

REQUEST FOR PROPOSALS

Northeast Coalition of States (NCS)

Electronic Benefits Transfer

2020

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1. Introduction

1.1 Overview

The purpose of this Request for Proposals (RFP) is to acquire Electronic Benefit Transfer (EBT) Services for the Supplemental Nutrition Assistance Program (SNAP), Women Infants and Children (WIC) and Cash programs administered by the Northeast Coalition of States (NCS). The States of Connecticut, New Hampshire, New York, Rhode Island, Vermont, Maine and the Commonwealth of Massachusetts have joined to form the NCS for procuring a cost effective regional EBT System. The resulting contract(s) from this RFP will be for seven years with two optional one-year extensions. It is New York’s intention to enter into two separate contractual agreements, one for SNAP and one for WIC. Other NCS states have the option to enter into one or two contracts. (Note: The Commonwealth of Massachusetts and the State of Maine will likely not elect to utilize this Agreement for the WIC component.)

The Code of Federal Regulations (CFR), Title 7, Volume 4, Section 246 and 274 establishes rules for approval and operation of EBT Systems for the SNAP and WIC Programs. Within this RFP the terms SNAP and WIC refer to all Benefit Types issued under these programs. In addition, the States deliver Cash assistance (referred to as Cash within this RFP) for a variety of Federal and State assistance programs including, but not limited to Temporary Assistance to Needy Families (TANF), the Home Energy Assistance Program (HEAP), and State general assistance programs.

All the NCS members currently operate established EBT Systems with an EBT Contractor. This RFP is procuring an EBT System that will result in as little disruption or change to the States’ current operations as possible and no changes to States’ EBT interfaces, except as specified in this RFP. Throughout the length of the Contract(s) resulting from this RFP, the participating NCS members will be represented on the Northeast Coalition of States Regional Management Council (NCS-RMC) to address issues of mutual concern related to EBT; to pursue additional opportunities afforded by EBT; and to provide oversight of the Contractor in areas impacting the operation of the NCS EBT System.

The New York State Office of Temporary and Disability Assistance (OTDA), Employment and Income Support Programs (EISP) is issuing this EBT RFP on behalf of, and in cooperation with, the NCS-RMC members noted above.

Current NCS Cash and SNAP EBT Contract Dates		
State	Current EBT Contract Expiration Dates	Available Contract Extensions under the Current Contract
Commonwealth of Massachusetts	August 31, 2021	Two 12-month extensions
Connecticut	March 23, 2021	Two 12-month extensions
New Hampshire	June 30, 2021	Two 12-month extensions
New York	December 21, 2020	Two 12-month extensions
Rhode Island	October 31, 2021	Two 12-month extensions
Vermont	September 30, 2021	Two 12-month extensions

Current NCS Cash and SNAP EBT Contract Dates		
Maine	March 31, 2023	Two 12-month extensions

Current NCS WIC EBT Contract Dates		
State	Current EBT Contract Expiration Dates	Available Contract Extensions under the Current Contract
Commonwealth of Massachusetts	June 30, 2027	No extensions
Connecticut	December 20, 2021	Two 12-month extensions
New Hampshire	June 30, 2021	Two 12-month extensions
New York	December 21, 2020	Two 12-month extensions
Rhode Island	October 31, 2021	Two 12-month extensions
Vermont	May 31, 2021	Two 12-month extensions
Maine	October 1, 2021	Four 2-year extensions

The current EBT contracts for the NCS States are due to expire on the dates specified in the preceding table. Some of the States have remaining contract extension options that may be executed. The NCS may contract with the EBT Contractor selected through this procurement in advance of the current contract expiration date or in advance of any optional extension periods.

State specific base Contract Periods and optional extension periods for each State under this RFP and resulting Contract are as follows:

NCS EBT Contract Periods		
State	Base Contract Period	Optional Extension Periods
Commonwealth of Massachusetts	7 Years	Two 12-month extensions
Connecticut	7 Years	Two 12-month extensions
New Hampshire	7 Years	Two 12-month extensions
New York	7 Years	Two 12-month extensions
Rhode Island	7 Years	Two 12-month extensions
Vermont	7 Years	Two 12-month extensions
Maine	7 Years	Two 12-month extensions

1.2 Purpose

The purpose of this RFP, entitled, “Electronic Benefit Transfer Request for Proposal” (EBT RFP), is to secure the Services of a vendor (referred to as “the Contractor”) to deliver Core, Optional and State Specific EBT Services to the NCS as described throughout this RFP.

In addition to providing the Services described herein, the Contractor must have the capability to be flexible in supporting the development of future enhancements or initiatives as required by law, regulation, or deemed necessary as a result of technological advancements, or State or local operational changes. Where specified in this RFP, the selected EBT Contractor will be

required at minimum to meet Federal requirements, material State Specific requirements, and QUEST® service requirements (see <https://web.nacha.org/quest/quest-operating-rules> for Quest Operating Rules). Nationwide Interoperability, in accordance with Federal Regulations for the SNAP program is a requirement of this RFP. Nationwide Interoperability for the Cash programs are also a requirement of this RFP. The selected Contractor will also be required to meet the WIC EBT Operating Rules, Technical Implementation Guide and Universal Interface. The NCS prefers that one contractor be chosen to contract with to implement the EBT Services throughout the entire Contract Term.

1.3 Background

Current EBT Services provide State and Federal government benefits and services to program Recipients. Within the NCS, public assistance Recipients are using the EBT Magnetic Stripe card technology and the debit card infrastructure to receive their Cash benefits at Automated Teller Machines (ATMs), Point-of-Sale (POS) and Point of Banking (POB) machines or use their SNAP benefits at federally Authorized Retailers. WIC benefits are only accessed through a Retailer's POS.

Historical data on EBT benefit issuance amounts, transaction volumes, customer services calls, etc. are included in each of the separate State Appendices and summarized in Appendix M.

1.4 Scope of Service

This RFP solicits the delivery of a full scope of EBT Services. Offerors should have the capability, or establish Subcontractor relationships, for the provision of all three categories of Services – Core, Optional, and State Specific. Proposals must address the Core, Optional, and State Specific requirements and provide pricing for the Core, Optional and State Specific Services, as specified in the RFP below. States reserve the right to start, stop or suspend Optional and State Specific Services at any time during the Contract Period by providing written notice thereof to the Contractor. Within 10 days after providing written notice, Contractor shall start, stop or suspend such service(s) as applicable. The Contractor shall be reimbursed for any wind down costs associated with the reduction in such Services.

1.4.1 Overview of EBT System Solution

Each Offeror shall describe in its Proposal its proposed technical configuration for the EBT System. Consideration should be given to the stability of the proposed configuration and the future direction of technology, confirming that the recommended approach is sustainable, has the flexibility to support changes in program requirements and is extendable to other programs that may be added to the EBT platform over the life of the Contract. The Offeror shall provide in its Proposal a justification for its proposed hardware, product and software solution. The Offeror shall present explanations of benefits and merits of its proposed solution together with any accompanying services, maintenance, warranties, value added services or other criteria referenced in the RFP. The bid proposal submission process and requirements are set forth in RFP Sections 14 and 15.

1.4.2 Core Services

Core Services are those Services that each NCS member must receive as set forth in the RFP. These Services include, but are not limited to, account creation and management, transaction processing, financial accounting, Retailer management, card services and customer service call centers/support.

1.4.3 Optional Services

Optional Services, as specified in the RFP, are Services which may be considered for purchase under the procurement by any member State or group of member State(s), at any time during contract negotiation or during the Contract Period.

1.4.4 State Specific Services

State Specific Services may be requested by an individual State and may be requested at any time during the Contract Period. These Services will be determined by the State requesting the service and will be set forth within the RFP or State Appendices.

1.5 RFP Layout

The NCS has organized this document to facilitate Offerors in achieving adequate understanding of the current system design, system requirements, and Contractor deliverables. The NCS has attempted to cross-reference applicable sections and appendices to provide the reader with as much detail as possible. It will be the responsibility of the Offeror to thoroughly review and use all the information provided in the RFP and associated appendices to develop their Proposal. If an Offeror has difficulty in understanding any portion of the RFP they will be expected to seek clarification through the Question and Answer process (Q&A) found in Section 2.6 of the RFP. Throughout the RFP all sections include (as applicable) requirements for Core, Optional, and State Specific Services. Also included are specific Performance Standards and any associated liquidated damages.

See Appendix Q, EBT Reporting Requirements for a complete listing and detail descriptions of the required core reports, files and inquiries. Specific details and data elements for all reports/files/inquiries will be determined by the CSA during the detail design phase.

Section 1: includes a general, high-level background of the EBT System and the types of Services being sought in this RFP.

Section 2: includes detailed procurement submission information pertaining to the EBT RFP.

Section 3: describes qualifications and experience of prospective Offerors.

Section 4: includes descriptions of detailed technical requirements/specifications for the EBT System.

Section 5: identifies the specific requirements for data warehouse support, Administrative Functionality, direct deposit services and direct deposit alternate Proposal – electronic payment cards.

Section 6: contains details on Settlement and Reconciliation, and system security policy.

Section 7: describes requirements for disaster preparation and contingency planning Core and Optional Services.

Section 8: sets forth requirements/specifications for WIC/EBT.

Section 9: details Retailer management, Cardholder and Retailer Customer Service, training, New York State specific options and mass mailing options.

Section 10: details NCS Cash access services.

Section 11: details the requirements for project planning and phases, Transition and Conversion, change and release management.

Section 12: describes Contract Performance Standards.

Section 13: describes Pricing requirements.

Section 14: describes Proposal Submission requirements.

Section 15: describes Proposal Content requirements.

Section 16: describes the Evaluation and Selection process.

Appendix A thru Appendix G are individual State Appendices and Attachments that include background information such as file formats and layouts and current business processes specific to the State that Offerors should consult to develop their Proposal.

Appendix H/1/2/3: includes all FNS SNAP File Layouts.

Appendix I: includes FNS SNAP waivers that have been approved for the NCS.

Appendix J: is a Glossary of Terms.

Appendix K: is a compilation of required Deliverables and Events.

Appendix L: is the sample resume format referred to in Section 3.

Appendix L 1: Letter of Intent to accept Employment – Key Staff.

Appendix M: includes a compilation of all NCS historical data, as well as each individual State's historical data.

Appendix N: contains Contract Standard Terms and Conditions.

Appendix N-1: contains Security and Confidentiality Terms.

Appendix N-2: is a Diversity Practices Questionnaire.

Appendix O: is an Attestation of Offeror's Understanding.

Appendix P: contains the bid Pricing Schedule.

Appendix Q: contains NCS Reporting Requirements.

Appendix Q 1 – NY EBT Reports.

Appendix R – Offeror's Checklist.

1.6 Executive Order No. 190: Incorporating Health Across All Policies into State Agency Activities

Per Executive Order 190, this RFP incorporates the New York State Prevention Agenda and the World Health Organization (WHO) Eight Domains of Livability to further the Health Across All Policies initiative.

The New York State Prevention Agenda is the blueprint for action to improve the health of New Yorkers and become the healthiest state for people of all ages. The five priority areas of the New York State Prevention Agenda are:

1. Preventing Chronic Diseases
2. Promoting a Healthy and Safe Environment
3. Promoting Healthy Women, Infants and Children
4. Promoting Well-Being and Preventing Mental Health and Substance Use Disorders
5. Preventing Communicable Diseases

The WHO Eight Domains of Livability include:

1. Outdoor Spaces and Buildings
Providing safe, accessible places for the public to gather indoors and out. Ensuring that parks, sidewalks, safe streets, outdoor seating, and accessible buildings can be used and enjoyed by people of all ages.
2. Transportation
Increasing the accessibility, availability, and affordability of public transit options, as well as ensuring safe roadways.
3. Housing
Expanding affordable housing options for varying life stages, and enacting programs that help people remain in their homes longer to age in place.

4. **Social Participation**
Increasing access to affordable and community-based social activities can help address loneliness and isolation.
5. **Respect and Social Inclusion**
Increasing the availability of intergenerational activities and programs.
6. **Civic Participation and Employment**
Provide ways that all people, including older people, can, if they choose to, work for pay, volunteer their skills, and be actively engaged in community life.
7. **Communication and Information**
Providing information through a variety of means and in a culturally competent manner, recognizing that not everyone has a smartphone or internet access.
8. **Community and Health Services**
Ensuring accessible and affordable health services in every community.

The Health Across All Policies initiative is a collaborative approach that integrates health considerations into policymaking across all sectors to improve community health and wellness. To successfully improve the health of all communities, health improvement strategies must target social determinants of health and other complex factors that are often the responsibility of non-health partners such as housing, transportation, education, environment, parks, and economic development.

Consistent with Executive Order 190, where requested in this RFP, applicants are to describe how their Proposals can improve community health and wellness through alignment and coordination with the New York State Prevention Agenda priorities and the WHO Eight Domains of Livability.

1.7 Disclaimer

All statistical and fiscal information contained in this RFP, including any addenda or attachments, reflect data and records available to the NCS at the time the documents were prepared. The NCS or Contracting State Agency (CSA) does not warrant the accuracy of any such information and shall not be liable for any errors or omissions, or the results of errors or omissions, which may be discovered, at any time, to exist in those documents. Any statistical information is provided for background purposes only and may not be considered a guarantee.

2. Procurement Information

2.1 Title of RFP

This RFP shall be identified as the Northeast Coalition of States (NCS) Electronic Benefit Transfer (EBT) RFP.

