United States Department of Agriculture

Food and Nutrition Service

3101 Park Center Drive
Alexandria, VA 22302-1500

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SUBJECT: WIC Policy Memorandum # 2007-2
State Agency Model (SAM) Systems Transfers

TO: Regional Directors
Supplemental Food Programs
All Regions

This policy memorandum outlines the requirements for the revised WIC Advance Planning Document (APD) process and provides additional guidance to State agencies that are interested in the transfer of a SAM system.

We ask that you send this memo out to all WIC State agencies upon receipt.

In June of 2006, this office sent State agencies and Regional Offices a memorandum that provided an overview of the State Agency Model (SAM) project, the benefits of adopting a SAM model, and the changes to the APD process in light of the SAM efforts. That letter was intended to provide a high level overview and more specific information was promised at a later date. This letter provides that additional guidance, to include: 1) the priority for funding, 2) the components of the streamlined Implementation APD (IAPD), and 3) examples of justification for non-SAM transfers. A timeline is also provided for special SAM funding should it become available.

The June guidance presented the revised APD process that went into effect October 1, 2006. The guidance laid out the steps that needed to be taken for all State agencies that are planning a new information system (IS). Please note that the steps have been slightly modified, as we no longer require a Letter of Interest be submitted by the WIC State agency to the national office. This step has been replaced with a requirement that the RO send a copy of the State agency transmittal letter that accompanies the Planning APD. We have also removed the requirement for a Letter of Commitment, as this will be accomplished de facto by the submission of a grant application. Also, references to the alternatives analysis have been changed to feasibility study because it would be very difficult to submit a complete alternatives analysis without completing the other components of a feasibility study. Attached to this memorandum are the feasibility study guidelines as defined in the FNS Handbook 901.

Step 1. The State agency submits a Planning APD (*required)* to the Regional Office.

Step 2. The RO submits the transmittal letter from the Planning APD to the national office.

Step 3. The State agency submits for regional review either a planning Request for Proposal (required for State agencies utilizing contract services) or a detailed Statement of Work or narrative description of work for State agencies using in-house resources. The in-house narrative should follow the same guidelines that are outlined for RFP's in FNS Handbook 901.

Step 4. The State agency conducts a System Feasibility Study and provides results to the Regional Office (RO). The results are ***required prior to submission of an IAPD***. The alternatives analysis must include the analysis of technical and programmatic merits of possible system transfers to include one or more SAM models. If the results of the feasibility study support a non-SAM transfer, the State agency must submit justification and proceed with the full ADP process, as outlined in FNS Handbook 901.

Step 5. An IAPD is required for approval if total system cost exceeds $500,000. For those State agencies that are taking a SAM transfer, a streamlined IAPD is acceptable. However, steps 1 through 4 must be completed before submission of an IAPD.

Streamlined IAPD

The following documents are required for a streamlined SAM IAPD. The APD Handbook 901 will be revised accordingly and will provide further details on each document.

- Executive Summary
- Funding Request
    - Proposed Budget
    - Budget Narrative
- Project Management Plan and Resource Requirements
- Schedule of Development Activities, Milestones and Deliverables
- Cost Allocation Plan (if appropriate)
- Waiver of Depreciation
- Modifications Required to SAM transfer software (if known)
- Commitment to do a Security Plan (to include system access and physical, personnel, and information security)
- Commitment to do a Continuity of Operations/Disaster Recovery Plan

This is a streamlined process as it does not require a cost benefit analysis, the full general system design, or the Functional Requirements Document. We cannot justify any additional streamlining given the complex risks and costs associated with a system transfer development effort.

