VT) County and area community partners.
- 3) South West Vermont Firewood Project provides free firewood to LIHEAP recipients through BROCC - Community Action for SW Vermont and area community partners.
- 4) Central VT Firewood Project provides free firewood to LIHEAP recipients through Capstone Community Action and the local RSVP (Retired Seniors Volunteer Program).

**13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?**

Funds for Assurance 16 activities are specifically identified in the ESD LIHEAP Budget and related expenditures are coordinated with the DCF/ESD Business Office. Maximum amounts are established for FFY2015 as follows:

- 1) Northeast VT Firewood @ \$15,000.
- 2) Lamoille Firewood @ \$10,000
- 3) South West VT Firewood @ \$10,000
- 4) Central VT Firewood @ \$7,000

**13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year.**

For households that receive free firewood their winter heat financial burden will be lowered. Funds saved on firewood will be available to the family for other expense necessities.

**13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year.**

Firewood projects provide one or two cords of firewood delivered free to eligible households with a conservative estimated value of \$175-\$200 per cord.

**13.5 How many households applied for these services?** 120 estimated

**13.6 How many households received these services?** 100 estimated

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

**Section 14 - Leveraging Incentive Program ,2607A**

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August 1987, revised 05/92,02/95,03/96,12/98,11/01  
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**Section 14:Leveraging Incentive Program, 2607(A)**

**14.1 Do you plan to submit an application for the leveraging incentive program?**

Yes  No

**14.2 Describe instructions to any third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records.**

In grant agreements or memos of understanding where a leveraging activity takes place, sub-recipients or grantees or sub-grantees are required to provide information about their activities, grants, clients (including income maximum), and any other pertinent data to substantiate a submission for the Leveraging Incentive Program.

