

Holliday, Karen

From: Holliday, Karen
Sent: Wednesday, September 23, 2015 11:03 AM
To: 'Andrew Marsh'
Subject: RE: Request from Rep. Hammer

Mr. Marsh,
I apologize for adding to your workload. I have received an additional request from Rep. Hammer.

Along with the breakout of the payments and deliverable dates, have procurement or DHS breakdown the justification of payments and what services were provided with each payment for the CoCentrix contract.

Is this information available through DHS or do I need to contact OSP?

Thank you,
Karen

From: Holliday, Karen
Sent: Tuesday, September 22, 2015 4:41 PM
To: 'Andrew Marsh'
Cc: Hammer Kim
Subject: RE: Request from Rep. Hammer

Mr. Marsh,
Thank you for your willingness to provide the requested documents. Receipt of the documents by Friday will be acceptable. That would allow me to get the documents to Rep. Hammer for his review over the weekend. Please let me know if you have any questions or need additional information.
Sincerely,
Karen Holliday
Bureau of Legislative Research

From: Andrew Marsh [<mailto:Andrew.Marsh@dhs.arkansas.gov>]
Sent: Tuesday, September 22, 2015 4:25 PM
To: Holliday, Karen
Subject: RE: Request from Rep. Hammer

Ms. Holliday,

You made a request under the Freedom of Information Act, and I am writing to confirm receipt.

I sent your request to the point of contact in our Office of Finance and Administration to search for responsive documents. Also, I identified a significant number of e-mails possibly responsive. I respectfully request a brief extension of time in order for our FOIA team to review and fully produce these records. I anticipate that we can have them by this Friday; will that be acceptable? Thank you for working with us on this.

Sincerely,

Andrew Marsh

Arkansas Department of Human Services
Legal Services Specialist
Office of Chief Counsel

P.O. Box 1437, S260
Little Rock, AR 72203-1437
Telephone: (501) 320-6347
Facsimile: (501) 682-8009
Andrew.Marsh@dhs.arkansas.gov

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From: Craig Cloud
Sent: Monday, September 21, 2015 8:50 AM
To: Stephenie Blocker; Brian Bowen; Brad Nye
Subject: Fwd: Request from Rep. Hammer

Sent from my iPhone

Begin forwarded message:

From: "Holliday, Karen" <karenh@blr.arkansas.gov>
Date: September 21, 2015 at 8:32:41 AM CDT
To: 'Craig Cloud' <Craig.Cloud@dhs.arkansas.gov>
Cc: Tim Lampe <Tim.Lampe@dhs.arkansas.gov>, "Mark White (DHS)" <Mark.White@dhs.arkansas.gov>, 'David Sterling' <David.Sterling@dhs.arkansas.gov>, Hammer Kim <HammerKim@arkleg.state.ar.us>, 'Dick Wyatt' <Richard.Wyatt@dhs.arkansas.gov>
Subject: Request from Rep. Hammer

Good morning Mr. Cloud,
Rep. Hammer has requested copies of all emails between any DHS employee and Cocentrix in the last 60 days please. In addition, he wants the DHS pay history to CoCentrix from the beginning of their hire right up until this Monday. Please include a schedule of delivery dates, if CoCentrix was late, and if they received payment in spite of being late. Our email server won't allow email attachments larger than 10 MB to come through our system. You may have to put the emails on a CD and call me when it is ready and I can pick it up.

The next update from DHS and CoCentrix will be at the Oct. 2, 2015 meeting of the JPR Committee. He would like to have the emails in time to review them before the Oct. 2nd meeting. Thank you in advance for your efforts to get the emails and other information requested to us before the meeting.