2.2 Issuing Agency

The New York State Office of Temporary and Disability Assistance (OTDA) is issuing the EBT RFP on behalf of the Northeast Coalition of States.

The NCS intends to select a single prime Contractor to implement the EBT Services for the NCS.

2.2.1 Procurement Point of Contact

Offerors are restricted from making oral, written or electronic contacts with OTDA or any CSA employees under circumstances where a reasonable person would infer that the communication was intended to influence the procurement, e.g., an attempt to influence OTDA to award a bid to a particular Offeror (a "Contact"), other than to the Point of Contacts (POC) as designated below. This prohibition on communications begins upon issuance of this RFP until the resultant Contract with New York State is approved by the Office of the State Comptroller of New York (the "Restricted Period").

The Point Of Contact for this Procurement is:

Ann Fisher
NYS Office of Temporary and Disability Assistance
Bureau of Contract Management
40 North Pearl Street, Suite 12 D
Albany, New York 12243
Phone (518) 474-3126
Email Address: procurements@otda.ny.gov

Other permissible Point Of Contact for the Offeror:

Jason Wilkie
NYS Office of Temporary and Disability Assistance
Bureau of Contract Management
40 North Pearl Street, Suite 12D
Albany, New York 12243
Phone: (518) 474-7091
Email Address: procurements@otda.ny.gov

Wallis Howe-Rosenzweig
NYS Office of Temporary and Disability Assistance
Minority and Woman Owned Business Unit
40 North Pearl Street, Suite 12D
Albany, New York 12243
Phone (518) 473-5683
Email Address: procurements@otda.ny.gov

2.3 Contract Duration

Each CSA State Agency/Agencies will enter into a contract for a term of seven years, subject to termination provisions in the Contract(s). It is New York's intention to enter into two separate contractual agreements, one for SNAP and one for WIC. Other CSA State Agency/Agencies have the option to enter into one or two contracts. The Contract Term shall commence upon receipt of required Contracting State Agency (CSA) approvals, or the negotiated start date, whichever is later. Two extensions of up to twelve months each may be required after the base term of seven years at the sole discretion of each CSA. The terms and conditions of the Contract will remain unchanged in the event of any such extension.

2.4 Timetable

Release of RFP		9/3/2020
Pre-Bid Offeror's Conference	All	10/8/2020
Due Date for Questions Submitted by Offerors	All questions must be submitted in writing via e-mail by 5:00 PM Eastern Standard Time and must cite the specific RFP section and paragraph number to which it refers. Questions should be as concise as possible.	10/22/2020
Release of Official Written Answers to Offeror Questions	All answers to questions received by the specified due date will be available at TBD	11/19/2020
Proposal Due Date	Proposals must be received by 2:00 PM Eastern Time. Those Proposals received after the due date may be rejected. A separate, sealed package must be submitted for each section of the Offeror's Proposal (Administrative Proposal, Technical Proposal, and Financial Proposal). Each sealed package must include: five originals, 20 printed copies (preferably double sided) and electronic copies (in MS Word/Excel/Project format and unlocked Adobe PDF and unlocked Excel for Financial Proposals), stored on 25 separate USB's and 10 separate CDs. The Proposals must be prepared in accordance to Section 14 Proposal Submission of this RFP. Faxed or electronic copies will not be accepted.	12/17/2020
Proposal Evaluation Period and Approvals to Proceed		12/17/2020-5/27/2021
Tentative Contract Award Announcement	Contract negotiations may be scheduled immediately by each CSA.	8/23/2021
Anticipated NYS OSC Approval		12/21/2021
NYS Anticipated Start of Transition		12/22/2021

The NCS reserves the right, upon notice to the Offerors, to modify any of the cited dates in the Timetable, Section 2.4.

2.5 Pre-Bid Offerors' Conference

Offerors' Conference: OTDA will convene an Offeror's Conference at 40 North Pearl Street, Albany, New York 12243, or via teleconference at the time and date specified in Section 2.4 (Timetable). Failure of an Offeror to attend will result in disqualification. Although not mandatory, the attendance of Subcontractors, MBE, WBE and SDVOB is encouraged. In order to attend the Offerors' Conference parties must submit their request to attend by email to procurements@otda.ny.gov. Please submit request to attend no later than 5:00 pm ET at least three calendar days prior to the date of the Offeror's Conference as specified in Section 2.4 (Timetable). The email should include the following information:

1. Name of Organization,
2. Contact information of participating authorized representatives (names, titles, addresses, phone numbers, email addresses and relationship to the Offeror).

The agenda to the Offeror's Conference will be emailed to all Offerors known to OTDA confirming the date, time, and location prior to the Offeror's Conference.

The State of New York is committed to assuring equal opportunity for persons with disabilities. To this end, it is OTDA policy to provide reasonable accommodation in all its accommodations, programs and services. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of OTDA should contact the Bureau of Contract Management, through any of the designated contacts listed herein, as soon as possible but no later than 48 hours before the scheduled event.

2.6 Questions Regarding This Procurement

All questions regarding this procurement, to be given consideration by the NCS, must be submitted in writing to the primary point of contact, as identified in Section 2.2.1 herein, and received by 5:00 p.m., Eastern Standard Time on October 22, 2020 as set forth in Section 2.4. Any questions received after that date and time will be answered only if the NCS determines that the interests of the procurement will be served by responding to such questions, given the late date by which Offerors will be receiving a response before the closing date for receipt of Proposals.

Each Offeror's question must reference the specific RFP sections and paragraph numbers to which it pertains. The NCS will post its official answers to the questions on OTDA's website at <http://otda.ny.gov/contracts/procurement-bid.asp> by the date described in Section 2.4.

2.7 Proposals

2.7.1 Proposal Submission

Offerors' Financial, Administrative and Technical Proposals must be submitted as described in Section 14 of this RFP.

2.7.2 Freedom of Information Law

All Proposals shall become the property of OTDA and may be disclosed or used by OTDA to the extent permitted by law. OTDA may disclose a Proposal to any person for the purpose of assisting in evaluating the Proposal or for any other lawful purpose. All Proposals will become State agency records, which will be available to the public in accordance with the Freedom on Information Law. Any portion of the Proposal that an Offeror believes constitutes proprietary information entitled to confidential handling, as an exception to the Freedom of Information Law, must be clearly and specifically designated in the Proposal. **Information relating to Contractor price submissions, including commercial, book or list pricing, applicable discounts or final bid price and like information, shall not be entitled to confidentiality protection whether or not submitted or designated as proprietary to Contractor.**

If OTDA agrees with the proprietary claim, the designated portion of the Proposal will be withheld from public disclosure. Blanket assertions of proprietary material will not be accepted, and failure to specifically designate proprietary material will be deemed a waiver of any right to confidential handling of such material. OTDA's determination of whether the Offeror's claim of proprietary status of the designated information should be granted will be predicated in large measure upon the Offeror's written statement of the necessity for the exemption. Therefore, while not required, Offerors are advised to submit their written statements of the necessity for the claimed proprietary information exceptions at the time of the submission of their Proposals.

2.8 State Rights

2.8.1 OTDA's Rights to all Proposals

OTDA reserves the following rights with respect to the RFP and Proposals, including but not limited to:

- A. Cancel this RFP in whole or in part at its discretion.
- B. Reject any and all Proposals received in response to this RFP or choose to make no award.
- C. Reissue a modified version of this RFP.

NOTE: OTDA's right to issue modifications, etc., permits any addition or deletion of requirements as may deem appropriate. Any such modifications issued on or before the Deadline for Submission of Bids shall be posted on OTDA's website at <http://otda.ny.gov/contracts/procurement-bid.asp>.

- D. Amend any part of this RFP, at any time prior to Bid Submission upon written notification to potential Offerors.
- E. Utilize any/all ideas submitted in a Proposal, unless those ideas are covered by legal patent or proprietary rights and the Offeror has notified OTDA in writing of such legal patent or proprietary rights.
- F. Disqualify any Offeror whose Proposal fails to meet a material requirement in the RFP.
- G. Direct any Offeror to submit Proposal clarifications as necessary.
- H. Accept all or part of a selected Offeror's Proposal based on Federal and State requirements.
- I. Eliminate any requirements that are not met by all Offerors upon notice to all parties submitting Bids.
- J. Waive any immaterial deviation or defect in a Proposal. A waiver of an immaterial deviation or defect shall in no way modify the RFP documents or excuse the Offeror from full compliance with other RFP requirements.
- K. Change any of the scheduled dates, including start dates, stated herein upon notice to all Offerors.
- L. Request revisions including best and final offers from each Offeror, whose Proposal was deemed as responsive to the requirements of this RFP.
- M. Terminate review of a Proposals found nonresponsive.
- N. Require an Offeror to demonstrate, to the satisfaction of OTDA, its ability to perform the Services required by this RFP.
- O. Require an on-site visit.
- P. Use Offeror's information obtained through site visits, management interviews, and the State's investigation of Offeror's qualifications, experience, ability or financial standing, and any material or information submitted by the Offeror in response to a request for clarifying information in the course of evaluation and/or selection under this RFP.
- Q. Negotiate additional terms and conditions in the Contract resulting from this RFP which are in OTDA's best interest and which do not materially alter the requirements of this RFP.
- R. Reject any Proposal that contains false or misleading statements.
- S. Rescind a selection award if a signed contract does not result from good faith negotiations with OTDA within a reasonable period of time as determined by OTDA.
- T. Correct any arithmetical errors in any Proposal.
- U. Require an Offeror to clarify its Proposal to assure a full understanding of the Proposal and to request revisions to all Proposals from Offerors susceptible of

award of the contract. Any request for clarification or revision is solely at the discretion of OTDA.

- V. Proceed to the next highest-scoring Offeror in the event that the Offeror who had achieved Best Value prior to contract award cannot satisfy the material requirements stated in this RFP.
- W. Disclose or duplicate, for any purpose whatsoever, all information or other work product developed, derived, documented or furnished by an Offeror.
- X. Waive or extend the time requirements for protest submissions, decisions, and appeals herein prescribed when, in its sole judgment, circumstances so warrant to serve the best interests of the State and OTDA. If OTDA determines that there are compelling circumstances, including the need to proceed immediately with the contract award in the best interest of the State, then these protest procedures may be suspended, and such decision shall be documented in the procurement record. OTDA will consider all information relevant to the protest, and may, at its discretion, suspend, modify, or cancel the protested procurement action including solicitation of Bids or withdraw the recommendation of contract award prior to issuance of a formal protest decision.
- Y. Modify any part of this RFP, including but not limited to, the date and time by which Proposals must be submitted and received by OTDA, at any time prior to the Deadline for Submission of Proposals listed in Section 2.4 (Timetable). Modifications to this RFP shall be made by issuance of amendments and/or addenda as set forth on OTDA's website at <https://otda.ny.gov/contracts/procurement-bid.asp>
- Z. In the event two Bids are found to be substantially equivalent, price shall be the basis for determining the award Recipient. If two or more Bidders submit substantially equivalent Bids as to pricing, OTDA may determine another criterion to evaluate Bids.

2.8.2 Exclusive Property

In the event of contract award, all documentation produced as part of the Contract will become the exclusive property of the NCS and each CSA. The NCS and each CSA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use such documentation and to authorize others to do so.

2.9 Costs of Preparing Proposals

The NCS is not liable for any cost incurred by the Offerors in preparation, production, and submission of Offeror's Proposal. No NCS member, is liable for any costs incurred by Offerors for the preparations or execution of any activities occurring prior to the approval of an executed contract as required by each NCS.

2.10 Responsive Proposals

To be considered responsive, an Offeror must submit a Proposals that satisfies the material requirements set forth in this RFP.

2.11 Letter of Credit or Performance Bond

Within 15 Business Days of the CSA's applicable approval of the Contract, the Contractor will provide the CSA with and will maintain in force and effect for the benefit of the CSA an irrevocable Letter of Credit or Performance Bond as described herein, or in State appendices, as applicable. The Letter of Credit or Performance Bond will be provided to each CSA at the sole expense of the Contractor. The institution that holds the Letter of Credit or Performance Bond may not have any financial affiliation with the Offeror.

Failure to provide proof of the required letter of credit or performance bond could result in termination for cause and OTDA, with the agreement of the other NCS members, reserves the right to award a new contract to another Offeror that responded to the EBT RFP.

New York State requires an irrevocable Letter of Credit subject to approval by the OTDA in the amount of Twelve Million dollars (\$12,000,000.00) for the Term of the Agreement, including any extension periods. In the event of damages occurring as a result of non-performance, and/or in the event of breach of this Agreement, the OTDA may demand disbursement of all or any portion(s) of the face value of the Letter of Credit to recover damages and/or any unrecovered charge backs. Such disbursements, pursuant to demand of all or any portion(s) of the face value of this Letter of Credit, may be made by the OTDA's submission of written notice(s) to the institution that issued the Letter of Credit on behalf of the Offeror. Partial disbursement(s), pursuant to demand, shall not terminate the Letter of Credit, but the balance shall be diminished by any amounts disbursed and shall otherwise remain in effect.

The selected Offeror will be required to provide the OTDA with appropriate proof that such Letter of Credit has been furnished within one month after the Agreement has been approved by OSC.

Note: OTDA will not accept any invoices for payment until it has been presented with appropriate proof that the Letter of Credit is effective.

2.12 Notification of Award

After selection of the successful Offeror, all Offerors will be notified of either their selection or non-selection for award. News releases relating to the EBT RFP or resulting contract may not be made by any Offeror or its agent without prior approval of the NCS.