**14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. Â§ 96.87(d)(2)(iii), describe the following:**

Resource	What is the type of resource or benefit ?	What is the source(s) of the resource ?	How will the resource be integrated and coordinated with LIHEAP?
1	MARGIN OVER RACK (MOR) and DISCOUNT OFF RETAIL (DOR) Criteria (ii)	Certified oil, propane and kerosene dealers.	Through the Department's fuel supplier certification agreement, dealers of heating oil, propane and kerosene must enter into a pricing agreement to participate in the seasonal (winter) fuel assistance program. Dealers voluntarily participate in the fuel program and choose with MOR or DOR price agreements. The Margin Over Rack (MOR) agreement daily establishes a market wholesale (rack) price plus a margin amount. Added together the rack price plus margin set a daily maximum price per gallon for oil, propane and kerosene purchased with fuel assistance funds. The Discount Off Retail (DOR) agreement allows fuel dealers to set their own daily prices for all customers (in receipt of fuel assistance or not). DOR then requires that oil, propane and kerosene prices include a 15 cent per gallon discount in addition to the dealer's regular cash or prompt payment discount, if any. Both the MOR and DOR lower the per gallon price of fuel purchased with a client's seasonal (winter) assistance benefit and/or with a client's crisis fuel assistance grant and increase the amount of fuel provided.
2	CONTRIBUTION OF STATE GENERAL FUND DOLLARS Criteria (ii)	State of Vermont general fund.	The state annually budgets a contribution of general fund dollars to the fuel assistance program. The funds are administered by the Fuel Office to increase seasonal (winter) fuel assistance benefits either directly or by off-setting funds that otherwise would have been used for program administration.
3	STATE FUNDED WEATHERIZATION ASSISTANCE Criteria (ii)	State of Vermont gross receipts tax on utilities and fuel.	The state generates additional annual revenue that expands the assistance of the Weatherization Program. These program-dedicated funds are raised through a 1/2 of 1 percent fuel gross sales receipts tax on utilities and fuel vendors. This enables the five state WAPs to serve more households annually. Clients in receipt of fuel assistance, LIHEAP, are given the highest priority for Weatherization services. All clients who receive a winter crisis fuel benefit are directly referred to Weatherization for services.
4	GREEN MOUNTAIN POWER ENERGY ASSISTANCE PROGRAM (EAP) DISCOUNT and ARREARS FORGIVENESS Criteria (iii)	Rate-payers of Green Mountain Power Corporation as approved by the Vermont Public Service Board	Begun on December 15, 2012, eligible customers of Green Mountain Power (GMP) Corporation receive a 25% discount off their monthly charge for the first 600 kilowatt hours of energy used. To be eligible customers must be residential customers and have a total gross household income at or below 150% of the federal poverty level. In addition, eligible customers with an outstanding balance over 30 days and who apply for the program for the first time between December 15, 2012 and March 15, 2013 or between October 1, 2014 and December 31, 2014 will have the full arrears forgiven. The discount and arrears forgiveness help to lower a client's energy burden. Under an agreement with GMP the Fuel and Utility Assistance Office are responsible for eligibility determination. The 150% income limit matches the state's eligibility limit for receipt of a seasonal (winter) fuel assistance benefit. The Fuel and Utility Assistance Office performs direct outreach to clients with GMP heat and to fuel assistance client in the GMP service territories. The GMP discount is integrated directly through the Crisis Fuel Assistance component.
5	VERMONT GAS SYSTEMS DISCOUNT Criteria (iii)	Rate-payers of Vermont Gas Systems Incorporated as approved by the Vermont Public Service Board	Begun on July 1, 2013, eligible customers of Vermont Gas Systems (VGS) receive a 20% discount off their monthly natural gas bill (regardless of what the product is used for). To be eligible customers must have a residential account and a total gross household income no greater than 185% of the federal poverty level. The discount helps to lower a client's energy burden. Under an agreement with VGS the Fuel and Utility Assistance Office are responsible for eligibility determination. The 185% income limit matches the state's eligibility limit for receipt of a seasonal (winter) fuel assistance benefit. The Fuel and Utility Assistance Office performs direct outreach to clients with VGS heat and to fuel assistance client in the VGS service territories. The VGS discount is integrated directly through the Crisis Fuel Assistance component.
	POWER PARTNERS	Rate-payers of Green Mountain	Green Mountain Power (GMP) provides electric service to an estimated 70% of Vermont's homes. GMP's Power Partners Program assists low-income customers (households with

6	PROGRAM ARREARS FORGIVENESS Criteria (iii)	Power Corporation as approved by the Vermont Public Service Board	incomes from 151% to 200% of FPL based on household size) by forgiving a portion of their arrears balance. This program assists customers who are not income eligible for the GMP EAP identified in 4) above. The arrears forgiveness and a repayment plan for the unforgiven portion help to lower a client's energy burden and improve the management of their utility bill. Power Partners is integrated through the Crisis Fuel Component.
7	WARMTH Program Criteria (iii)	Donations by rate-payers and their utilities throughout Vermont.	Community Action Agencies administer a full spectrum of services to households with an energy crisis including LIHEAP-funded crisis fuel assistance, advocacy, negotiations with fuel providers, budget counseling and energy use reduction. WARMTH financial assistance is funded through customer donations to participating utilities. The utilities transfer the funds to the Community Action Agencies who distribute the benefits to income eligible households. The cost of program administration is off-set by the Department with an annual grant of \$25,000 from LIHEAP funds. Assistance is available to households with a combined gross income of not more than 200% FPL. A WARMTH grant often is the last safety net available when crisis fuel assistance funds have been exhausted or when the crisis assistance season is closed. WARMTH is integrated through the Crisis Fuel Component.
8	HEATING SYSTEM REPLACEMENTS Criteria (iii)	State of Vermont gross receipts tax on utilities and fuel.	Through a Department agreement with the State Office of Economic Opportunity (SOEO), payments for emergency heating system replacements for LIHEAP income eligible households is paid by State Funds administered through the Weatherization Fund of SOEO. These funds are raised through a 1/2 percent fuel gross sales receipts tax on utilities and fuel vendors. The Department refers clients directly to the local Weatherization operator during business hours and contacts SOEO approved contractors at all other times. Heating System Replacements are integrated through the Crisis Fuel Component.
9	SETTLEMENT of LEGAL ACTION(s) Criteria (ii)	Private corporations.	Occasionally, the settlement of a legal action, compliance violation or lawsuit will result in funds being graciously donated to Vermont's fuel and utility assistance programs. These funds are administered by the Fuel & Utility Assistance Office to increase seasonal (winter) fuel assistance benefits either directly or by replacing funds that otherwise would have been used for program administration.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 15 - Training