Sincerely,
Karen

Karen Holliday
Senior Legislative Analyst
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201
501-537-9167
karenh@blr.arkansas.gov

Holliday, Karen

From: Holliday, Karen
Sent: Tuesday, September 22, 2015 9:12 AM
To: kimdavidhammer@gmail.com
Cc: Hammer Kim
Subject: Testimony at JPR-Withholding Payment to CoCentrix
Attachments: CoCentrix Withhold Funding.docx

Importance: High

Rep. Hammer,

Please find in the attachment above, the transcripts (word-for-word) from the four JPR Committee meetings where DHS and CoCentrix discussed the status of the CoCentrix contract and the Universal Assessment Tool software and DHS holding payment to CoCentrix until they are satisfied with the product. Wanda listened to the recordings to retrieve what was said, per your request for this information.

Karen

Karen Holliday

*Senior Legislative Analyst
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201
501-537-9167
karenh@blr.arkansas.gov*

CoCENTRIX and DHS DISCUSSION—HOLDING PAYMENTS

JPR Committee Meetings

JPR Committee Meeting May 18

Tim Lampe, Division of Medical Services, Office of Program Management Director, Arkansas Department of Human Services (DHS)

Tim Lampe--We are withholding \$310,000 to CoCENTRIX

Senator Flowers--you are withholding that because they have not delivered something that was due three weeks ago?

Tim Lampe--we had a 3 month schedule delay - we are withholding payment until they deliver it on May 12th and until we satisfactorily test it

Senator Hickey--the original contract was \$65,000. How much was it-- was it just that \$65,000 that was given before that delay was reported?

Tim Lampe--that was a sole source contract that we put together

Senator Hickey--Do you remember in the Legislative Audit meeting, there was a question as it relates to the CoCENTRIX contract – Legislative Audit was told the contract amount was \$6.1 million?

Tim Lampe--that was incorrect

Senator Hickey--the \$6.1 million? I hear we have spent \$9.1 million?

Representative Hammer to John Malcolm, CoCENTRIX --what was the contract amount that you had in mind when you bid on this?

John Malcolm--our initial contract amount was over a five-year term. I believe it was \$19 million initially, and there was restructuring led by Tim Lampe to reduce it down to \$16 million over five years

Representative Hammer--you are about \$9.1 million into it the \$16 million?

You are at about \$6 million to finish the project, that leaves you about \$6 million to finish the project

JPR Committee Meeting June 17

Representative Hammer--why are we holding their money, and how long are we going to hold their money?

Craig Cloud--We are holding dollars, there are major issues with functionality. We continue to hold payment, and will continue to hold payment until we are satisfied that they have ability to meet the deliverables for which they have been contracted

JPR Committee Meeting July 30

Representative Hammer recognized Craig Cloud, Director of Aging and Adult Services, Department of Human Services

Representative Hammer--would you give us an update on where we are with CoCENTRIX

Representative Hammer--are you still withholding money from CoCENTRIX?

Craig Cloud--Yes, we have a \$300,000 invoice that I have been holding. We will continue to hold that invoice until we know sufficiently that they are able to deliver the next deliverable, which is due August 14th, which will be the completion of Phase I

Representative Hammer--you are holding \$300,000, the total amount for this contract Craig?

Craig Cloud--Approximately \$9.2 million has been paid to date, and an invoice has been presented for \$300,000. I am continuing to hold that, there will no further payment until we choose the direction for Phase II and Phase III

Representative Hammer--do you expect after they deliver on the 14th, that if it is successful, you can sign off on it and you are going to get an additional invoice that is going to go above what you are holding and what they have already been paid? Or, have they been drawing ahead of what the work has actually been performing and they are in catch up mode?

Craig Cloud--drawing ahead, and at the completion of this Phase 1 there will be no payment other than the \$300,000 we are holding

JPR Committee Meeting September 10, 2015

Craig Cloud, Director of Aging and Adult Services, Department of Human Services

Representative Hammer--are you still withholding any payments?