2.13 Procedure for Handling Protest/Appeal of Bid Specifications and Proposed Awards

2.13.1 Formal Written Protests

- A. Final agency decisions or recommendations for award generally may be reconsidered only in the context of a formal written protest as described below. Any Offeror or prospective Offeror who believes that there are errors or omissions in the procurement process or who otherwise has been aggrieved in the drafting or issuance of this Solicitation, may present a formal complaint to OTDA and request administrative relief concerning such action ("formal protest"). A formal protest must be submitted in writing to OTDA, by ground mail, except where alternate arrangements have been made, to the:

Director, Bureau of Contract Management
40 North Pearl Street, 12th Floor, Section D
Albany, NY 12243

- B. A formal protest must include a statement of all legal and/or factual grounds for disagreement with an OTDA specification or purchasing decision including a contract award; a description of all remedies or relief requested; and copies of any and all applicable supporting documentation.

2.13.1.1 Deadline for Submission of Formal Protests

- A. OTDA must receive formal protests concerning errors, omissions or prejudice, including patently obvious errors in the RFP, at least 10 calendar days before the Bid Submission Date.
- B. OTDA must receive a formal protest concerning a contract award within 10 Business Days of the issuance of notice of contract award or receipt of a non-select letter by an Offeror to:

Director, Bureau of Contract Management
40 North Pearl Street, 12th Floor, Section D
Albany, NY 12243

2.13.2 Review and Final Determination of Protests

- A. Protests will be resolved through written correspondence. However, the protester may request a meeting to discuss a formal protest or OTDA may initiate a meeting on its own accord, at which time the participants may present their concerns. Either the protester or OTDA may decline such a meeting.
- B. The Director of Bureau of Contract Management (BCM) may designate an OTDA employee ("designee") to determine and undertake the initial resolution or Settlement of any protest.

- C. The Director of BCM or his/her designee will conduct a review of the records involved in the protest, including, but not limited to:
1. the evaluation team's reports and recommendations;
 2. the materials presented by the protesting party and/or
 3. any materials required of or submitted by other Offerors. If necessary, the Director of BCM or the designee shall consult with OTDA's Counsel's Office; and prepare a protest decision.
- D. A copy of the protest decision, stating the reason(s) upon which it is based and informing the protester of the right to appeal an unfavorable decision to the OSC shall be sent to the protester or its agent within 45 calendar days of receipt of the protest, except that upon notice to the protester such period may be extended. The protest decision will be recorded and included in the procurement record, or otherwise forwarded to the OSC upon issuance.

2.13.3 Appeal of Protest Decision

Upon receipt of OTDA's protest decision, a protester has 10 Business Days to file an appeal of the determination with the OSC, Bureau of Contracts. The appeal must be filed with: bidprotests@osc.state.ny.us

and

Bureau of Contracts
New York State Office of the State Comptroller
110 State Street, 11th Floor
Albany, NY 12236

The protester's appeal must contain an affirmation in writing that a copy of the appeal has been served on OTDA, the successful Bidder (except where the contracting agency upholds the protest and the successful Bidder is the appealing party), and any other party that participated in the protest. In its appeal, the interested party shall set forth the basis on which it challenges OTDA's determination. The OSC Bureau of Contracts will issue its determination of the appeal in accordance with its established policy and procedures.

2.13.4 Procurement Activity Prior to Final Protest Activity

Receipt of a formal Bid protest shall not stay action on a procurement unless otherwise determined by OTDA. If a formal protest or appeal is received by OTDA on a recommended award prior to the underlying contract being forwarded to the OSC, notice of receipt of the protest and appeal must be included in the procurement record forwarded to the OSC. If a final protest decision or final decision on appeal has been reached prior to transmittal to the OSC, a copy of the final decision must be included in

the procurement record and forwarded with the recommendation for award. If a final protest decision is made after the transmittal of a Bid package to the OSC, but prior to the OSC approval under State Finance Law § 112, a copy of the final OTDA decision shall be forwarded to the OSC when issued, along with a letter either:

- A. confirming the original OTDA recommendation for award and supporting the request for final § 112 approval,
- B. modifying the proposed award recommendation in part and supporting a request for final § 112 approval as modified; or
- C. Withdrawing the original award recommendation.

2.13.5 Record Retention of Bid Protests

All records related to formal Offeror protests and appeals shall be retained for at least one year following resolution of the protest. All other records concerning the procurement shall be retained according to the statutory requirements for records retention.

2.14 Contract

The successful Offeror will enter into an Agreement with each NCS subject to the terms and conditions in Appendix N, as modified in each NCS' contract. These terms and conditions, the content of the selected Offeror's Proposal, together with this RFP, its attachments, amendment(s) or addenda(s) thereto, and the formal questions and answers issued during the bidding process, will be made a part of the final Agreement, hereinafter referred to as the "Agreement" or "Contract."

All provisions stated in the Agreement will become part of the contractual obligations under the Agreement entered into as a result of this RFP unless explicitly stated in the Agreement that such provision(s) is/(are) deemed excluded from the Agreement entered into as a result of this RFP.

2.15 SSAE No. 18 Examination Report

Federal Regulation 7 CFR 274.1(i) requires that the Contractor and any Subcontractors have an independent auditor, on an annual basis, perform a Statement on Auditing Standards, No.18, Service Organizations (SSAE No. 18) on the issuance, redemption, and Settlement of SNAP benefits. Auditors must follow EBT guidance the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance") to the extent the guidelines refer to SNAP benefits.

The SSAE 18 report must report on the operating effectiveness of controls for SNAP benefits. Annual SSAE 18 audits are based on the Contractor's fiscal year and may be shared if the State EBT Systems are under the same control environment and on the same platform.

The Contractor must provide the NCS state(s) with the annual SSAE 18 report filed by the independent auditor within 30 days of receiving the report. The completion date for the first report will be determined during detail design.

2.16 New York State Office of Information Technology (ITS) Review

Prior to award selection, the EBT RFP and all responses thereto may be subject to review by the New York State Office of Information Technology (ITS). Offerors will cooperate with any and all requests from ITS for documentation and presentations.

2.17 Debriefing Procedures

Pursuant to Section 163(9)(c) of New York State Finance Law, any unsuccessful Bidder may request a debriefing regarding the reasons that the Bid submitted by the Bidder was not selected for award. Requests for a debriefing must be made within 15 calendar days of notification by OTDA that the Bid submitted by the Bidder was not selected for award. Requests should be submitted in writing to the designated contact identified in Section 2.2.1.

2.18 Succession

Offerors must recognize that the Services provided under the Agreement resulting from this RFP are vital to the NCS and must continue without interruption, and that upon the expiration or termination of the resulting Agreement, a successor contractor other than the successful Offeror to this RFP may be chosen to continue these Services. Offerors must agree to continue performance of the Services under the terms and conditions set forth herein during the pendency of any ongoing process of selecting a successor contractor. The successful Offeror must cooperate fully with the Transition for the provision of EBT Services by a different contractor prior to current contract expiration.

The successful Offeror to this RFP shall, upon written notice provided by a CSA, (1) furnish phase-in, phase-out Services for a period to be determined by the NCS/CSA, and (2) negotiate in good faith the plan developed by the incumbent/successor with the NCS/CSA and the incumbent/successor to determine the nature and extent of the phase-in, phase-out Services required. The plan must specify a set date for transferring responsibility for each division of work described in the plan, including, but not limited to, a detailed schedule of jobs that will be run for the Conversion and the place during the schedule when Balance and Reconciliation activities will take place. The plan shall be subject to the prior written approval of the NCS/CSA. The successful Offer to this RFP must provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the Services called for by the resulting Agreement are maintained at the required level of performance. Such plan must include, but not be limited to, the following Transition items:

- a. Retailers/Acquirers/TPPs and EBT-Only Merchants. Incumbent contractor will provide current lists of merchants, locations of EBT-only equipment, and supplemented phone lines.

- b. AMA/ASAP. Incumbent contractor will work with Federal and Nutrition Service (FNS), CSA and successor contractor to transfer authority to post to AMA and ASAP.
- c. Pseudo-Retailer numbers. Upon CSA and FNS approval, incumbent contractor will provide pseudo-Retailer numbers to the successor contractor.
- d. Database Conversion, with provisions for check-point and back-out. Incumbent contractor will share file layouts and coordinate with the successor contractor to complete a database Conversion to the successor contractor.
- e. Database clean-up. Incumbent contractor will work with FNS, CSA and the successor contractor to create a final version of the existing database suitable for Conversion.
- f. ALERT. Incumbent contractor will coordinate with FNS, CSA and the successor contractor a switchover from the incumbent to the successor contractor input to the ALERT system.
- g. STARS. Incumbent contractor will coordinate with FNS, CSA and the successor contractor a switch over from the incumbent to the successor contractor input to the STARS system.
- h. Administrative Functionality access. Incumbent contractor will continue to provide Administrative Functionality access to the CSA for the duration of the Conversion to a successor contractor.
- i. Manual Authorization "holds." Incumbent contractor will coordinate with the CSA and the successor contractor the timing of a Transition of handling Manual Vouchers and cooperate in coordinating the routing and clearing of Manual Vouchers during the transition.
- j. Cards. Should cards be selected as a future option under the EBT contract, the incumbent contractor will coordinate the loading of the current card information to the successor contractor's system as part of the database Conversion.
- k. PIN retention. Upon CSA approval, the incumbent contractor will share the Personal Identification Number (PIN) Encryption algorithm so that existing PIN offsets can be loaded onto the successor contractor's host.
- l. Help Desk. Incumbent contractor will transfer the Recipient help desk phone number to the successor contractor but retain the Retailer help desk phone number.
- m. Reconciliation. Incumbent contractor will coordinate with the CSA and the successor contractor Reconciliation information and procedures to ease the Transition from the incumbent contractor to the successor contractor.
- n. Settlement. Incumbent contractor will coordinate with the CSA and the successor contractor to transfer Settlement responsibilities from the incumbent to the successor contractor.
- o. WIC files will be defined by the Universal Interface, however, there will be additional Conversion files such as Transition to a new FTP site for APL and ARF downloads,

swapping out stand-beside equipment, card and benefit database Conversions, IVR and web portal migration.

All Conversion activities that are the responsibility of the current contractor must take place at times and using methods that will provide the least impact on Retailers, Recipients and state operations. Any imbalances in the database values found after Conversion and due to Conversion, that result in any liability must be the liability of the Contractor assuming responsibility for EBT host processing. All phase-out costs associated with Core Services that are the responsibility of the current contractor must be included in the Cost Per Case-Month. The current contractor will not be compensated for any additional phase-out costs.

3. Contractor Qualifications and Organizational Core Requirements

The NCS desires Proposals from organizations with experience in performing EBT Services similar to those described in this RFP. The Offeror will be responsible for the performance of the Services under the Contract, including the performance of any Subcontractors. The exact roles of any proposed Subcontractors in relation to the work outlined in this RFP must be specified within the Offeror's Proposal, as set forth herein.

The NCS requires that EBT Services continue unabated with no impact to its existing client, provider and Retailer constituency during the Transition to a new EBT Contract. To be considered a viable EBT Contractor, Offerors should describe in their Proposal that not only can they provide the requested EBT Services, but that they can also perform an on-time and successful Conversion of EBT Services from the existing EBT Contractor to their EBT System. In addition, Offerors should describe within their Proposal that they have the capability, if required, to perform multiple State Conversions in a short period of time and that the simultaneous Conversion of other non-NCS States (if any) will not negatively impact the NCS States' Conversions.

This section of the RFP sets forth certain requirements relating to Offeror qualifications and its organization capability and references specific documentation to be submitted in its Bid Proposal.

3.1 Contractor/Subcontractor Qualifications

An Offeror's experience, combined with that of any Subcontractors (defined in 3.1.2 below), should demonstrate its capability to successfully meet the specifications and requirements in this RFP. The NCS desires a Contractor experienced in the development, implementation, operation and management of financial systems similar to the size and scope of the systems described in this RFP. It is desired that an Offeror and each identified Subcontractor have performed such similar Services (or components thereof) in at least three commercial and/or government contracts.

Offerors should include the following in their Technical Proposals: The Offeror's experience and Subcontractor (if any) experience for the following shall be submitted for each separately:

- A. Number of years providing and a description of EBT Services similar to those described in this RFP;
- B. Number of years providing and a description of Host Transactional Processing;
- C. Number of years providing and a description of Software Development or Maintenance;
- D. Number of years providing and a description of EBT Call Center/Customer Service Support;
- E. Number of years providing and a description of EBT Card Services;

- F. Number of years providing and a description of EBT PIN Services;
- G. Number of years providing and a description of EBT Transactional Switching Services; and
- H. Number of years providing and a description of Retail Management.

3.1.1 Subcontractor Qualifications

For the purposes of this RFP and the resultant Contract, a Subcontractor is considered to be any entity that performs a portion of the Contractor's obligation with the CSA under the terms of the Agreement with the Contractor. Any vendor that exclusively provides only goods, supplies and/or materials shall be considered exempt from this definition.

