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Robert Doar
Commissioner

Local Commissioners Memorandum

Section 1

Transmittal:	06-LCM-05
To:	Local District Commissioners
Issuing Division/Office:	Division of Employment and Transitional Supports Division of Information Technology
Date:	July 20, 2006
Subject:	Imaging and Enterprise Document Repository (I/EDR) Services and Pricing Information
Contact Person(s):	Laura Ziegler
Attachments:	I/EDR Memorandum of Understanding
Attachment Available On – Line:	X

Section 2

I. Purpose

This information is provided to assist local districts in planning for the long term costs of imaging documents and to provide information that may be necessary to facilitate your local approval process.

OTDA recently awarded the Imaging and Enterprise Document Repository (I/EDR) contract to Science Applications International Corporation Inc (SAIC). SAIC will provide an enterprise document repository and image capture services. Phase I will include imaging and indexing Temporary Assistance (TA), Medical Assistance (MA), Food Stamp Programs (FS), Home Energy Assistance (HEAP), and Child Care case records.

Phase 2 may include expanding the system to support Child Welfare programs administered by OCFS, Child Support (CS) programs administered by OTDA and central office imaging for DOH, OTDA, and OCFS. Information regarding Phase 2 implementation will be communicated in a separate MOU at a later date.

II. Background

Local districts may utilize the State’s I/EDR contract to purchase core imaging and optional services as identified herein. Core imaging services include off-site image capture and indexing with document preparation performed by the local district.

The I/EDR contract is based primarily on a tiered pricing structure. Under this pricing structure a greater discount will accrue as more local districts participate and more documents are imaged. In order to provide a standard statewide imaging system, the State will pay for all costs associated with the core imaging model (off-site document capture/indexing) for the following documents:

- 12 months of active and denial cases for day forward;
- 3 months worth of denials prior to the date of imaging implementation in that district;
- 12 months worth of documents in active case records. This must be completed during the first 12 months of each local district implementation; and
- For districts that are operating independent indexing/scanning and choose to participate in the Statewide I/EDR, the State will pay for the development of indexing conversion software to support the electronic loading of their documents to the central EDR. However, local districts will need to provide SAIC licenses to their existing imaging software for conversion to the I/EDR.

In order to qualify for the above incentives, counties must choose to implement core imaging services within the first 12 months of statewide rollout. Based on the current project schedule, local districts should anticipate imaging to begin in the Pilot counties in **December 2006** with statewide implementation to begin **April 2007**. Therefore, in order to avail themselves of the State incentives local districts must provide the State with a signed MOU (see attached document) and county implementation must be scheduled prior to **April 2008**. Should the project schedule change, OTDA will notify the local district through the LSSD Imaging Coordinator.

The State will utilize the revenue intercept process to support the cost of optional to purchase services and to support the cost of on-going imaging services as defined in Section III of this LCM. Should a local district identify a PC need as a result of this application, please contact OTDA's Information Technology Local District Customer Support Unit (518-473-7442) and OTDA will utilize the revenue intercept process to make available HSEN-connected PC's.

The I/EDR application will be available at HSEN connected sites through CentraPort. Remote access to I/EDR can also be made available at non-HSEN connected sites via SSLVPN at no additional charge.

III. Core and Optional to Purchase Imaging Services

Core Imaging Services

Subsequent annual pricing for imaging of in-scope documents will be effective on the 12-month anniversary date of the local district's implementation of imaging services. Local districts will be responsible for the per page imaging cost of all Phase 1 case documents (TA, MA, FS, HEAP, Child Care).

For planning purposes OTDA anticipates a maximum monthly per page cost of \$.0884 for the first year of participation. This cost is subject to an annual rate escalator of 2% to \$.0902 per page for the following year increasing by 3% to \$.0929 in the subsequent year. However, local districts will be assessed an actual charge based on statewide volumes.

Optional to Purchase Services

The local district has the option to purchase any of the following services during the effective period of the MOU subject to providing OTDA with a 60 day notice prior to adding a service or terminating a service.

A. On-Site Document Preparation: The local district has the option to purchase on-site preparation for any type of document during the effective period of this MOU. Preparation of documents must conform to the prepped folder description as provided in the MOU. The hourly rate per person is \$28.63. Pricing is subject to annual rate escalator.

B. On-Site Indexing: The local district has the option to purchase on-site indexing for any type of document during the effective period of this MOU. The hourly rate per person is \$34.03. Pricing is subject to annual rate escalator.

C. Mobile Unit: The local district may purchase use of a mobile unit for on-site imaging. Should a local district opt to purchase this service there must be a guaranteed daily imaging volume of 24,041 pages. SAIC will provide all required hardware, software, electric service, and data connectivity. The locality is responsible to provide a space to park the mobile unit during its operation. Pricing is subject to annual rate escalator.

Costs associated with the mobile unit include:

- Price per page of \$0.271
- Travel Reimbursement of \$2.84 per mile for each of two vehicles
- One-time Charge of \$233,936 per mobile unit in service

D. Permanent Storage: Paper documents will be stored for 60 calendar days past the date the image is transmitted to the EDR. The County has the option to purchase permanent storage of original documents. Price per box per month is \$.57. Pricing is subject to annual rate escalator.