Craig Cloud--yes, we continue to hold the \$385,000 payment, and will continue to do so until we understand that we have the full functionality. I might add that CoCENTRIX in pushing the key deliverables. Yesterday that was a key push for us to have those in our environment and if we move forward and test successfully over the next few weeks I anticipate being able to approve, with the approval of DHS and the administration, the release of those dollars

Representative Hammer--are we coming in under budget, on budget, over budget?

Craig Cloud--right now what has actually been spent for \$9.1 million to date is actually for what is on for Phase I. Obviously, the remainder of the project will have to be reviewed at that time for potential changes or modifications. The original agreement was right at the \$16 million, so there is approximately \$6 million that remains to be spent We will have to utilize those dollars and review our new Statement of Work. Also, the contracting entity that we work through now, SHI, will no longer be available. So, we will have to look at a separate contract with CoCENTRIX for the remainder of that contract and move forward to ensure that we have deliverables and a Statement of Work in place. Our goal is to ensure that the project can be completed at the originally established budget that was established a year ago when the project was procured

Holliday, Karen

From: Holliday, Karen
Sent: Tuesday, September 29, 2015 5:43 PM
To: Hammer Kim; 'Kim Hammer'
Subject: FW: CoCentrix Payment History
Attachments: CoCentrix Payment History.pdf

Importance: High

Rep. Hammer,
See the attachment above. The 3 payments issued on 9/17/2015 were recalled at the request of Craig Cloud on Sept. 18. See the emails below. See bottom of the chart in the attachment for the checks recalled and their amounts.

Karen

From: Andrew Marsh [mailto:Andrew.Marsh@dhs.arkansas.gov]
Sent: Tuesday, September 29, 2015 5:01 PM
To: Holliday, Karen
Subject: CoCentrix Payment History
Importance: High

Karen,
Attached is a detailed payment history between DHS and CoCentrix since the beginning of the contract.
Andrew

From: Craig Cloud
Sent: Friday, September 18, 2015 4:18 PM
To: Dick Wyatt
Cc: Tim Lampe; Mark White (DHS); John Selig
Subject: Re: CoCentrix Services - SHI Quotes

Thanks, Dick. Yes, please stop payment until we can discuss this further.

Craig

CRAIG A. CLOUD
Director
Division of Aging and Adult Services
PO Box 1437 Slot S530
Little Rock, AR 72203-1437
Phone: 501-682-2441
Fax - 501-682-8155
craig.cloud@dhs.arkansas.gov

On Sep 18, 2015, at 4:07 PM, Dick Wyatt <Richard.Wyatt@dhs.arkansas.gov> wrote:

No problem for me....that is why I send the message to all of you. Just let me know who makes the final decision. I am just doing what I am told. At this point, we have just entered but not approved the purchase requisition and Misty had a newer version of the Request for purchase approval form so the PR has not been released. We did pay for some training, reporting and implementation services. Do I need to see if I can stop that?

Dick

From: Craig Cloud

Sent: Friday, September 18, 2015 4:02 PM

To: Dick Wyatt <Richard.Wyatt@dhs.arkansas.gov>; Tim Lampe <Tim.Lampe@dhs.arkansas.gov>

Cc: Mark White (DHS) <Mark.White@dhs.arkansas.gov>; John Selig <John.Selig@dhs.arkansas.gov>

Subject: FW: CoCentrix Services - SHI Quotes

Dick/Tim,

After the Legislative Audit meeting this morning, Tim advised me that you and he were working on processing a payment of up to \$600,000 to CoCentrix for maintenance of licenses and initial work for additional development of the portal beyond Phase 1. We understood previously that we owned the licenses, and Michael Kunzer of Cognasante had researched whether we needed to pay for additional maintenance. I understand per emails sent to me today by Tim that Michael Kunzer is working on a revised statement of work and charter to include deliverables for work beyond Phase 1. I also understand that the CoCentrix contract can no longer be supported under the SHI agreement and we at some point must seek to contract directly with them through a 'sole-source' process for completion of work under the UAT project.