Acceptable Justification for a Non-SAM Transfer

The results of the alternatives analysis should clearly support any justification for a non-SAM transfer. The following are examples of why a State agency might not be able to take a SAM transfer:

- None of the SAM systems meet the software or hardware requirements of the State agency or will not run on the State agency supported architecture (e.g., open source, Linux, Java, 64-bit, etc.). Costs to replace existing infrastructure necessary to support a SAM system are prohibitive to both the State agency and to the Food and Nutrition Service (FNS). This should be supported by documentation denoting the State agency's hardware and software standards.
- The State agency mandates an implementation date that is prior to the thorough testing and acceptance of the SAM system that best fits the needs of the State agency's WIC Program.
- The State agency requires that the WIC component be developed as part of a larger, integrated health system that is not compatible with any existing SAM.
- The WIC State agency plans on becoming a sub-state, such as the case of the VIWoW system in the Virgin Islands that is being run by the Maryland system.

SAM Grant Process

Funding for the SAM transfers will be awarded through the grant process. FNS plans to release a solicitation package in the second quarter of the federal fiscal year. This package will request system information from the State agencies that are interested in the transfer of a SAM system. The State agency will submit the requested information to the RO. The RO will forward the information, along with recommendations for funding to the national office. Based on the information provided, FNS HQ will prioritize the funding requests. Input from the RO and other sources may also be considered. Final grant awards will be announced in the 3rd or 4th quarter of the federal fiscal year, depending on funding availability and the SAM project schedules.

Priority for Funding

Limited funding may become available to assist State agencies with the costs of a SAM system transfer. For funding and resource planning purposes, it is important

that the RO submit the PAPD transmittal letter to FNS Headquarters (HQ) as soon as the PAPD is received (regardless of when the State agency began the planning phase). This will alert HQ that additional technical assistance and dialog may be needed to assist the State agency through the new APD process and that funding may be requested in the future.

First priority for funding will be to those State agencies most in need of a new IS based on a number of criteria, including, but not limited to, the following:

- The level of critical functions performed by the current system, as defined in the Functional Requirements Document for a Model WIC Information System (FReD).
- The age of the current system.
- The level of modernization of the current system as compared with the stated objectives of a SAM system, i.e., web-based; fully functional; EBT-ready; modern and state-of-the-art technology; and ease of software upgrades and mandated enhancements.
- The State agency's flexibility and willingness to adapt to new business rules (to fit a SAM system).
- The ability of the current system to facilitate operational efficiency and Program effectiveness.

Any questions concerning the process outlined above should be directed to your regional office.

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Attachment

APD TIMELINE **For SAM TRANSFER**
WIC State agency submits Planning APD (PAPD) to Regional Office (RO) for approval. PAPD must consider a SAM transfer (if submitted after October 1, 2006).
RO forwards PAPD transmittal letter to FNS Headquarters (HQ). This letter should be submitted as soon as the PAPD is received.
If acceptable, RO approves PAPD within 60 days.
WIC State agency submits a Planning RFP if utilizing contract services. If not, WIC State agency submits a detailed Statement of Work or narrative description of work for using in-house resources for planning activities.
If acceptable, RO approves RFP or Work Narrative and State agency moves forward with planning activities.
State agency submits Feasibility Study with alternatives analysis results to RO for review and approval.
Region corresponds with SA on feasibility study approval and instructs SA to move forward with IAPD.
State agency submits streamlined IAPD to RO.
If acceptable, RO approves IAPD within 60 days.
HQ releases solicitation package in the second quarter of the federal fiscal year, requesting system information for MIS funding prioritization. The release of this package may be concurrent with the above activities.
SA sends required information to the RO based on established deadlines in the solicitation.
RO submits SA's APD documentation (results of the feasibility study and streamlined IAPD) along with the requested funding information and recommends approval to HQ for MIS funding (based on availability) in the 3rd quarter of the federal fiscal year.
HQ reviews recommendations and makes funding decisions based on the established priorities and the level of funding available for this purpose.