E. Additional Pick-Ups: SAIC is required to provide weekly pick-up of documents from each local district site. However, Counties have the option to request more frequent pick-ups. Counties will be charged \$75.00 per additional pick-up should the volume be less than 1,000 pages.

F. On-site imaging:

Local districts have the option to purchase on-site imaging services either with staffing provided by SAIC or with local county staffing. The local district is responsible for providing a secure physical space with electric and data connectivity. SAIC will provide all required hardware and software. Should the county elect to have SAIC provide staff for on-site imaging services during the effective date of this MOU the following per page charge will apply.

The applicable rate escalator for optional to purchase services A-E above is 2% for both the second and third year and 3% in each of year four and year five. The rate escalators shall be applied annually to all recurring charges beginning 12 months after the commencement of imaging in the pilot counties or December 2007.

Tier (total # of pages/month by county)	Cost Per Page – Year 1
0-100,000	\$.3679
100,001 – 500,000	\$.1399
500,001 – 1,000,000	\$.1136
1,000,001 – 1,500,000	\$.1041
1,500,001 – 2,000,000	\$.0944
2,000,001+	\$.0904
2,500,000+	\$.0849

*Rate escalators will be applicable to the recurring charges. The applicable rate escalators of 2% for both contract year two and year three and 3% in each of contract year four and year five shall be applied annually to all recurring charges on the 12-month anniversary date **beginning 12 months after the commencement of imaging in the pilot counties or December 2007.**

Should the local district elect to designate county staff to image documents on-site the following per page cost will apply (the tier per page volume is county specific):

Tier (total # of pages/month by county)	Cost Per Page – Year 1
0-100,000	\$0.3133
100,001 – 500,000	\$0.0853
500,001 – 1,000,000	\$0.0528
1,000,001 – 1,500,000	\$0.0433
1,500,001 – 2,000,000	\$0.0395
2,000,001+	\$0.0373
2,500,000+	\$0.0299

*Rate escalators will be applicable to the recurring charges. The applicable rate escalators of 2% for both contract year two and year three and 3% in each of contract year four and year five shall be applied annually to all recurring charges on the 12-month anniversary date **beginning 12 months after the commencement of imaging in the pilot counties or December 2007.**

G. Imaging of Historical Documents:

Local districts have the option to image historical case and/or client documents for Phase 1 programs (TA, MA, FS, HEAP, Child Care). This category includes documents dating back over one year from implementation date for active cases, closed cases, and applications denied more than three months prior to implementation date. Local Districts will be financially responsible for the cost of imaging historical documents regardless of when they choose this option.

For planning purposes OTDA anticipates during the initial year a maximum monthly per page cost of \$.0884. This cost is subject to an annual rate escalator of 2% to \$.0902 per page for the following year increasing by 3% to \$.0929 in the subsequent year. However, local districts will be assessed an actual charge based on their countywide volumes.

IV. Program Implications

None

V. Additional Information

The state will provide full funding for the Imaging/Enterprise Document Repository (I/EDR) project for the first 12 months of operation for basic records imaged as per Section 1 of this LCM. The local districts may purchase additional optional services that will be charged back to them at the rate of 100% of the costs paid for these additional services at the State level from the beginning of the imaging project. After the original 12 month period is completed, all costs paid at the State level will be charged back to the local districts.

By using the revenue intercept process, the local district’s monthly claim settlement will include a bottom line adjustment of 100% of the imaging costs. The local districts will claim reimbursement for these expenditures through the RF-2A (Administrative Costs Claim Summary) claim package reimbursement process.

The local districts will report their costs as F-20 DSS Administrative Overhead functional expenditures on the LDSS-923 Schedule of Payments for Administrative Expenses Other Than Salaries (Summary) using object of expense code 30 "I/EDR". From the LDSS-923 the costs will carry through the Schedule D to the Administrative function sub claims for reimbursement. The federal and state shares of these costs will be reimbursed subject to program ceilings including TANF and the Local Administration Fund limits on local administration reimbursement.

Please refer to Fiscal Reference Manual, Volume 3 (Volume 4 for NYC), Chapter 7 for Schedule D and LDSS-923 (Summary) instructions.

Fiscal Contacts would be:

Regions 1-4, Carolyn Oleyourryk at 1-800-343-8859, extension 4-7549

Email: Carolyn.Oleyourryk@otda.state.ny.us

Region 5, Michael Borenstein at (631) 854-9704

Email: Michael.Borenstein@otda.state.ny.us

Region 6, Marian Borenstein at (212) 961-8250

Email: Marian.Borenstein@otda.state.ny.us

VI. Necessary Action

Should the Local District agree with the terms and conditions pursuant to the attached MOU, the Local District Commissioner must sign two original copies and send to:

Saul Berkowitz
I/EDR Project Contract Manager
67 North Pearl Street
Albany, NY

Issued By _____

Name: Russell Sykes

Title: Deputy Commissioner

Division/Office: Division of Employment and Transitional Supports