Include the following information in your Technical Proposal for each Subcontractor:

- A. Each Subcontractor name and address;
- B. The specific Service(s), including the type (e.g. EBT host transaction processing and database Services; software development or maintenance; EBT call center support/customer service; EBT card/PIN production; EBT-only terminal driving and deployment; EBT transaction Switching; and/or Retailer management), scope and level of Services the Subcontractor will be performing;
- C. Evidence of each Subcontractor's intent to participate, including a signed letter by an Authorized Representative;
- D. Date the Subcontractor was established;
- E. Name of the Subcontractor when established, name changes and reasons for change (e.g. mergers, reorganization);
- F. State of incorporation of Subcontractor;
- G. Current address of corporate headquarters;
- H. Organization type of Subcontractor (e.g. proprietorship, partnership, corporation);
- I. Federal employer tax ID number of Subcontractor;
- J. Nature of business of Subcontractor;
- K. Name and title for corporate officers/directors; executives and division managers; and other upper management personnel, excluding project managers and below, who will be involved in the EBT engagement;
- L. Describe the Subcontractor experience in providing the same or similar type(s), of Services that it will be providing under this RFP and resulting Contract. Include a description and duration of past and current governmental and commercial service agreements and the Subcontractor's roles and responsibilities. Responses should include the Subcontractor's experience in providing Services similar to those which the Subcontractor will be providing under this RFP;

- M. List all governmental or commercial customers for whom the Subcontractor has performed Services within the last 5 years, which are similar to those it will perform under this RFP.

Provide narrative descriptions of each proposed Subcontractor involvement in current or past governmental and commercial projects relevant to the NCS EBT project. For each project, provide the scope of work performed; scheduled and actual/expected completion dates; value of the contract or service agreement; and Subcontractor roles and responsibilities. Indicate whether the Subcontractor acted as a prime contractor or as a Subcontractor/ for each project. Where the Services were provided as a Subcontractor provide the primary contractor name, address, and a contact person; the share (percentage) of the total contract that was assigned to the Subcontractor; the names of the Subcontractor's key project personnel; and the time period during which the Subcontractor was involved or will be involved in the project.

- N. Prior written approval of the CSA is required for all Subcontractors and for all subcontracts. Such approval shall not be unreasonably withheld. All subcontracts related to the performance of the Agreement resulting from this RFP shall be subject to the provisions of law set forth in individual specific state legislation as each CSA requires.
- O. All subcontracts must be in writing and must contain provisions which are functionally identical to, and consistent with, all the provisions of the Agreement resulting from this RFP. All subcontracts must contain a provision stating that the Subcontractor agrees that the subcontract is subordinate to the Agreement with the CSA and that any and all conflicting provisions of the subcontract will be superseded by the terms of this Agreement.
- P. Prior written approval of the CSA is required for all contractor- initiated changes in Subcontractors and for all subcontracts; such approval shall not be unreasonably withheld. When proposing to add, to replace, or to assume the responsibilities of an existing Subcontractor during the Contract Term, the Contractor must notify the NCS of its intent to add or replace a subcontract. Such notification must include justification for the change, provide the proposed Subcontractor's qualifications and experience, and provide Transition work plans outlining the timeline, activities and dependencies that ensure that such action will not jeopardize or impact the operations or Services of the NCS or CSA. Such Transition work plans are subject to the review and approval of the CSA or NCS, as applicable. The CSA will review the plans and provide a reply to the Contractor within 15 Business Days. No Contractor costs or expenditures related to expenditures or obligations paid or owing to unapproved subcontracts may be asserted as damages or otherwise presented for payment.
- Q. The Contractor will work with the CSA to define any potential operational disruption if it elects to terminate or change its agreement with a Subcontractor. Operational disruptions may include but are not limited to: the EBT Gateway; Retailer Management, Cardholder/Retailer Customer Service; training; System Operations; Host Processing; and/or Network/Settlement processing. The Contractor must modify any of the plans, as defined in the EBT RFP, if affected by a change in a

Subcontractor. Revised plans are subject to the review and approval of the CSA or NCS, as applicable.

- R. The Contractor shall not be relieved in any way of any responsibility, duty, or obligation of this Agreement by any subcontract.

3.2 Project Staffing

3.2.1 Contractor Organization and Management

The Contractor is required to:

- A. Have a sufficient number and mix of project staff (Key Personnel, technical staff and support managers) onsite and offsite at all times to ensure the successful and timely completion of the deliverables and Services set forth in the Agreement;
- B. Provide one NCS Project Director during Transition/Conversion to oversee the Transition/Conversion process and operations during the Contract Term;
- C. Maintain state-specific offices and workspaces physically located in each CSA, during each CSA's system Transition/Conversion, for the NCS Project Director and other Key Personnel;
- D. Provide a statement agreeing to comply fully with all OTDA and NCS security procedures. Offeror agrees that its officers, agents, employees and Subcontractors may be required to consent to undergo background security clearances, to include fingerprinting and background checks, as determined by OTDA, prior to being authorized to work pursuant to the terms of this Agreement. If deemed necessary, at the sole discretion of OTDA, OTDA shall arrange for the scheduling of fingerprinting and shall pay any processing fees, such as those prescribed by the New York State Division of Criminal Justice Services. Any fees otherwise related to conducting background checks will be paid by the Contractor.

Offerors should include the following information in their Technical Proposals:

- A. Provide an organizational chart that depicts how the Offeror will staff and manage the Services to be performed under the RFP.
- B. Describe the project management approach and structure that will be employed. Discuss proposed lines of authority, how management will be involved in the administration of the Services, and how coordination and communication internally and among all Subcontractors will occur.
- C. Describe the Offeror's risk management approach including proposed methodologies, tools and processes to identify, assess and resolve project risks.

The response should describe the Offeror's past and current success in managing and mitigating risk in a project with a similar scope and volume as the NCS EBT System.

- D. Describe how the Offeror will make each Subcontractor aware of applicable Contract requirements and Performance Standards, and how the Offeror will enforce Subcontractor compliance with such requirements and standards.

3.2.2 Proposed Key Personnel

Key Staff, as set forth in Sections 3.2.3 through 3.2.8 below are to perform Services during the Contract Term.

The CSA reserves the right to interview each proposed Key Staff after notice of Bid award and prior to the Contract Approval Date to determine whether a Key Staff member is qualified. In the event the CSA determines, in its sole discretion, that a Key Staff member is not qualified, then the Offeror shall propose a replacement and the process described above shall continue until an acceptable replacement is identified. The CSA shall apply reasonable industry standards in its qualifications determinations. Approval of Key Staff shall be based upon information provided in Appendix L, and any other information the CSA requests or deems appropriate.

In the event a proposed Key Staff member becomes unwilling or unable to participate after the Bid Submission Date, then the Offeror must formally notify the CSA in writing of such within one Business Day of when the Offeror knew or should have known of the Key Staff non-availability. Within five Business Days thereafter, the Offeror must then identify and substitute a replacement candidate with qualifications that are equal to or better than the original candidate, as determined in the sole discretion of the CSA.

In the event Key Staff is replaced prior to award notification, then the Key Staff experience submitted in an Offeror's Bid Proposal shall nonetheless remain the basis for evaluation purposes, and such forms may not be modified to reflect the experience of the Key Staff replacement.

The CSA reserves the right to request replacement of Key Staff, regardless of their employer (Contractor or Subcontractor) during the Contract Period if their continued presence would be detrimental to the CSA or the success of the EBT project. All requests shall comply with applicable anti-discrimination and employment laws. CSA will submit such requests in writing stating its reasons for the request and it will not be unreasonable in its request(s). The Contractor will, within seven calendar days of the request, either respond with detailed objections to the CSA's request or have said person(s) removed from the project and immediately replaced with a qualified employee acceptable to the CSA. In the event that the Contractor objects and the CSA does not withdraw its request within seven calendar days of receipt of the Contractor's objections, the dispute shall be resolved by the interpretation and dispute procedure described in Appendix N.

If any of the Offeror's proposed Key Personnel is not currently in the employ of the Offeror, a completed and signed Appendix L1, Letter of Intent to Accept Employment, should be included in the Technical Proposal.

Offerors should include the following information in their Technical Proposals:

A completed Appendix L Proposed Key Personnel Experience Form, identifying one individual intended to fill each Key Staff position (set forth in Sections 3.2.3 through 3.2.8 below) and detailing their relevant experience.

3.2.3 NCS Project Director

The project team must be headed by an overall NCS Project Director who must act as the single point of contact for the Contractor and is responsible for the overall project management of the tasks and activities in support of the Contract. As such, the NCS Project Director must be authorized by the Contractor to make decisions, manage Subcontractors and allocate resources for the EBT System. The NCS Project Director shall maintain effective communications with the project lead for each CSA during the Contract Term.

The NCS Project Director must be available to the NCS during regular business hours and on an emergency basis. The NCS desires an NCS Project Director with at least five years project management experience. Preferably, at least three of the five desired years would be as the project manager for the development, implementation, integration and/or operation of financial systems similar to the size and scope of the systems described in this RFP.

3.2.4 State Transition/Conversion Manager(s)

Each NCS State must be assigned a Transition/Conversion Manager during the State's Transition/Conversion period. There could be a need for multiple Transition/Conversion Managers in the event two or more States are conducting Transition/Conversion simultaneously. In such an event, each such State conducting Transition/Conversion must be assigned its own exclusive Transition/Conversion Manager.

The State Project Transition/Conversion Manager is expected to remain unchanged from the date the Contract is made effective until 60 days following successful Conversion as determined by the CSA. The State Project Transition/Conversion Manager must start work on a State's project no later than 15 days after the effective date of the Contract between the Contractor and the CSA and will continue through the State's written acceptance of the successful Conversion of the current EBT System to the Contractor's EBT System and into the Contract Term.

The NCS desires a State Transition/Conversion Manager with at least one successful conversion of an EBT/EFT system or other financial system similar to the size and scope of the systems described in this RFP.

3.2.5 Conversion Coordinator

The Offeror must provide an NCS Conversion Coordinator who will be responsible for overseeing and coordinating the EBT Conversion and Transition activities for all the CSA Conversions, in accordance with the NCS work plan and each CSA's work plan, for the duration of the schedule described in each plan, including but not limited to the following activities:

- A. Coordinating and overseeing the tasks described in the plans;
- B. Reporting to the State Project Manager any issues that may cause delays in the work plan;
- C. Advising and reporting all changes to the timelines described in the work plans that will minimize any delays;
- D. Maintaining all working plans and reporting any changes to the NCS or the CSA;
- E. Obtaining prior approval from the NCS or the CSA to modify or prioritize any changes in the work plan;
- F. Participating in any detail design discussions with the CSA during the Conversion period.

The NCS desires a Conversion Coordinator with at least one successful Conversion and at least three years of experience in providing Services as listed above. Preferably, the Conversion Manager would have at least one of the three years' experience as a Conversion Manager of an EBT/EFT system or other financial system similar to the size and scope of the systems described in this RFP.

3.2.6 State Project Managers

After the completion of Transition/Conversion for all NCS States a minimum of four State Project Managers must be provided by the Contractor. New York shall be assigned one full time State Project Manager during New York's Contract Term. A minimum of three other State Project Managers shall be assigned to the other NCS States on a as needed basis as agreed upon by the NCS States and the Contractor (it is anticipated that a State Project Manager will be shared by two or more States). The State Project Manager(s) must maintain regular and frequent contact with the CSA Program Director and designated staff members. The State Project Manager(s) will report to the NCS Project Director.

The NCS desires State Project Manager(s) with at least three years project management experience. It is desirable that the individual will have served as a State Project Manager for at least one of the three years in the development, implementation, integration and/or operation of an EBT/EFT or other financial systems similar to the size and scope of the systems described in this RFP.

State Project Managers' employment must be fully dedicated to the NCS EBT System.

3.2.7 Technical Manager

The Offeror must provide a Technical Manager that will be responsible for technical system management activities, which may include, but are not limited to:

- A. Constructing and converting the database;
- B. Designing all system interfaces;
- C. Coordinating Conversion at the beginning of the contract;
- D. Coordinating Conversion at the end of the contract;
- E. Overseeing on-going technical operations.

The NCS desires a Technical Manager with at least five years of experience in providing the Services listed above. Preferably, the Technical Manager should have at least three of the five years' experience as a Technical Manager for an EBT/EFT system or other large and complex financial system similar to the size and scope of the systems described in this RFP.

3.2.8 Retail Manager

The Offeror must provide a Retail Manager that will be responsible for overseeing and coordinating the Retailer network and support services, including but not limited to the following activities:

- A. Retailer management;
- B. Retailer recruitment;
- C. Retailer contract management and negotiation;
- D. Equipment deployment;
- E. Equipment services/repair;
- F. Retailer training.

The NCS desires a Retail Manager with at least three years of experience in providing Services as listed above, preferably for EBT/EFT or other financial services.

3.2.9 Personnel Service Charges for Change and Release Management

In their Financial Proposals (Appendix P, Change Request Tab), Offerors must provide pricing for those individuals whom they intend to fill each of the following five positions

which may be needed to satisfy Change and Release Management assignments described in Section 11.8 of this RFP.

- A. **Technical Director** – Experienced in designing, developing, implementing, enhancing, and maintaining public or private sector information systems. Preferably has such experience with EBT or related programs.
- B. **Technical Project Leader** – Experienced in designing, developing, implementing, enhancing, and maintaining public or private sector information systems. Preferably has such experience with software and solution architecture and design.
- C. **Database Analyst** – Experienced in database development and implementation. Preferably has such experience with EBT or related programs.
- D. **Training Specialist** – Experienced in leading training on information systems. Preferably has such experience with training for EBT or related programs.
- E. **Senior Systems Analyst** – Experienced in systems development and software engineering. Preferably has such experience in the technical development of EBT or related programs.
- F. **System Analyst/Programmer** – Experienced in participating in and leading system test activities. Preferably has such experience with the testing of EBT or related programs.