Feasibility Study Guidelines

Content/Issues	Information to be Addressed
General Information	*Description of the Existing System* ▸ What is the present system? ▸ Was the present system developed as a stand-alone system? ▸ Was the present system developed "in-house" or was it a transfer system? ▸ Is the present system integrated with another public assistance program? ▸ How does the system currently operate? ▸ What are the advantages of the present system? ▸ What are the problems with the present system that need to be addressed or eliminated? *Description of the Proposed System(s)* ▸ What Federal, State, and local programs will the new system serve? ▸ Will the system need to interact with other systems and organizations? ▸ Which office within the State will have primary responsibility for coordinating the project? ▸ What are the roles of other offices that will be involved (e.g., IT, financial office, AG's office, other health or human services programs)?

Content/Issues	Information to be Addressed
Management Summary	*Objectives* ▸ Compliance with regulations ▸ Increased processing speed ▸ Increased productivity and streamlined business processes ▸ Improved IT services ▸ Improved implementation of program policies and decision making *Requirements* ▸ Increased capacity (e.g., number of users that must be supported, number of clinics, number of mobile sites) ▸ New technical requirements (e.g., a statewide standard that all databases must use Oracle, or all systems must be "open source") ▸ Improved privacy and security (e.g., must be HIPAA compliant or meet state-specific security standards) *Assumptions and Constraints* ▸ Operational life of the proposed system ▸ Availability of information and resources ▸ Financial constraints (e.g., a specific program function was mandated to be completed within a given time frame) ▸ Legislative and policy constraints ▸ Technical constraints (e.g., changing hardware/software/operating environment, new equipment must be compatible with existing equipment) ▸ Operational constraints (e.g., constraints imposed by an outside agency if the proposed system will be integrated with another public assistance program)

Content/Issues	Information to be Addressed
Alternatives Analysis	*Methodology* ▸ Identify how the analysis was accomplished and how the alternative system(s) were evaluated. Summarize the general method or strategy employed, such as surveying, weighing, modeling, benchmarking, or simulating. *Evaluation Criteria* ▸ Identify the criteria to be used to determine the viable system(s), including the relative technical, fiscal, and operational advantages and the ability to meet the system requirements specified in the Functional Requirements Document *Alternatives* ▸ Describe each alternative system in terms of methodology and the degree to which it meets the established objectives and evaluation criteria within the framework of the aforementioned constraints. Include alternative systems deemed to be infeasible and specify the reasons for this conclusion.
Proposed System(s)	*Equipment Effects* ▸ Describe how new equipment requirements and changes to currently available equipment will be met *Software Effects* ▸ Describe any required additions or modifications needed to existing applications and support software to adapt them to the proposed system(s) and explain how such needs will be met ▸ Describe any data conversion activities that will be necessitated by adoption of the proposed system *Organizational Effects* ▸ Describe any organizational, personnel, and skill requirements that will change and how the change will be handled ▸ *Program Effects* ▸ Describe any conflicts or need to request a waiver from program requirements. ▸ *Resource Effects* ▸ Management, programmatic, and technical resource requirements ▸ Computer processing resources required to develop, convert, implement, and test the new system(s) ▸ Continued support for current system operations *Operational Impacts—How the development process will take effects on operations into account* ▸ User operating procedures

	▸ Operating center procedures ▸ Operating center and user relationships ▸ Telecommunications impacts on the operating center and user sites ▸ Source data processing ▸ Data retention requirements and information storage and retrieval procedures ▸ Output reporting procedures, media, and schedules ▸ System failure consequences and recovery procedures ▸ Plans for system support throughout the system's life *Site/Facility Effects* ▸ Describe building modification requirements and how they will be met *Fiscal Impacts* ▸ Describe cost factors that may influence the development, design, and continued operation of the proposed system(s) ▸ Identify the estimated total developmental cost and estimated annual operating costs and who will pay for these expenses *Justification* ▸ State the reasoning that supports the selection of the proposed system(s) based on the aforementioned evaluation criteria and elimination of other alternatives
Proposed Schedule	For any alternative still being considered after the Alternatives Analysis, outline a proposed schedule for all implementation activities, such as systems design, development, testing, quality assurance, data conversion, and deployment, and address the following components: ▸ Specific activities to be performed by the user in support of development of the proposed system(s) ▸ Major milestones and management decision points