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
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 Expiration Date: 06/30/2017

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Section 15: Training

**15.1 Describe the training you provide for each of the following groups:**

**a. Grantee Staff:**

**Formal training on grantee policies and procedures**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:**

**Employees are provided with policy manual**

**Other-Describe:**

**b. Local Agencies:**

**Formal training conference**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:**

**On-site training**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:** as requested

**Employees are provided with policy manual**

**Other - Describe**

The F&U Office conducts "mini-trainings" and program updates with community based-organizations around the state from August through October. This provides program staff with the opportunity to keep partners, advocates and interested parties up-to-date on both LIHEAP fuel assistance and utility discount programs.

**c. Vendors**

**Formal training conference**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:**

**Policies communicated through vendor agreements**

**Policies are outlined in a vendor manual**

**Other - Describe:**

Annually, at predictable points in the fuel assistance season, vendors are advised/reminded of their benefit management responsibilities as third party payees under the terms of Fuel Program Certification Agreement. This includes reporting questions or concerns to the Fuel & Utility Office of fraud, abuse and/or eligibility. Vendors are the most frequent reporters of client eligibility that might lead to a finding of fraud or abuse.

**15.2 Does your training program address fraud reporting and prevention?**

Yes

No

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

## Section 16 - Performance Goals and Measures, 2605(b)

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 16: Performance Goals and Measures, 2605(b) - Required for States Only

**16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal fiscal year.**

Benefit Targeting Index for High Burden Households - measures the extent to which the highest benefits are provided to the LIHEAP recipient households with the highest energy burden (the percent of gross income spent on utility costs). For the past two years, at the end of each heating season, Vermont has collected household consumption digital-data in dollars and in gallons from LIHEAP recipients' fuel suppliers. The Fuel & Utility Office is currently working with the Weatherization program office. At the direction of the State Legislature both Fuel and Wx are gathering the data to more clearly define client energy burdens. The expectation is that such data will result in meaningful modifications to LIHEAP benefits. The Fuel and Wx report and recommendation are due to the legislature in January, 2015. As a result of that work actual the expectation is that by the end of FFY2015 there will be a plan to implement a Benefiot Targeting Index. Energy Burden Reduction Index for High Burden Households - measures the extent to which LIHEAP benefits are adequate to deliver the same energy burden reduction to high burden recipient households as to low and moderate burden recipient households. Vermont's current benefit matrix employees a series of "proxy" energy burdens for households based on housing type, housing size (by bedroom count) and fuel type. Those "proxy" burdens are matched with the households's income against a benefits payment chart based on income. The chart employs 12 income ranges - with the greatest benefits going to the households with the lowest incomes and the smallest benefits going to the households with the greatest incomes. The combination of the proxy burdens and the graduated benefits based on income will form the basis of meeting the Energy Burden Reduction Index goal.

Prevention of Loss of Home Energy Services - the unduplicated count of households where LIHEAP prevented the loss of home energy services. Vermont maintains a very aggressive Crisis Fuel Assistance component, accessible to clients seven days a week. Vermont believes that the Prevention of Loss goal is met by the current Crisis Fuel Assistance component. Providing an unduplicated count of households where LIHEAP prevented the loss of home energy services is planned to be available in the coming year. Restoration of Home Energy Services - the unduplicated count of households where LIHEAP restored home energy services to the client.