4. Detailed Technical Requirements

This section of the RFP contains specifications for the Cash and SNAP EBT System functionality and support services required by the NCS and/or individual CSA's (see also, Section 8 which provides WIC specific requirements which incorporates certain requirements in this Section 4 by reference). This section begins with a description of the governing regulations standards and rules. For each major content area thereafter, Core Requirements are described first. As needed, Core Requirements are followed by Optional Requirements, and State Specific Requirements. The Reporting Requirements are listed in the EBT Reporting Requirements, Appendix Q, of this RFP.

Technical Proposal Instructions: In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section item and subpart in this Section, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

4.1 Governing Regulations – Core Requirements

[Do not provide a narrative response to subsections 4.1 through 4.1.9 in your Technical Proposal]

The contractor must comply with all applicable statutes, rules and regulations governing EBT Systems, system operations, and software and equipment ownership, including any Federal requirements concerning the prohibition of outsourcing of any and all Services provided under this RFP. The order of precedence of applicable statutes, rules and regulations is the following:

- A. Federal Statutes;
- B. Federal Regulations;
- C. State Statutes;
- D. State Regulations;
- E. Quest Rules and/or applicable Network rules;
- F. Prevailing Industry Standards or ISO and ANSI standards relating to financial transactions.

As Federal statutes and regulations and State regulations, and/or the Quest Operating Rules or applicable Network rules are changed, the EBT System must be modified to meet the new requirements. The process for making such changes is described under Change Management in Section 11.9, and in paragraphs 11.9.3 "Conforming Changes", and 11.9.4 "Enhancing Changes."

If there is a conflict within the governing regulations and guidelines regarding a specific standard, the State(s) will determine the appropriate standard to which the Contractor must adhere. In determining the appropriate standard, the State will allow consultation and input from the Contractor, however the final decision will remain with the State.

4.1.1 Federal Regulations

Offerors must ensure that they are in, or can achieve, compliance with USDA Food and Nutrition Service Federal Regulations regarding the Supplemental Nutrition Assistance Program (SNAP) (7 CFR) and specifically:

- A. Part 274, Issuance and Use of Program Benefits;
- B. Direct Final Rule re: SNAP, Regulation Restructuring: Issuance Regulation Update and Reorganization to Reflect the End of Coupon Issuance Systems; Federal Register, Vol. 75, No. 69, Monday, April 12, 2010;
- C. Final Rule re: SNAP Reauthorization: EBT and Retail Food Stores Provisions of the Food Stamp Reauthorization Act of 2002; Vol. 70, No. 232, Monday, December 5, 2005;
- D. Final Rule and Interim Rule re: Regulatory Review: Standards for Approval and Operation of Food Stamp EBT Systems; Vol. 70, No. 68, Monday, April 11, 2005;
- E. Final Rule re: EBT Systems Interoperability and Portability; Vol. 68, No. 122, Wednesday, June 25, 2003;
- F. Final Rule re: SNAP: Electronic Benefit Transfer (EBT) Benefit Adjustments; Federal Register, Vol. 65, No. 129, Wednesday, July 5, 2000;
- G. Final Rule re: SNAP, Regulatory Review: EBT Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; Vol. 65, No. 193, Wednesday, October 4, 2000;
- H. 2014 Farm Bill, also known as the Agricultural Act of 2014, specifically Section 4002, implementation memos and other guidance released;
- I. 2018 Farm Bill also known as the Agriculture Improvement Act of 2018;
- J. All changes, updates, revisions and policy interpretations of the Federal regulations as enacted by law or FNS;
- K. As applicable to each State, any waiver to the Federal regulations granted to the State by FNS for EBT purposes (see Appendix I for a current listing).

In addition, the WIC Program in RFP Section 8 is governed by Part 246, Special Supplemental Nutrition Program for Women, Infants and Children.

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title07/7cfr246_main_02.tpl

In addition, Offerors should be aware of all FNS SNAP and EBT guidelines. The selected Contractor must also comply with all instructions and formats for file transmissions required by FNS including, but not limited to, ALERT Version 2.0, AMA, REDE, and STARS Redemptions.

Refer to the following website for full text of applicable rules and regulations:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=1695460e5ce30386e00b8c4d72f278b3&mc=true&tpl=/ecfrbrowse/Title07/7CIIsubchapC.tpl>

FNS Regulations have priority over Quest Operating Rules or other Network rules, as appropriate. Offerors must ensure that they can achieve compliance with all applicable FNS Rules and Regulations.

4.1.2 Federal Regulation Requirements

The Offeror must be aware of the regulatory environment when submitting a Proposal under this RFP. 7 CFR 274, *Issuance and Use of Program Benefits*, includes specific requirements on the following:

- A. System Functional Requirements;
- B. Household Participation;
- C. Retailer Participation;
- D. Performance and Technical Standards;
- E. Processing speeds;
- F. System availability and Reliability;
- G. System security;
- H. System ease-of-use;
- I. Third Party Processors;
- J. Minimum card requirements;
- K. Minimum transaction set;
- L. Interoperability;
- M. Concentrator Bank Responsibilities;
- N. Reconciliation, Management Reporting, Examination and Audits;
- O. Store and Forward; and
- P. Ownership Rights and Procurement Requirements.

Please also see section 8.25 WIC Standards for additional regulations.

4.1.3 Contractor Fiscal Liabilities

Federal and State or County funds may not be drawn down for over-issuances or transactions in excess of the authorized Recipient benefit allotment. The Contractor will be responsible for the following errors as described in Sections 4.1.4 and 4.1.5:

4.1.4 Disbursement or Authorization of Funds

Liability with regarding authorization of State administered programs into a Recipient account is described in 7 CFR 276. Each member State is responsible for losses resulting from the provision of erroneous information by the State to the Contractor.

4.1.5 Transaction Processing and Settlement

The Contractor will bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the Contractor or its representatives or Subcontractors. These liabilities include, but are not limited to:

- A. Any duplicate or erroneous postings of benefits or void actions to a Cardholder account;
- B. Any losses from funds drawn from an account after the Cardholder notified the Contractor that the card had been lost or stolen;
- C. Any losses from transactions performed with cards issued but not activated by the Cardholder and/or the Contractor;
- D. Any losses from transactions completed using invalid Retailer FNS authorization numbers or invalid WIC vendor ID's;
- E. Any damages or losses suffered by a Federal or State agency due to negligence on the part of the Contractor.

4.1.6 State Regulations

The Contractor must follow all applicable State laws, rules, or policies relating to this EBT RFP and information security, confidentiality, privacy, and compliance requirements relating hereto. State Appendices may include additional detail on applicable rules and regulations.

4.1.7 QUEST® Operating Rules

All of the NCS currently operate under the QUEST® mark. Therefore, as applicable, the selected Contractor must adhere to the QUEST® Operating Rules which set forth the requirements for the distribution of government benefits under the QUEST® mark. QUEST® Operating Rules facilitate a seamless operating environment for EBT Issuers and Transaction Acquirers. The most recent version of the rules is available at the following website:

<https://web.nacha.org/quest/quest-operating-rules>

Offerors must ensure that they can achieve compliance with these or other applicable financial Network rules and any published revisions.

The final individual CSA or NCS Cash access solution may include Network access in addition to QUEST® access. As appropriate, the Contractor must adhere to the applicable Network operating rules for cash transactions performed through the non-Quest Network.

All NCS WIC agencies operate under USDA FNS policies and procedures. The Operating Rules (OR) and the Technical Implementation Guide (TIG) are technical resources for states to apply in their EBT implementation projects for consistency in WIC EBT online purchase messages and file handling processes utilized by both smart card/offline and magstripe/online WIC EBT systems (<https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>). Offerors must ensure they can achieve compliance with these policies and procedures. Please see section 8.25 WIC Standards for more information.

4.1.8 ANSI and ISO Standards

The Contractor must comply with the EBT messaging standards promulgated by the American National Standards Institute (ANSI), ANSI X9.58 published in 2013 (or most current version). The Contractor must comply with any future upgrades or changes to the applicable ISO and ANSI standards, including ANSI X9.58 published in 2013 (or most current version), at no additional cost to the individual CSA or the NCS.

The ANSI X9.58-2013 (or most current version) standard (for SNAP) has been updated to address new technology that eliminates the need to swipe the card or key-enter the PAN into the POS device. This includes such innovations as identification by finger image (e.g., Pay-by-Touch) and Radio Frequency Identification (RFID) cards. The EBT Contractor must accept and process EBT transactions that contain the new codes, record the new transaction types as part of transaction history and identify them to FNS as specified in the ALERT file instructions. The Contractor must comply with Store and Forward, online purchasing and Healthy Incentive Program requirements included in X9.58-2013 (or most current version).

The Contractor must comply with the WIC EBT messaging and file standards outlined by X9.93, Part 1 and Part 2. The Contractor shall also comply with the Technical Implementation Guide published in 2018. The Contractor must comply with any future upgrades or changes to X9.93 and the TIG at no additional cost to the individual WIC CSA or the NCS. All files shall conform to the WIC EBT Technical Implementation Guide in effect at the time of award.

4.1.8.1 ANSI and ISO Standard Requirements

The Offeror must be aware of the system format when submitting a Proposal under this RFP. ANSI and ISO standards provide guidance on the following:

- A. Message Structure;
- B. Message Flows;
- C. Message Formats;
- D. Data Element Definitions;
- E. Auto-Reconciliation File Description.

4.1.9 Internal Revenue Service - Information Reporting for Payments Made in Settlement of Payment Card and Third-Party Network Transactions

To support the Internal Revenue Service Information reporting requirements, the EBT Contractor must ensure they are in compliance with the Department of Treasury – Internal Revenue Service reporting outlined in 26 CFR Parts 1, 31 and 301. The final regulation implemented section 6050W and related statutory changes enacted by the Housing Assistance Tax Act of 2008 require payment Settlement organizations to report payments in settlement of payment cards/EBT cards and third-party Network transactions for each calendar year. The reporting must be supported at no cost to either the merchant community and/or their Processors within the NCS region or the States within the NCS.

4.2 Host and Transaction Processing, Communications Facilities, and Hot Backup

4.2.1 Host and Transaction Processing, Communications Facilities, and Hot Backup – Core Requirements

4.2.1.1 EBT Host Processing

The Contractor must comply with all relevant processing speed requirements as stated in 7 CFR §274.8(b)(1). For example the Contractor system central computer must permit no more than two inaccurate EBT transactions for every 10,000 transactions processed as stated in 7 CFR §274.8 (b)(2)(ii). The transactions used in measuring system accuracy shall include all SNAP transactions permitted at Point-of-Sale Terminals and processed through the host computer, including manual transactions entered into the system, credits to household accounts, and funds transfers to Retailer accounts. In addition, the EBT host computer must process and respond to all on-line administrative terminal transaction requests within two seconds. A complete set of processing standards are described in the Performance Standard Section 12 of this RFP.

The EBT System is defined as the EBT functionality developed, operated, and maintained by the Contractor and its Subcontractors to accept, switch, and process transactions, maintain Cardholder accounts, support Administrative Functionality, and perform Settlement and Reconciliation, and also refers to the complete configuration of hardware and software provided by, and under control of, the Contractor and its Subcontractors, including the host Processor, Gateway and EBT-only Acquirer Systems, as well as related interfaces connecting those points.

The Contractor's EBT System must be available 99.9% of scheduled uptime, 24 hours a day, seven days per week. Scheduled uptime is defined as the time the Contractor's EBT System is available and accessible for routing and processing transactions, and excludes scheduled Downtime for routine maintenance. Unscheduled Downtime includes problems that arise due to either partial or total hardware or software failure of the EBT Processor, the EBT-only Acquirer System, and/or the Transaction Switch. In addition, this condition includes failure of the telecommunications connections within the EBT System. This condition also exists if the system is unable to receive transactions due to insufficient telecommunication capacity.

The CSA shall approve scheduled Downtime for all routine maintenance upon advance notification, which must occur during off-peak transaction periods. Off-peak transaction periods are recognized between the hours of 3:00 A.M and 5:00 A.M. EST where a minimum amount of transaction processing may be occurring. The Contractor must provide the CSA with any scheduled Downtime outside of the time required for routine maintenance. Such Downtime must be arranged with and approved by the CSA.

Transaction processing occurs within 24-hour business and Settlement processing cycles as described in Section 6.1.1.5 of this RFP. Offerors are required to describe in their Technical Proposals how they will track and update transaction activity as it relates to these processing cycles, with specific detail on how they will address suspense activity that occurs between the end of the Settlement Day and the end of the Business Day if any of those cycles end at different times.

For WIC standards, please see section 8.2.8.

4.2.1.1.1 Hardware and Database Platform(s)

Describe in the Technical Proposal the hardware and database platform(s) that will support the NCS and each individual state within the NCS.

4.2.1.1.2 High Availability

The NCS desires Offerors' technical solutions to be capable of "High Availability" also known as "Active / Active," which is the ability of the system or system components to be continuously operational as measured relative to a 100% operational or never failing ideal. Since the EBT Systems consist of many parts that need to be present for the whole to be operational, configuration for High Availability should center around backup and failover processing and data storage and access. A High Availability system should quickly recover from any sort of failure to minimize interruptions for the end user.

High Availability is desired, but not mandated, in an Offeror's Technical Proposal. Accordingly, points may be awarded to Technical Proposals which set forth solutions which are either currently configured for High Availability or commit High Availability by system implementation. To receive such priority points, an Offeror must describe in its Proposal its High Availability solution to:

- A. Detect failures as soon as they occur,
- B. Eliminate single points of failure, or any node that would impact the system if it becomes dysfunctional,
- C. Ensure that all systems and data are backed up for simple recovery,
- D. Use load balancing to distribute application and Network traffic across servers or other hardware,
- E. Continuously monitor the capability of backend servers,
- F. Distribute resources geographically in case of power outages or natural disasters, and
- G. Implement reliable crossover or failover in terms of storage, and
- H. Provide any other High Availability component or solution or comparable system availability architecture.