While CoCentrix has made tremendous progress, and we are moving in a positive direction, I have reservations about processing additional payments to CoCentrix until we have complete certainty of their ability to deliver a functional product for which they have already received payment. In fact, I made such assertions at JPR that no further payments would be authorized by the department until we were satisfied that Phase 1 had been delivered and was fully functional. The next few weeks are critical to our monitoring and ensuring their ability to deliver a product that can 'Go-Live' for DDS and DAAS. I want to make sure we have complete transparency and credibility with the Governor's office, as well as the legislature considering our past concerns and issues. Processing a payment without full assurance that Phase 1 will go live doesn't send a good signal. Further, significant payment to this vendor has already been paid without a functioning product being delivered.

Can we not meet internally on this issue and with CoCentrix next week to discuss, and then seek guidance prior to approving any additional payments for additional services for which there is no SOW? I appreciate your understanding of my concerns.

Thanks,

Craig

CRAIG A. CLOUD

Director

Division of Aging and Adult Services

PO Box 1437 Slot S530

Little Rock, AR 72203-1437

Phone: 501-682-2441

Fax - 501-682-8155

craig.cloud@dhs.arkansas.gov

From: Dick Wyatt

Sent: Wednesday, September 16, 2015 10:59 AM

To: OST Purchasing

Cc: Tim Lampe; Mark White (DHS); John Selig; Craig Cloud

Subject: FW: CoCentrix Services - SHI Quotes

Please create a purchase requisition for the annual renewal of CoCentrix licenses.

TPC for the PR should be \$8,056,444.00

Charges will go to 418262 – HCQX0314 – 5100001000

I will start to work on the submission form for approval to purchase that you can attach to the PR.