Vermont's Crisis Fuel Assistance component is structured as a "preventative" service. Clients are encouraged and allowed to seek assistance when they are down to 1/4 of a tank of fuel or when they receive a utility service disconnection notice. However, many times Crisis Fuel Assistance must be utilized to restore home heat or electric service to run a heating system. Providing an unduplicated count of households where LIHEAP restored the loss of home energy services is planned to be available in the coming year.

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

Section 17 - Program Integrity, 2605(b)(10)

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**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
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Section 17: Program Integrity, 2605(b)(10)

17.1 Fraud Reporting Mechanisms

**a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.**

- Online Fraud Reporting
- Dedicated Fraud Reporting Hotline
- Report directly to local agency/district office or Grantee office
- Report to State Inspector General or Attorney General
- Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse

**Other - Describe:**

Issues related to benefit fraud or abuse and household eligibility most often are referred to the Fuel & Utility Office. The F&U Office investigates all reports of fraud or abuse of benefits. When a viable finding is made, the case and supporting documentation is forwarded to either the Economic Services Division (ESD) Fraud Unit or the Assistant Attorney General's Office. Typically, 'client' fraud is referred to the ESD Fraud Unit and 'dealer' fraud is referred to the AAG's Office.

**b. Describe strategies in place for advertising the above-referenced resources. Select all that apply**

- Printed outreach materials
- Addressed on LIHEAP application
- Website

**Other - Describe:**

Fuel suppliers and utility companies certified by the Fuel & Utility Office to participate in the LIHEAP program are a frequent source of information or concerns regarding client eligibility that might be fraud. Through formal email notices several times a year from the F&U Office, certified fuel suppliers are advised to report concerns of fraud, duplicate benefits, household composition or housing data that is at variance with the information that ESD maintains. Certified fuel suppliers operate under a confidentiality clause in their certification.

17.2. Identification Documentation Requirements

**a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.**

Type of Identification Collected	Collected from Whom?					
	Applicant Only		All Adults in Household		All Household Members	
Social Security Card is photocopied and retained	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested
Social Security Number (Without actual Card)	<input checked="" type="checkbox"/>	Required	<input checked="" type="checkbox"/>	Required	<input checked="" type="checkbox"/>	Required
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested
Government-issued identification card (i.e.: driver's license, state ID, Tribal ID, passport, etc.)	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested



	Other	Applicant Only Required	Applicant Only Requested	All Adults in Household Required	All Adults in Household Requested	All Household Members Required	All Household Members Requested
1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**b. Describe any exceptions to the above policies.**

Newborn children are provided a "place holder" number in the social security data-entry field. Other individuals who are excluded from the fuel assistance household do not have to provide documentation.

**17.3 Identification Verification**

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply

- Verify SSNs with Social Security Administration
- Match SSNs with death records from Social Security Administration or state agency
- Match SSNs with state eligibility/case management system (e.g., SNAP, TANF)
- Match with state Department of Labor system
- Match with state and/or federal corrections system
- Match with state child support system
- Verification using private software (e.g., The Work Number)
- In-person certification by staff (for tribal grantees only)
- Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grantees only)
- Other - Describe:

**17.4. Citizenship/Legal Residency Verification**

What are your procedures for ensuring that household members are U.S. citizens or aliens who are qualified to receive LIHEAP benefits? Select all that apply.

- Clients sign an attestation of citizenship or legal residency
- Client's submission of Social Security cards is accepted as proof of legal residency
- Noncitizens must provide documentation of immigration status
- Citizens must provide a copy of their birth certificate, naturalization papers, or passport
- Noncitizens are verified through the SAVE system
- Tribal members are verified through Tribal enrollment records/Tribal ID card
- Other - Describe:

**17.5. Income Verification**

What methods does your agency utilize to verify household income? Select all that apply.