4.2.1.2 Network Communications Facilities

4.2.1.2.1 Batch and Online

The Contractor must support both batch transmissions and on-line, real time transmissions as required by each CSA, including host-to-host, client-to-host, file transfer, and browser technology. The provision of communications facilities for batch and on-line transmissions to and from the Contractor and each CSA is the responsibility of the Contractor, including any necessary hardware installed at the CSA's site(s) for this purpose. The Contractor must use communication software and protocols compatible with those identified in each CSA's hardware/software configuration (refer to State Appendices). The Contractor must determine, in conjunction with each CSA, the appropriate capacity for each type of communications facility (as noted above) that is installed, to ensure that all transmissions are completed within the time frames specified in this document. As requested by each CSA, the Contractor must use the state's communications Network to support on-line communications between remote sites and the EBT host. The Contractor must provide Network connectivity to and from each CSA's host system or systems and the Contractor's host to support batch and on-line transfer of data between the two systems. The Contractor must also provide connectivity with the Contractor host to support the on-line transfer of administrative transaction data from the CSA's administrative terminals or desktop computers to and from the Contractor's host. See State Appendices for individual State configuration.

Propose the communications infrastructure it intends to use for completing all batch and on-line telecommunications described in this document.

Describe the communications infrastructure it intends to use for completing all Federal batch updates and file downloads for ALERT, AMA, REDE and STARS redemptions, and to provide on-line connectivity for FNS and USDA OIG staff to access the Contractor's Administrative Functionality in inquiry mode. The preferred method for

federal administrative access connectivity is by direct link or to the FNS Network or VPN.

4.2.1.2.2 Network Responsibilities

The NCS require that the EBT Contractor provide the Network in support of EBT. Include in the technical response to this RFP a proposed transport medium, the location of the destination of the real-time records and batch files, and a support plan for a Network and all related costs.

Identify in the response the redundancy and bandwidth assumptions utilized in designing the wide area Network (WAN) between Contractor processing sites and the CSA's data centers. Detail the specific wide area networking facilities proposed and demonstrate how they meet the requirements of the RFP, including availability and transaction response time.

4.2.1.2.3 Bandwidth

The Contractor must plan for and provide sufficient Network capacity on their backup and primary Network to accommodate each State's bandwidth needs, based on anticipated transaction volume levels, on-line database access, and proposed ad hoc reporting functionality. The Contractor should assume that participant access will be through various smart phone apps as well as Contractor portal and IVR. These apps may be provided by the Contractor or a third party. Bandwidth must be able to accommodate 5.7 million logins per month and architect for peak times concurrent with benefit issuance and business hours.

4.2.1.2.4 Transport Medium

Describe the hardware and software components that the user data will travel over between the State and the EBT Contractor.

4.2.1.2.5 Location

Provide the geographic locale of the Contractor's Primary and Hot Backup sites. If cloud based, topology should be provided along with documentation that cloud infrastructure is limited to the continental United States.

4.2.1.2.6 Network Availability

The Contractor must ensure that appropriate support staff is available to monitor traffic on the Network 24 hours per day, seven days a week. Support would consist of a list of contacts with an understanding of a resolution method of identifying Network problems, and detailed escalation procedures. The escalation procedures and information must be updated throughout the life of the Contract to ensure that information is current and accurate.

4.2.1.2.7 Responsibility

Define the hardware and software components that comprise the Network. The staff responsible for the support of these components must be fully trained in their operation.

4.2.1.2.8 Communications Protocol

Provide in the Technical Proposal:

- A. Standard batch file protocols such as SFTP or any other protocol as required by the NCS must be supported.
- B. The Contractor must also support Web services that utilize SOAP message formats transmitted over https (SOAP/https). The web services provided by the State will be consistent with OTDA's SOAP architecture which incorporates ubiquitous standards such as WS-I Basic Profile v1.1 and WS-I Basic Security Profile v1.0. In addition, the Contractor must be prepared to support the JavaScript Object Notation (JSON) format and Representational State Transfer (REST) architecture (both should only be used in TLS v1.2 or higher via HTTPS) in addition to, or as a replacement for XML and SOAP.

4.2.1.3 Transaction Processing

Cardholders may be entitled to benefits under a number of programs. Each transaction must be allocated to either the Cash or SNAP Account. The Contractor must allow NCS States to add, change, or delete Cash and SNAP programs, as needed, including their priority, at no additional cost to the state. All benefits on a Case must be debited on a First In First Out (FIFO), basis using the individual NCS member's defined Primary Program Designation hierarchy (see State Appendices) and appropriate availability date as defined by the CSA. Credit transactions cannot exceed the total value of a "spent" benefit to post a credit and must be applied in reverse order so that spent benefits are re-established or "refilled" beginning with the most recent and working backward in time toward the oldest available benefit.

The NCS requires that transaction activity be immediately updated to the contractor's host database at the benefit level. Offerors are required to describe in their Technical Proposals the methods by which they update transaction activity on their host databases.

Transaction authorization must require:

- A. Accepting transactions coming from an authorized Transaction Acquirer.
- B. Authorizing or denying transactions;
- C. Sending response messages back to the Transaction Acquirer authorizing or denying Cardholder transactions;

- D. Logging the authorized/denied transactions for subsequent Settlement and Reconciliation processing, transaction reporting, and for viewing through transaction history;
- E. The EBT System must go through a series of checks to determine whether a transaction being initiated by a Cardholder should be approved. These checks include determining whether:
 - 1. The merchant has a valid FNS authorization number (if it is a SNAP transaction);
 - 2. The card number Permanent Account Number (PAN) is verified and the card is active;
 - 3. The number of consecutive failed PIN tries has not been exceeded;
 - 4. The PIN is verified as being correct;
 - 5. The account is active; and
 - 6. The EBT Account holds a sufficient balance in order to satisfy the transaction request.

If any one of the above conditions is not met, the Contractor must deny the transaction. The Contractor must ensure that Cardholder benefit accounts are not overdrawn and must assume all liability if an account overdraft does occur. The system must return a message to the Retailer/provider indicating the reason for denial (e.g., invalid PAN, invalid PIN, NSF, etc.). The Contractor must also provide a summary report of denied transactions.

For applicable WIC standards, see Section 8.12.7.

4.2.1.3.1 Merchant Validation (FNS Retailer Number)

For all SNAP transactions, the Contractor must validate that the transactions originated at an FNS authorized retail location. The Contractor must maintain a database of authorization numbers for all FNS Authorized Retailers in accordance with the Retailer validation requirements specified in 7 CFR 274.8(b)(10)(v). The Contractor must access the FNS REDE system daily to obtain updates of the national REDE files used to validate authorized FNS Retailer Numbers. The Contractor must verify the Retailer identification number is for an FNS Authorized Retailer prior to completing the transaction and assumes liability if transactions are completed against invalid FNS auth numbers.

4.2.1.3.2 POS Transaction Sets

The EBT System must be able to accept EBT transactions from POS devices under the following configurations: SNAP only, WIC only, SNAP/Cash SNAP/WIC and SNAP/CASH/WIC. For WIC the EBT must support the following transaction set: purchase, Balance Inquiry, void and reversal.

The POS terminal must display visual verification of:

- A. The transaction amount before a positive action is taken by the Cardholder to release the message for authorization and Settlement;
- B. The error message rejecting the transaction, such as but not limited to, the following:
 - 1. Insufficient Funds;
 - 2. Incorrect PIN; and
 - 3. Inactive card.

4.2.1.3.3 SNAP Transactions

The Offeror must be able to process, at a minimum, the following SNAP POS transaction types:

- A. SNAP Purchase (swiped, key-entered and internet/web based);
- B. SNAP Merchandise Refund;
- C. Manual Voucher Clear;
- D. Balance Inquiry;
- E. Voids;
- F. Adjustments; and
- G. Reversals.

USDA-FNS Regulations prohibit the charging of a fee for any SNAP transactions. Therefore, Cardholders must not be charged for any SNAP POS transactions. In addition, Retailers may not limit the number of SNAP transactions conducted by the Recipient.

4.2.1.3.4 SNAP Merchandise Return

The EBT Contractor must provide FNS Authorized Retailers with functionality to process Point-of-Sale SNAP refund/return transactions. The CSA will place a transaction amount/value limit on SNAP refund/return transactions that may include a "refund/return" limit to the accompanying SNAP Account, or as further defined by the CSA in detail design. SNAP refund/return transactions will only be permitted to be applied to SNAP Accounts.

4.2.1.3.5 Point-of-Sale (POS) Cash Transactions (including Scrip Terminals)

The Contractor's system must be able to process, at a minimum, the following Cash transaction types:

- A. Cash Purchase (swiped, key-entered and internet/web based) (Note: Key-entered Cash transactions must be supported by the Contractor; however actual use is at the Retailer's option. See section below, [SNAP and Cash Key-entered Transactions](#)).
- B. Purchase with Cash Back;
- C. Cash Only Withdrawal (cash received without purchase);
- D. Cash Returns (internet/web based only)

- E. Balance Inquiry;
- F. Voids;
- G. Adjustments; and
- H. Reversals.

4.2.1.3.6 SNAP and Cash Account Balances

Supplemental Nutrition Assistance Program (SNAP) and Cash Account balances must be printed/included on receipts for SNAP and Cash Purchases, Cash purchases with cash back, Cash withdrawals, and balance inquiries. Currently, the NCS provides unlimited EBT- only Point-of-Sale (POS) withdrawal transactions at no charge to the Cardholder. Under the Contract resulting from this RFP, Cardholders may not be charged for SNAP or Cash purchases or purchases with Cash back at POS devices, or Cash-only transactions at EBT- only devices. The Offeror must ensure that the EBT System denies transactions if the balance of the SNAP or Cash Account does not support the requested withdrawal transaction amount. The Contractor is required to truncate the card number and only print the last four digits on the receipt. In addition, transaction receipt must include the date, merchant's name and location, transaction type, a unique transaction identifier (such as Trace Number), and transaction amount.

4.2.1.3.7 SNAP Manual Authorizations

The Contractor must process manual SNAP transactions. The manual authorization process may be used by:

- A. Retailers, who currently use Manual Vouchers to conduct SNAP transactions, and who were authorized to accept SNAP prior to March 2014 or is one of the excepted Retailers listed under the provisions of the Agricultural Act of 2014, specifically, eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit food buying cooperatives, group living arrangements, treatment centers, and prepared meal services (other than for-profit restaurants participating in State-option restaurant programs).
- B. Retailers who have POS equipment, but their POS terminals are inoperable, and there are problems with the telecommunications Network between the POS terminal and the EBT host Processor, or the EBT System is down or otherwise not available. This may also include instances of disaster.
- C. Describe the process for authorizing Manual Vouchers relating to SNAP purchases and returns, explain how such transactions effect funds movement, and discuss how such transactions will be reported and addressed in end of day balancing. Describe how this process ensures that the following requirements are met:
 - 1. A Paper Voucher must be designed and distributed by the Contractor to FNS-RetailerAuthorized Retailers for use in processing manual SNAP transactions. Retailers may utilize their own voucher forms as long as they include, at a minimum, the data elements on the voucher designed by the

Contractor. If the Retailer opts to use the Contractor's form, the Contractor must provide an adequate supply of Manual Vouchers to the Retailer at no additional cost to the Retailer.

2. If the Retailer is unable to obtain prior authorization because the Contractor's EBT System is unavailable for authorization processing, then the Contractor must employ the "Stand-in Processing" function discussed below.
3. If the Retailer does not have access to a telephone (e.g., route vendor, farmers market), the Retailer shall obtain (or attempt to obtain) a voice authorization as soon as possible after the purchase. Such transactions are performed "at the Retailer's risk." The Retailer shall be liable for declined transactions if the Retailer fails to obtain prior authorization and the EBT Account has Insufficient Funds to cover the purchase. In such instances, the Retailer may immediately request that the balance of funds remaining in the account at that time be placed on "Hold" as partial payment for the transaction. The Retailer may subsequently clear the voucher only for the reduced amount that was authorized.
4. If the manual transaction involves a SNAP return, the Retailer is required to complete the Manual Voucher and is required to obtain a voice authorization prior to completing the transaction.
5. Whenever a Paper Voucher is used, the Contractor must require the Retailer to obtain the client's signature and the authorization number, provided by the Contractor at the time the Hold was placed on the EBT Account, on the voucher as a condition for processing. Cardholders must also be required to produce their EBT card. A toll-free telephone number shall be provided to Retailers to obtain authorizations for the Manual Vouchers for both SNAP purchases and returns. The authorization process must be automated as part of the help desk IVR/ARU functionality; however if the ARU is not accessible, Retailers must be able to obtain Manual Authorizations from a Customer Service Representative (CSR). Contractors must not limit the number of Manual Authorizations that may be performed during a single call to the ARU, but may limit the number of authorizations performed through a CSR. Specify any limits on voice authorizations that can be performed through a CSR.
6. Upon providing a telephone authorization for a manual SNAP transaction, the Contractor must place a "Hold" on the amount of benefits necessary to fund the transaction. The Contractor must maintain the Hold on SNAP benefits until the voucher transaction is "cleared", up to a maximum of 30 calendar days or as specified in the State Appendices, adjustable to a maximum of 90 calendar days in the event of a disaster or system outage. A Retailer has to submit the voucher, either electronically or by paper copy, to complete the transaction. If the Retailer fails to submit the voucher the Hold must be released and the use of these funds shall revert back to the Cardholder. The Retailer or Acquirer bears the liability for the transaction if the voucher is not cleared timely.