Thanks,
Dick

CoCentrix_SHI Historical

\$ 9,871,445.20

Fiscal Year	Cost Center	Order	Vendor Name 100000562	Date	Print Date	Line Amount	Payment	Reference	PURPOSE
2014	418261	HUAX0313	SHI INTERN/	6/20/2014	6/22/2014	\$ 302,304.00	7039352970	802113109	Phase 0, DDS
2015	418262	HCOX0313	SHI INTERN/	10/1/2014	10/1/2014	\$ 1,513,844.20	7039976769	802544263	"Basic" License Support & Maintenance (Yr 1)
2015	418262	HCOX0314	SHI INTERN/	11/5/2014	11/5/2014	\$ 6,070,000.00	7040218070	101614	Initial Licenses
2015	418262	HCOX0314	SHI INTERN/	12/10/2014	12/10/2014	\$ 36,920.00	7040411652	YB02749008	Implementation Services (June 2014)
2015	418262	HCOX0314	SHI INTERN/	12/10/2014	12/10/2014	\$ 131,898.00	7040411655	802774361	Implementation Services (July 2014)
2015	418262	HCOX0314	SHI INTERN/	12/10/2014	12/10/2014	\$ 81,972.00	7040411653	802756745	Implementation Services/Custom Report Development (August 2014)
2015	418262	HCOX0314	SHI INTERN/	12/10/2014	12/10/2014	\$ 69,521.00	7040411654	802774367	Implementation Services/Custom Report Development (September 2014)
2015	418262	HCOX0314	SHI INTERN/	12/11/2014	12/11/2014	\$ 48,000.00	7040453269	802761349	Hosting Service Fees (June-November 2014)
2015	418262	HCOX0314	SHI INTERN/	12/30/2014	12/30/2014	\$ 520,000.00	7040536440	802832748	"Amendment 1" License Support & Maintenance (Yr 1)
2015	418262	HCOX0314	SHI INTERN/	1/6/2015	1/6/2015	\$ 185,658.00	7040554548	802865994	Install & Set-Up/Implementation Services /Custom Report Development (October 2014)
2015	418262	HCOX0314	SHI INTERN/	2/27/2015	3/1/2015	\$ 63,380.00	7041262176	803104256	Implementation Services (December 2014)
2015	418262	HCOX0314	SHI INTERN/	2/27/2015	3/1/2015	\$ 116,480.00	7041262177	803099206	Implementation Services (November 2014)
2015	418262	HCOX0314	SHI INTERN/	5/12/2015	5/12/2015	\$ 327.00	7042111733	803421638	Implementation Services (Prior to APD Approval)
2015	418262	HCOX0314	SHI INTERN/	5/12/2015	5/12/2015	\$ 128,823.00	7042111733	803423482	Implementation Services (Prior to APD Approval)
2015	418262	HCOX0314	SHI INTERN/	5/12/2015	5/12/2015	\$ 67,534.00	7042111733	803423475	Implementation Services (Prior to APD Approval)
2015	418262	HCOX0314	SHI INTERN/	5/12/2015	5/12/2015	\$ 43,192.00	7042111733	803421634	Implementation Services (Prior to APD Approval)
2016	418262	H3KX0114	SHI INTERN/	9/4/2015	9/7/2015	\$ 8,000.00	7042886588	YB03909847	Hosting Service Fees
2016	418262	H3KX0114	SHI INTERN/	9/4/2015	9/7/2015	\$ 8,000.00	7042886589	YB03909849	Hosting Service Fees
2016	418262	H3KX0114	SHI INTERN/	9/4/2015	9/7/2015	\$ 8,000.00	7042886590	803909852	Hosting Service Fees
2016	418262	H3KX0114	SHI INTERN/	9/4/2015	9/7/2015	\$ 8,000.00	7042886591	803909856	Hosting Service Fees
2016	418262	H3KX0114	SHI INTERN/	9/4/2015	9/7/2015	\$ 8,000.00	7042886592	803909859	Hosting Service Fees
2016	418262	H3KX0114	SHI INTERN/	9/4/2015	9/7/2015	\$ 8,000.00	7042886594	YB03909845	Hosting Service Fees
2016	418262	HCOX0314	SHI INTERN/	9/4/2015	9/7/2015	\$ 32,000.00	7042886593	YB03909842	Hosting Service Fees
2016	418262	H3KX0114	SHI INTERN/	9/17/2015	9/17/2015	\$ 278,985.00	7042962290	803968289	Training/Implementation Services/Custom Report Development
2016	418262	H3KX0114	SHI INTERN/	9/17/2015	9/17/2015	\$ 31,290.00	7042962291	803968301	Training/Implementation Services
2016	418262	H3KX0114	SHI INTERN/	9/17/2015	9/17/2015	\$ 101,317.00	7042962292	803968295	Training/Custom Report Development
						\$ 2,033,844.20	License Support and Maintenance		
						\$ 6,070,000.00	Initial Licenses		
						\$ 8,103,844.20			
						\$ 1,009,029.00	Implementation		
						\$ 128,000.00	Hosting Service Fees		
						\$ 196,764.00	Custom Report Development		
						\$ 69,004.00	Training		
						\$ 62,500.00	Install and Set-Up		
						\$ 9,569,141.20			
						\$ 302,304.00	Phase 0, DDS		
						\$ 9,871,445.20			
						\$ (411,592.00)	Warrants Recalled		
						\$ 9,459,853.20			
2016	418262	H3KX0114	SHI INTERN/	9/17/2015	9/17/2015	\$ 278,985.00	7042962290	803968289	Training/Implementation Services/Custom Report Development
2016	418262	H3KX0114	SHI INTERN/	9/17/2015	9/17/2015	\$ 31,290.00	7042962291	803968301	Training/Implementation Services
2016	418262	H3KX0114	SHI INTERN/	9/17/2015	9/17/2015	\$ 101,317.00	7042962292	803968295	Training/Custom Report Development

Warrant issued but request sent to SHI to return on 9/21/15.