- Require documentation of income for all adult household members
  - Pay stubs
  - Social Security award letters
  - Bank statements
  - Tax statements
  - Zero-income statements
  - Unemployment Insurance letters
  - Other - Describe:
- Computer data matches:
  - Income information matched against state computer system (e.g., SNAP, TANF)
  - Proof of unemployment benefits verified with state Department of Labor
  - Social Security income verified with SSA
  - Utilize state directory of new hires
  - Other - Describe:

LIHEAP winter (Seasonal) fuel assistance eligibility is processed by Benefit Programs Specialists in the DCF Economic Services Division. Benefits for LIHEAP, SNAP (3SqsVT), TANF (Reach Up in Vermont) and health care programs all utilize the same eligibility main-frame database.

**17.6. Protection of Privacy and Confidentiality**

Describe the financial and operating controls in place to protect client information against improper use or disclosure. Select all that apply.

 Policy in place prohibiting release of information without written consent Grantee LIHEAP database includes privacy/confidentiality safeguards Employee training on confidentiality for: Grantee employees Local agencies/district offices Employees must sign confidentiality agreement Grantee employees Local agencies/district offices Physical files are stored in a secure location Other - Describe:**17.7. Verifying the Authenticity**

What policies are in place for verifying vendor authenticity? Select all that apply.

 All vendors must register with the State/Tribe. All vendors must supply a valid SSN or TIN/W-9 form Vendors are verified through energy bills provided by the household Grantee and/or local agencies/district offices perform physical monitoring of vendors Other - Describe and note any exceptions to policies above:

Vendors of firewood and wood pellets are not required to be certified with the Fuel & Utility Office. The payment to client rather than the vendor exception is for clients who heat with firewood or pellets. Due to supply and variations in quality and quantity, firewood and pellet client have greater success in obtaining quality product when all suppliers in the market are accessible to them.

**17.8. Benefits Policy - Gas and Electric Utilities**

What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.

 Applicants required to submit proof of physical residency Applicants must submit current utility bill Data exchange with utilities that verifies: Account ownership Consumption Balances Payment history Account is properly credited with benefit Other - Describe: Centralized computer system/database tracks payments to all utilities Centralized computer system automatically generates benefit level Separation of duties between intake and payment approval Payments coordinated among other energy assistance programs to avoid duplication of payments Payments to utilities and invoices from utilities are reviewed for accuracy Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities Direct payment to households are made in limited cases only Procedures are in place to require prompt refunds from utilities in cases of account closure Vendor agreements specify requirements selected above, and provide enforcement mechanism Other - Describe:

Some items checked above may be performed on a sample basis at the end of the winter heating season.

**17.9. Benefits Policy - Bulk Fuel Vendors**

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel

vendors? Select all that apply.

- Vendors are checked against an approved vendors list
- Centralized computer system/database is used to track payments to all vendors
- Clients are relied on for reports of non-delivery or partial delivery
- Two-party checks are issued naming client and vendor
- Direct payment to households are made in limited cases only
- Vendors are only paid once they provide a delivery receipt signed by the client
- Conduct monitoring of bulk fuel vendors
- Bulk fuel vendors are required to submit reports to the Grantee
- Vendor agreements specify requirements selected above, and provide enforcement mechanism

Other - Describe:

Benefits are paid directly to clients that heat with firewood or wood pellets. Some items checked above may be performed on a sample basis.

#### 17.10. Investigations and Prosecutions

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud. Select all that apply.

- Refer to state Inspector General
- Refer to local prosecutor or state Attorney General
- Refer to US DHHS Inspector General (including referral to OIG hotline)
- Local agencies/district offices or Grantee conduct investigation of fraud complaints from public

Grantee attempts collection of improper payments. If so, describe the recoupment process

The party in question is contacted by phone and/or in writing. They are advised of the issues and specific actions are outlined with a specific date for compliance. The party is advised that failure to respond or comply will escalate the case either to the ESD Fraud Unit or the Assistant Attorney General. Most cases are resolved at this basic communication level.

- Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?
- Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated
- Vendors found to have committed fraud may no longer participate in LIHEAP

Other - Describe:

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

**Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

Instructions for Certification

- 1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.**
- 2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.**
- 3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.BrBbr.**
- 4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.**
- 5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.**
- 6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.**
- 7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or**

agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

**(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:**

**(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;**

**(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;**

**(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and**

**(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.**

**(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.**

## Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

### Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
- 5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.**
- 6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.**
- 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.**
- 8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is**

normally possessed by a prudent person in the ordinary course of business dealings.

**9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.**

**Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions**

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**By checking this box, the prospective primary participant is providing the certification set out above.**

Section 19: Certification Regarding Drug-Free Workplace Requirements

**This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.**

**Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)**

- 1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.**
- 2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.**
- 3. For grantees other than individuals, Alternate I applies.**
- 4. For grantees who are individuals, Alternate II applies.**
- 5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.**
- 6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).**
- 7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).**
- 8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:**

***Controlled substance* means a controlled substance in Schedules I through V of the**



Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

**Conviction** means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

**Criminal drug statute** means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

**Employee** means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

#### Certification Regarding Drug-Free Workplace Requirements

##### Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about --
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantee's policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;**
- c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);**
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --**
  - (1) Abide by the terms of the statement; and**
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;**
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;**
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --**
  - (1) Taking appropriate**

personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or  
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;  
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).  
(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

**Place of Performance (Street address, city, county, state, zip code)**

Department for Children & Families, Economic Services Division

**\* Address Line 1**

967 IBM Road  
**Address Line 2**

**Address Line 3**

Essex Junction  
**\* City**

Vermont  
**\* State**

05452  
**\* Zip Code**

**Check if there are workplaces on file that are not identified here.**

**Alternate II. (Grantees Who Are Individuals)**

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

By checking this box, the prospective primary participant is providing the certification set out above.

**Section 20: Certification Regarding Lobbying**

**The submitter of this application certifies, to the best of his or her knowledge and belief, that:**

**(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.**

**(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions**

**(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.**

**Statement for Loan Guarantees and Loan Insurance**

**The undersigned states, to the best of his or her knowledge and belief, that:**

**If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.**

**By checking this box, the prospective primary participant is providing the certification set out above.**

Assurances

Assurances

**(1) use the funds available under this title to--**

**(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);**

**(B) intervene in energy crisis situations;**

**(C) provide low-cost residential weatherization and other cost-effective energy-related home repair;and**

**(D)plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;**

**(2) make payments under this title only with respect to--**

**(A) households in which one or more individuals are receiving--**

**(i)assistance under the State program funded under part A of title IV of the Social Security Act;**

**(ii) supplemental security income payments under title XVI of the Social Security Act;**

**(iii) food stamps under the Food Stamp Act of 1977; or**

**(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or**

**(B) households with incomes which do not exceed the greater of -**

**(i) an amount equal to 150 percent of the poverty level for such State; or**

**(ii) an amount equal to 60 percent of the State median income;**

(except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that -

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

**(A) notify each participating household of the amount of assistance paid on its behalf;**

**(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;**

**(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and**

**(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;**

**(8) provide assurances that,**

**(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and**

**(B) the State will treat owners and renters equitably under the program assisted under this title;**

**(9) provide that--**

**(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and**

**(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));**

**(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");**

**(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;**

**(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);**

**(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and**

**(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.**

**(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.**

**\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

## Plan Attachments

### PLAN ATTACHMENTS

The following documents must be attached to this application

- **Delegation Letter is required if someone other than the Governor or Chairman Certified this Report.**
- **Heating component benefit matrix, if applicable**
- **Cooling component benefit matrix, if applicable**
- **Minutes, notes, or transcripts of public hearing(s).**



Current Business Process		
	Fuel Office	Benefit Service Center
Dealer Certification & Prenot Job	14.00	0.00
Client Calls because Dealer doesn't have be	10.00	15.00
Dealer calls because something is missing f	8.30	3.30
Wrong information reported by Fuel Deale	163.00	0.00
Application Process & Disbursement of Fun	0.00	700.00
Return of Fuel Assistance Funds at end of h	176.35	0.00
Client Calls because Fuel Benefit issued is ir	64.00	64.00
<b>Total Time (annual effort hours) - Current</b>	<b>435.65</b>	<b>782.30</b>
<b>Total Cost (annual cost)- Current Business</b>	<b>\$15,683.40</b>	<b>\$28,162.80</b>