7. The Retailer shall not be allowed to clear any voucher for more than the authorized amount, nor shall the Retailer be allowed to clear a voucher for a SNAP return transaction for less than the authorized amount.
8. The Contractor must have a process available to allow the Retailer to:
 - a. Clear a purchase voucher for less than the authorized amount.
 - b. Cancel a purchase authorization completely before the Hold period has expired (or clear the voucher for \$0.00).

4.2.1.3.7.1 Retailer Manual Authorization Report

The Contractor must provide a daily detail report of all voice (manual) authorizations of SNAP transactions performed by Retailers. The report must contain, at a minimum, the Retailer name and FNS number, the transaction amount and type, the date and time, the Cardholder performing the transactions, and whether the Retailer is a TPP or EBT-Only Retailer.

4.2.1.3.7.2 Stand-in Processing

If a SNAP Retailer Authorized Retailer cannot process Point-of-Sale (POS) SNAP transactions during an extended period where high call volumes or other related voice communication delays prevent the merchant from processing a Manual Voucher for voice authorization, the Contractor must permit "stand-in" processing for SNAP purchases of up to \$50 per Cardholder per Retailer per day (from 12:00 AM until 11:59 PM). The Contractor shall be liable for up to \$50 per transaction for Insufficient Funds resulting from Stand-in Processing Manual Voucher transactions. The Retailer is required to complete a Manual Voucher and must obtain the Cardholders' signature on the voucher. If the Retailer processes an emergency stand-in transaction for more than \$50, the Contractor shall process the transaction if there are sufficient funds in the Cardholder's account to settle the transaction. If there are not sufficient funds in the Cardholder's account, the Retailer shall be liable for any amount over \$50. Define under what circumstances the EBT system would be considered unavailable. Contractor's must have a process by which Retailers would be immediately notified that "stand-in" processing is currently in effect. Describe this process in the response to this RFP. For both scheduled and unscheduled outages, describe how the processing and Settlement of these transactions will be conducted.

Re-presentment of a Manual Voucher is not allowed. The Contractor's system must be designed to prevent merchants from re-presenting vouchers at any time.

4.2.1.3.7.3 Voucher Clear

There are various methods by which a Manual Voucher can be cleared. If the RetailerAuthorized Retailer has a POS device, the Retailer will convert the manual transaction to an electronic transaction for transmission to the Contractor when the POS device is again able to communicate with the EBT Host. If the Retailer is a non-traditional FNS RetailerAuthorized Retailer who does not have a POS device, at the option of the Contractor the voucher may be called in or mailed directly to the Contractor for clearance and Settlement. The Contractor must process Manual Vouchers on the day the vouchers are received in the mail. If a Retailer mails in a voucher for which prior authorization was not obtained, or the signature is not present on the Manual Voucher, the transaction must be declined and the Retailer will be liable for the declined transaction.

See State Appendices and the NCS Historical Data Appendix for information on Retailer manual authorization volumes.

4.2.1.3.8 ATM Transaction Sets

The Contractor must maintain an EBT System that will process and authorize Cash withdrawal transactions originating from ATMs. The Offeror must provide a system that has the capability to process the following ATM transaction types:

- A. Withdrawal from Cash Account;
- B. Balance Inquiry from Cash Account (at State option, see ATM Balance Inquiries below);
- C. Adjustments;
- D. Reversals; and
- E. Transaction Cancellations.

The Contractor must ensure that the EBT System will deny transactions if the balance of the Cash Account does not support both the requested withdrawal/transaction amount and all allowable charges or fees. After conducting an ATM transaction, including a Balance Inquiry, a printed receipt showing the account balance shall be provided to the Cardholder. The card number must be truncated on the receipt.

4.2.1.3.9 Exception Transactions

4.2.1.3.9.1 Voids or Cancellations

A transaction may be voided/cancelled by a Retailer at a POS or POB device or by the Cardholder at an ATM. The void/cancellation transaction message must include the Trace Number (if available), the exact dollar amount, and other identifying information from the original transaction, as specified by ANSI X9.58-2013 standard or most current version. The Contractor must accurately process the void or cancellation transaction and must reflect the void/Ccancelled Transaction immediately and correctly in the Cardholder's EBT Account.

4.2.1.3.9.2 Reversals

A POS, POB or ATM transaction may be reversed if for some reason the completion of the transaction cannot take place at the originating device (e.g., communication failure with the device and/or a device malfunction, or a late response from the Contractor). The entity (specifically the TPP, Authorized Retailer/Benefit Acquirer, or the ATM/POS/POB device) within the response chain where the transaction error is recognized must generate a Reversal message back to the Contractor. As defined within the ANSI X9.58-2013 standard or most current version, the Reversal message must include the Trace Number, the exact dollar amount, and other identifying information from the original transaction, as required for type 420 messages. The Contractor must accurately process the Reversal transaction and have the results reflected immediately and correctly in the Cardholder's account.

4.2.1.3.9.3 Adjustment Processing

An Adjustment Claim request for a Cash or SNAP benefit transaction may be initiated by the Cardholder/Issuer/State Agency or the Retailer/Acquirer to resolve errors and out-of-balance situations that occur as a result of a system error. The Contractor must adjust Cardholder accounts to correct auditable, out-of-balance Settlement conditions that result from a system error. A system error is defined as an error resulting from a malfunction at any point in the redemption process: from the system host computer, to the Switch, to the Third Party Processors, to a store's host computer or POS device. The Adjustment transaction must reference the original transaction that is completely or partially erroneous. The Contractor must provide data regarding the Adjustment transaction as required by the CSA. The Contractor must accurately process the Adjustment transaction and reflect the results correctly in the Cardholder's account. USDA-FNS requirements for handling SNAP transaction Adjustments are found at CFR 274.2(g)(2).

The NCS received approval from USDA-FNS for a waiver from the "Hold" provisions of the regulations. The Contractor must comply with USDA-FNS Regulations for SNAP transaction Adjustments and with the Quest Operating Rules for Cash transaction Adjustments. The Contractor Adjustment process must support each individual state's FNS Waivers (see Appendix containing FNS Waivers and QUEST Operating Rules. Additionally, if a State does not process under Quest, the Contractor must support the individual State Adjustment process for Cash. Federal regulations and the Quest Operating Rules provide requirements and coverage for Adjustments specifically related to system errors. Adjustments made by the Contractor must cause funds to be moved either to or from the Cardholder's EBT Account, and must not adversely impact daily Settlement.

The Contractor must communicate Cash and SNAP debit and credit Adjustments and Adjustment information including initiation, updates and disposition of the Claim in an automated manner. The CSA will work with the Contractor to define this process. The responsible state agency must have online inquiry access to the Adjustment processing system that is utilized by the Contractor to establish and manage the outstanding Adjustment. This system will be utilized by the CSA to monitor the status of Claims, and must include, but not be limited to, the following data elements:

- A. Claim reference number;
- B. Card number;
- C. Cardholder's first name;
- D. Cardholder's last name;
- E. Retailer/Acquirer name;
- F. Card acceptor ID;
- G. FNS authorization number for SNAP Claims;
- H. Date the Claim was received by the Contractor;
- I. Reason for Claim;
- J. Status of the Claim open/closed;
- K. Disposition of the Claim approved/denied;
- L. Initial dollar amount of the Claim;
- M. Adjustment transaction type;
- N. Adjustment amount actually credited to or debited from the Cardholder;
- O. Program Type - Cash/SNAP;
- P. Who initiated the Claim – Retailer, TPP, Cardholder, State or Contractor;
- Q. Date Claim resolved by Contractor;
- R. The CSA reserves the right to request all documentation associated with denied Adjustment Claims for either Program Type;
- S. The CSA reserves the right to work with the Cardholder and Retailer/Acquirers to resolve human error Adjustment issues. The Contractor must assist the CSA in resolving human error Adjustment issues;
- T. The Contractor may be required to provide Retailer notices for certain Adjustment actions and for research purposes. The CSA must approve

the base language and requirements spelled out in a letter from the Contractor to a Retailer as the result of an Adjustment action.

4.2.1.3.9.4 Store and Forward

At its option, a Retailer may electronically store, and forward at a future time, a SNAP transaction, provided the Retailer's equipment is capable of storing a Cardholder's encrypted PIN. SNAP Store and Forward transactions are processed at the Retailer's risk. If funds are unavailable at the time the transaction is forwarded, and the Store and Forward transaction is properly identified as such, the Contractor must process the transaction and return the available balance, if any, according to the single transaction method described in the X9.58-2013 standard or most current version. The policy of the NCS for Store and Forward transactions is that the Retailer may not resubmit the amount for payment at any time. The Contractor system must prevent the use of Store and Forward as a way of accessing the Cardholder's future benefits.

4.2.1.3.10 SNAP and Cash Key-entered Transactions

The Contractor must accept and process EBT transactions where the card number (PAN) has been manually entered (key-entered) into the POS device. Transactions may be key-entered at times when a card presented by a Cardholder is damaged and/or the POS device is unable to accurately read the magnetic stripe. The validation of the Cardholder's PIN is still required on key-entered transactions. If a PIN Pad is defective or for other reasons a PIN does not accompany the transaction to the EBT host for processing, the Contractor must deny the transaction.

The Contractor must adopt other security measures to prevent Cardholder and Retailer abuse/misuse of the key-entry feature. At a minimum, the Contractor must:

- A. Ensure that the PAN printed on the transaction receipt is truncated;
- B. Be able to selectively disable or deny the capability of an EBT-only POS device from completing key-entered transactions at the CSA's or Retailer's option;
- C. Track key-entered transactions by card number and by Retailer site and utilize this information to identify and correct non-functioning EBT only POS terminals. The Contractor must also provide this information to the CSA. (See EBT Reporting Requirements Appendix Q).

4.2.1.3.11 Online Purchasing/Internet Shopping

New York State is currently participating in an FNS pilot to test and evaluate the acceptance of SNAP and Cash EBT benefits to pay for online food purchases. Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont are

currently implementing, applying for, or plan to apply for the pilot. For any participating States, the Contractor shall continue operation of this pilot immediately upon Conversion as part of its core pricing. Based on the results of this pilot, FNS will determine whether or not online purchasing with SNAP benefits must be made available nationwide. In the event the pilot concludes during the term of the Contract and online purchasing/internet shopping becomes an accepted method for EBT transaction processing, the functionality for online purchasing/internet shopping must be supported for all NCS States as part of core pricing at no additional cost.

All NCS states wish to position themselves to comply with such a mandate and allow the online Retailers authorized by FNS to accept SNAP and Cash EBT benefits from their State EBT Cardholders. The Contractor shall build operational online purchasing capability into each State's system, as part of its core pricing, and activate it immediately upon Conversion or at such later time as sanctioned by FNS.

To support this pilot the Contractor shall:

- A. Program the EBT System to recognize, accept and permanently store codes and data elements related to online transactions (as specified in X9.58-2013) or most current version, including delivery street address and ZIP code
- B. Accept online SNAP and Cash EBT transactions only through FNS-approved secure online PIN-entry service providers; reject all online transaction requests coming from any other TPPs
- C. Accept Cash refunds for online Retailers and include Cash refunds with other transaction types where appropriate for existing screens, reports and files
- D. Identify online transactions using a new card entry method code (I or Internet) on all screens, reports and files that would normally indicate the transaction was swiped or keyed
- E. Enable a process that allows online Retailers, and only online Retailers, to submit SNAP and Cash EBT refunds that do not contain a PIN value. (The Cardholder is not usually present to enter a PIN or current card number for online refunds. Instead, the online Retailer refers to the specific purchase transaction being refunded. There may be instances where the FNS and/or card numbers were valid at the time of purchase but are no longer valid at the time of the refund.)
- F. Examine each incoming transaction to determine if it is coded as an online transaction and take appropriate actions as follows:
 1. Compare all SNAP and Cash EBT online transactions to the REDE file to validate that the Retailer's FNS number is classified as an Internet Retailer (IR) store type; if not then deny the transaction.

2. For all online purchases and balance inquiries, validate that the IR Retailer is currently active in REDE.
 3. For all online refunds, validate that the IR Retailer is currently active or was previously active at the time of the original purchase.
 4. Validate that Retailers classified as IR only perform authorized online transactions (no voucher, cash back, cash withdrawal, Store and Forward or in-store/wireless POS).
 5. Deny PINless transactions from Retailers not classified as IR
- G. For online refund transactions from Retailers classified as IR:
1. Validate card number against the original purchase transaction (or the case's card history)
 2. Ignore State-designed refund amount limits. (There may be times, e.g., when the client cancels a large order, that a large refund would be warranted. The FNS-approved secure PIN-entry service provider has procedures in place to deny any refund request that exceeds the original purchase amount before it is even transmitted to the Contractor. This process provides better controls and is, therefore, an acceptable replacement for the State-imposed refund limit. The Contractor may still apply its maximum system limits for refunds)
 3. Establish a maximum time limit of 90 days for online refunds; deny refunds that exceed that time limit.
- H. Include all required data elements for online SNAP transactions in the ALERT file transmitted to FNS, utilizing version 2.00 of the ALERT specification.
- I. Provide the standard daily and monthly online transaction summary totals report that was required to be developed for the pilot
- J. Provide the standard daily and monthly online transaction detail file in CSV format that was required to be developed for the pilot
- K. Make these standard reports and files available to FNS upon request
- L. Display delivery street address and ZIP code on transaction detail screens
- M. Include delivery street address and ZIP code in the daily activity file
- N. Comply with any additional FNS requirements resulting from the pilot and/or decision to implement online purchasing nationwide
- O. Any additional State-specific requirements

4.2.1.3.12 Summer EBT for Children (SEBTC) SNAP Model

As of the writing of this RFP, Connecticut is the only state to have operated a Summer EBT for Children (SEBTC) program, using the SNAP model. SEBTC provides benefits to eligible households during the summer months. SEBTC is an Optional Service, and may be required by the CSA at any time during the Contract Period. The offeror should describe in their Proposal how the issuance and reporting of SEBTC benefits could be accomplished. Offerors shall not include pricing for SEBTC in their offer as the CSAs will, if desired, request via the change order process. See State Appendices for state specific details.

