

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 01 ADM-6

DIVISION: Commissioner's Office

TO: Commissioners of
 Social Services

DATE: May 30, 2001

SUBJECT: Revised Letter of Notification (LON) and Letter of Intent
 (LOI) Approval Process for the acquisition of EDP equipment
 and/or related services

SUGGESTED DISTRIBUTION:	Commissioners WMS Coordinators Staff Development Coordinators Finance Directors Program Directors
CONTACT PERSON:	Sharon Richman 518-473-0544
ATTACHMENTS:	None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
91 LCM-96			HHS45 CFR	ACF&HCFA	
90 LCM-107			Part 95	State	
93 LCM-70				Systems	
91 LCM-95			USDA7 CFR Part 277	APD Guide 9/96 3/99 Addend	
OTDA-296EL (Rev. 11/98)					

The following refers to all activities that fall within the jurisdiction of the Office of Temporary and Disability Assistance, including cash assistance, child support enforcement, and administration of the Food Stamp program.

To help decrease the procedural burden imposed on local districts, OTDA has eliminated the requirement to submit Letters of Notification and raised the threshold for submission of Letters of Intent and Service Agreements.

- o Effective immediately, it is no longer necessary for local districts to submit a Letter of Notification (LON) to self-certify the purchase of EDP equipment or related services costing less than \$5,000.
- o Effective immediately, it is no longer necessary for local districts to submit a Letter of Intent (LOI) and receive prior approval before incurring expenses for items or services costing \$5,000 or more.

Effective immediately, the thresholds for prior approval for EDP-related acquisitions (equipment, software and services including systems development activities, training, maintenance, etc.) have been raised. The thresholds now in effect are the same as the Federal thresholds that trigger the requirement to submit an Advanced Planning Document (APD) for prior written approval (before any costs are incurred).

The following APD thresholds apply:

- o non-competitive acquisitions from a non-governmental source that has a total cost that is equal to or greater than \$1 million and regular federal funding is requested - PRIOR APPROVAL and an APD with a sole source justification is required before incurring any costs; (must demonstrate that only one source can provide the item or service or that significant and extensive hardship exists).
- o competitive acquisitions with a total that is equal to or greater than \$5 million and regular federal funding is requested - PRIOR APPROVAL and an APD is required before incurring any costs;
- o Planning APDs are required when the planning costs are equal to or greater than \$5 million and regular federal funding is requested;
- o a Planning APD and/or Implementation APD is required for all projects involving enhanced federal funding, regardless of cost [There are no thresholds.]

The thresholds requiring prior approval before an RFP can be released or a contract signed are as follows:

- o competitive acquisitions or contracts that total \$5 million or more and regular federal funding is requested;
- o non-competitive acquisitions or contracts that total \$1 million or more and regular federal funding is requested;
- o competitive or non-competitive acquisitions or contracts that total \$100,000 or more and enhanced federal funding is requested; (NOTE: ONCE A PROJECT HAS RECEIVED ENHANCED FUNDING, THE ENHANCED FUNDING THRESHOLDS ALWAYS APPLY EVEN IF ENHANCED FUNDS ARE NO LONGER REQUESTED.)
- o contract amendments that increase the cost by \$1 million or more or extends the duration of the contract by 120 days or more in a project that is receiving regular federal funding requires;
- o contract amendments that increase the cost by \$100,000 or more or extends the duration of the contract by 60 days or more in a project that is receiving enhanced federal funding requires.

APDs and RFPs from all local districts should be submitted to OTDA. OTDA will review the submission before sending it to the appropriate federal agency(ies). Please allow sufficient lead time when submitting your documentation. The review process can take as long as several months to complete. RFPs and APDs should be sent to:

Marc Dreilinger
Office of Temporary and Disability Assistance
40 N. Pearl Street - 16D
Albany, New York 12243
(518) 473-7226

In all instances, documentation regarding any acquisitions should be maintained at your local district for federal audit purposes. Missing or incomplete documentation could result in a disallowance. All federal, state and municipal procurement procedures must be followed for these acquisitions. Reimbursement is available subject to the applicable caps and ceilings. The EDP detail form (Supplemental Schedule form 923) is no longer required. Local districts should use the object of expense codes for EDP related costs that are listed in Bulletin 143-b, Chapter 4, pages 4-5 through 4-8.

Human Services Enterprise Network (HSEN) PCs

PCs or related hardware that will be connected to the HSEN is also subject to the current state network request/approval process.

Service Agreements

Local social services districts may elect to enter into a Service Agreement (SLA) with a central county information technology entity. A Service

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Agreement should apply only to operational activities including, but not limited to, data processing services and/or administration of a local network. An information technology project undertaken by a central county information technology entity on behalf of the local district that incurs development costs may be subject to Federal agency prior approval requirements. Accordingly, local social services districts are encouraged to seek State guidance for any activity that may be construed as a development project under conditions and thresholds explained in the remainder of the ADM.

Effective immediately, the threshold for reporting Service Agreement costs is \$5,000,000. The local district is still required to maintain all necessary documentation for post-audit purposes by Federal, State and the local municipality to support the claims(s). The EDP detail form (Supplemental Schedule form 923) is no longer required. Local districts should use the object of expense codes for EDP related costs that are listed in Bulletin 143-b, Chapter 4, pages 4-5 through 4-8. Any changes in the cost allocation methodology should be reflected in the A-87.

Thank you for your cooperation. If you have any questions regarding the contents of this ADM, please contact Sharon Richman at (518) 473-0544. Any activities related to child welfare or Medicaid should be forwarded to the Office of Children and Family Services or the Department of Health, as appropriate.

Robert Doar, Executive Deputy
OTDA