Future Business Process		
	Fuel Office	Benefit Service Center
Dealer Certification & Prenot Job	5.50	0.00
Client Calls because Dealer doesn't have be	0.00	0.00
Dealer calls because something is missing f	0.00	0.00
Wrong information reported by Fuel Deale	0.00	0.00
Application Process & Disbursement of Fun	0.00	152.90
Return of Fuel Assistance Funds at end of h	1.00	0.00
Client Calls because Fuel Benefit issued is ir	35.00	29.00
<b>Total Time (annual effort hours)- Proposed</b>	<b>41.50</b>	<b>181.90</b>
<b>Total Cost (annual cost) - Proposed Model</b>	<b>\$1,494.00</b>	<b>\$6,548.40</b>

Savings from Current to Future State Process		
	Fuel Office	Benefit Service Center
Dealer Certification & Prenot Job	8.50	0.00
Client Calls because Dealer doesn't have be	10.00	15.00
Dealer calls because something is missing f	8.30	3.30
Wrong information reported by Fuel Deale	163.00	0.00
Application Process & Disbursement of Fun	0.00	547.10
Return of Fuel Assistance Funds at end of h	175.35	0.00
Client Calls because Fuel Benefit issued is ir	29.00	35.00
<b>Total Annual Time Savings</b>	<b>394.15</b>	<b>600.40</b>
<b>Total Annual Cost Savings*</b>	<b>\$14,189.40</b>	<b>\$21,614.40</b>

\* Cost amount is determined by using hours and \$36.00 per hour (average State Employee's hourly w

State Hours			
ADPC (mail center)	Business Office	District Office	FTE ISD Developer
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
23.30	105.00	87.00	0.00
1041.60	770.00	1978.10	0.00
16.30	63.15	0.00	0.00
29.00	105.00	0.00	0.00
1110.20	1043.15	2065.10	0.00
\$39,967.20	\$37,553.40	\$74,343.60	\$74,880.00

State Hours			
ADPC (mail center)	Business Office	District Office	FTE ISD Developer
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
833.30	0.00	833.30	0.00
0.00	1.00	0.00	0.00
0.00	0.00	0.00	0.00
833.30	1.00	833.30	0.00
\$29,998.80	\$36.00	\$29,998.80	\$74,880.00

State Hours			
ADPC (mail center)	Business Office	District Office	FTE ISD Developer
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
23.30	105.00	87.00	0.00
208.30	770.00	1144.80	0.00
16.30	62.15	0.00	0.00
29.00	105.00	0.00	0.00
<b>276.90</b>	<b>1042.15</b>	<b>1231.80</b>	<b>0.00</b>
\$9,968.40	\$37,517.40	\$44,344.80	\$0.00

age)

Total State Hours	Dealer Hours (165 Dealers)	Client Hours
14.00	27.75	0.00
25.00	10.00	10.00
11.60	15.00	3.30
378.30	58.00	11.60
4489.70	1540.00	0.00
255.80	1347.50	0.00
262.00	46.50	64.00
5436.40	3044.75	88.90
\$270,590.40		

Total State Hours	Dealer Hours (165 Dealers)	Client Hours
5.50	27.75	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
1819.50	0.00	0.00
2.00	0.00	0.00
64.00	0.00	29.00
1891.00	27.75	29.00
\$142,956.00		

Total State Hours	Dealer Hours (165 Dealers)	Client Hours
8.50	0.00	0.00
25.00	10.00	10.00
11.60	15.00	3.30
378.30	58.00	11.60
2670.20	1540.00	0.00
253.80	1347.50	0.00
198.00	46.50	35.00
<b>3545.40</b>	<b>3017.00</b>	<b>59.90</b>
\$127,634.40		