4.2.1.4 Hot Backup Site

The Contractor must provide a Hot Backup, or secondary, site. A Hot Backup site is defined as a real-time, off-site, duplicate of a primary processing system. The backup site must maintain real-time transaction and account information. Moreover, it must be equipped with hardware and software identical to the primary site for processing, logging, and reporting transactions. The Contractor may also employ virtualization technology. The backup site must also provide similar telecommunication capacity available at its primary processing site so that satisfactory transaction volumes and TPP/direct Retailer connections can be realized. Special consideration should be given to accommodating TPP, secondary telecommunication lines. In some cases, TPPs may choose to install backup telecommunication links between their systems and the Processor's Hot Backup site. The Contractor must plan for allowing alternative, in some cases redundant, telecommunication links to connect to its Hot Backup site. Communications between the State hot site and the EBT Contractor's EBT Systems and the EBT Contractor's back-up site shall be tested annually or as designated by the CSA.

4.2.1.5 Single Points of Failure Mitigation

In the Technical Proposal, describe all potential single points of failure for the proposed EBT System.

Points of failure are defined as a designed module that is not redundantly supported and/or its failure could cause the following conditions:

- A. Unavailability of the authorization platform to perform its function for any reason including loss of access to databases that support it;
- B. Loss of telecommunication connectivity from Third Party Processors or EBT-only stores that prevents on-line and help desk authorizations;
- C. Significant abnormal degradation of Services for benefit Cardholders, Retailers, state users, or Customer Service Representatives;
- D. Prevention of computer communications between the states and the Contractor;
- E. Prevention of computer communications to Federal systems including the STARS system, the ALERT system, the REDE system, the AMA system, and federal access to Administrative Functionality;
- F. Prevention of payments to Retailers, TPPs, or Network Switches;
- G. Prevention of card or PIN issuance;

- H. Describe mitigation and business continuity plans to overcome potential system obstacles. The Contractor must provide the described mitigation and business continuity plans for the life of the contract regardless of changes made to the Contractor's design.

4.2.1.6 System Operations Manual

The Contractor must work in conjunction with State personnel to prepare a System Operations Manual that will describe interface procedures and processes, file transfers, and problem resolution/escalation plans with each State. This manual must include descriptions of the major processing components of the Contractor's system and the State's system; daily and monthly processing schedules, with job/file names and processing order/times; recovery and escalation procedures; a contact list of key Contractor and State personnel; a table of contents, a glossary of terms and acronyms, and an index. The Contractor must submit a draft no later than 210 calendar days after each State's Contract start date and the final System Operations manual no later than 60 calendar days after each State's successful Conversion. The System Operations manual must be reviewed and updated quarterly throughout the life of the contract.

4.2.2 Host and Transaction Processing, Communications Facilities, and Hot Backup - Optional Requirements

4.2.2.1 Contractor Managed Adjustment Process

In addition to the core Adjustment requirements, the Contractor is responsible for all aspects of Adjustments including Cardholder notices, telephone inquiries and system updates. Under this optional item, the only portion of the Adjustment process that will be state administered is the fair hearing management process including responding to a request for a fair hearing.

At State option, and in accordance with USDA CFR 274.2(g)(2) and Quest Rules, Chapter 5, the Contractor must provide Cardholder notice services for certain Adjustment actions. The Contractor must issue a notice to the Cardholder for Retailer initiated requests to debit the Cardholder's account and must issue a notice to the Cardholder for any Cardholder-initiated Claims that are denied. The State will provide a template for these notices that will include appropriate language text. Data elements to be inserted in the notice include, but are not limited to: transaction amount; merchant name and address; and transaction date. The Contractor must print, fold, insert, and mail notices on a daily schedule. At State option, returned/undelivered notices will require to be returned to a State designated office for processing to the correct Cardholder address.

4.2.2.2 Card Authentication Value Validation

The EBT System must determine whether the Card Authentication Value (CAV) is valid, if validation is required by the CSA. (See State Appendices).

4.2.2.3 ATM Balance Inquiries

At State option, the Contractor must provide ATM balance inquiries at no additional cost to the state's Cardholders. The Contractor must propose a per Transaction Fee in the pricing charts. States may wish to limit the number of ATM balance inquiries.

4.2.2.4 ATM Usage Transaction Fees

The EBT System must provide Cardholders with a State-specific number of successful Cash ATM withdrawal transactions per month per case without assessment of ATM usage Transaction Fees by the Contractor to the Cardholder. Balance inquiry transactions, as well as transactions that are denied, reversed, voided or adjusted either partially or completely, do not count as one of the ATM usage Transaction Fee free ATM Cash withdrawal transactions. Any ATM usage Transaction Fee accompanying reversed, voided or adjusted transactions must be credited back to the Cardholder account. Surcharged ATM Cash transactions may not incur usage Transaction Fees (interchange and Switch fees) that will be billable to the State or to the Cardholder. Once the Cardholder has performed the allowed number of ATM usage Transaction Fee-free Cash withdrawal transactions, the Cardholder is responsible for any additional ATM usage fees associated with Cash withdrawals as charged by the Contractor. The number of free ATM usage transactions is based on a calendar month and is not affected by the status of the account, nor whether the benefits were posted/deposited to the account during the month. The current Cardholder ATM usage fee for an ATM Cash withdrawal transaction after the allowed number of usage Transaction Fee free transactions is forty five cents (\$.45). **Cardholder Transaction Fees may not exceed fifty cents (\$0.50).**

4.2.2.5 Restrictive Interchange Transaction Processing

P.L. 112-96 requires states, by February 22, 2014, to implement and maintain policies and practices to prevent access to federal Temporary Assistance to Needy Families (TANF) benefits through any electronic benefit transfer transactions at casinos, liquor stores and retail establishments which provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state. Additionally, some states in the NCS has enacted laws and/or regulations expanding the types of prohibited locations/Retailers. The NCS will work with the Contractor to define procedures and processes to identify, monitor and maintain a current list of prohibited locations. Specific control methods and/or system enhancements may include, but not be limited to:

- A. Identifying locations where EBT transactions are prohibited;
- B. Blocking ATM transactions at specified locations; and
- C. Blocking EBT Cash purchase transactions at specified locations.

At a minimum, the Offeror's response should describe its capacity to meet the requirements of P.L. 112-96.

Offerors are encouraged to recommend new and innovative technologies that will provide a solution that meets the needs of the NCS when formulating a response.

4.2.2.6 EBT Portability

The NCS desires that the Offeror's EBT System is, at State option, capable of capturing, storing and displaying the global positioning system (GPS) location to allow an individual POS device to be used at more than one location. The Offeror should describe whether they have the ability to provide this service in their Proposal. This service is desired, not mandated.

4.2.3 Host and Transaction Processing, Communications Facilities, and Hot Backup – Performance Standards

[Offerors are not required to provide a response to this section 4.2.3 in their Technical Proposal]

Refer to Section 12, Performance Standards.

4.3 Account Set-up, Account Maintenance and Benefit Authorization – Core Requirements

The account set-up and account maintenance functions require generation of an account set-up record, by the State, for the EBT System. Each State performs these functions based upon activity occurring within their eligibility systems and/or card issuance systems. The State transmits data that enables the Contractor to establish an EBT Account and associated Cardholder record(s) according to the rules of each State. The EBT Account is defined as the record kept and maintained by the EBT Contractor for each Program Type (for example, Cash, SNAP) that the Cardholder receives.

The benefit authorization function requires generation and transmission of benefit authorization records, by the State, to the EBT System. Currently, States use file transfer, online entry, host to host, client to host or a combination of data transfer methods for account set-up, account maintenance and benefit authorization. Please see the State Appendices for current state processes.

Account and benefit processing occurs within 24-hour business and Settlement processing cycles as described in the Settlement Schedule of this RFP. In their Technical Proposals, Offerors are required, in the subsections 4.3.1 through 4.3.1.10.2 below, to describe how they

will track and update account set-up, account maintenance and benefit authorization activity as it relates to these processing cycles, with specific detail on how they will address suspense activity (that is activity that occurs between the end of the Settlement and Business Day cycles, if they are different).

During the Contract Period, the EBT Contractor shall be required to accommodate changes in interface requirements resulting from modifications to the EBT Programs' certification/eligibility systems.

The Contractor must design and implement the EBT Account to ensure that:

- A. Account and benefit balances are accurately maintained;
- B. Benefits accessed by Cardholders are drawn from the correct account;
- C. SNAP and Cash benefits are drawn on a First In First Out basis, based on available date and the individual NCS member's Primary Program Designation hierarchy (see State Appendices);
- D. Benefits within the account are drawn from the correct program and Benefit Type;
- E. Benefit accounts are not overdrawn at the account level or the individual benefit issuance level;
- F. Access may be limited by the State to either the Cash and/or SNAP Account(s);
- G. Billable Case month units are properly accumulated and accounted for.

The Contractor is liable for any of the following error conditions caused by the Contractors' EBT host and transaction processing errors caused by the Contractors' or Subcontractors' acquiring Networks:

- 1. Funds drawn from an incorrect account;
- 2. Overdraws of benefit accounts;
- 3. Incorrect debits and credits, including Adjustments and Reversals;
- 4. Failure to apply requested benefit cancellations; and
- 5. Incorrect postings of benefits to Cardholder EBT Accounts.

4.3.1 Account Set-up, Account Maintenance and Benefit Authorization

4.3.1.1 EBT Account Number Assignment

States may use a unique account identifier provided by the eligibility systems to establish accounts and authorize benefits on the EBT System. The Contractor must support the unique account identifier as defined by the State in the detail design phase.

4.3.1.2 Use of Existing File Formats

Each State has defined formats established with the current EBT Processor for the exchange of Case/Cardholder Maintenance (demographic data) records, Benefit Issuance records, and inbound batch files from the Contractor (such as response files and daily account activity files). The current record descriptions are detailed within the State Appendices. The new EBT Contractor must utilize the existing record formats as defined by each State for the exchange of this data, except as specified by the State. The intent of the States is to maintain the current interface file design and specifications to the greatest extent possible.

4.3.1.3 File and Record Transmissions

Describe the methods by which the EBT System will receive and update account set-up, account maintenance and benefit authorization activity on the host databases.

4.3.1.4 Batch Processing

To support batch processing (for account set-up, benefit authorization, etc.), the state and the Contractor must agree to specific time frames during which daily batch files will be transmitted and received. The Contractor must be able to accept and process transmissions from the State 24 hours per day, seven days per week. Within one hour of receipt of a file, the Contractor must promptly either confirm receipt of a complete and successfully transmitted file or contact the State and request the file be retransmitted. The Contractor must confirm receipt of subsequent transmission(s) within 30 minutes of receipt until successful transmission/receipt has been completed. For Account Set-up and Benefit Authorization records sent in batch mode, the Contractor must process the records, perform all edits, set-up and benefit posting processes, and make benefits available by times required in the Performance Standards, Section 12 of this RFP.

The State may send batch files to the Contractor for both daily and monthly updates to Cardholder accounts. The number of files transmitted daily and monthly may increase with the addition of program benefits and Services. The current file types and frequency of files for each State is located in the State Appendices.

The Contractor must support the full range of functionality required by the State, including, but not limited to the following:

- A. EBT Account Set-up;
- B. EBT Account Maintenance;
- C. Benefit Authorization;
- D. Benefit Cancellation;
- E. Card Status Change;

- F. Card Issuance and Replacement;
- G. Collection of Card Fees;
- H. Repayment Functionality;
- I. Account Adjustment Processing;
- J. Account Status Change.

4.3.1.5 Real-time

The State may also transmit account set-up and maintenance records (including at a minimum, benefit, demographic updates and card updates) and request account balance inquires via an on-line host-to-host or client-to-host link, using a transfer protocol of its choosing. Where required by the State on an ongoing basis, the Contractor must receive and process such records 24 hours per day, seven days per week. The Contractor must process the records, perform all edits, complete all set-up and maintenance processes, and reflect changes by times required in the Performance Standards Section 12 of this RFP.

Real-time on-line host-to-host or client-to-host transmission of account set-up and maintenance information may also be required in disaster circumstances. See also the **Disaster Preparation and Contingency Planning** Section #7 in this RFP.

4.3.1.6 Authorized Representatives and Authorized Payees

EBT Primary Cardholders are permitted to have Authorized Representatives or authorized payees as Secondary Cardholders. Access may be limited by the State to either the Cash and/or SNAP Account(s). The number of Authorized Representatives or Authorized Payees are outlined in the State Appendices.

4.3.1.7 Benefit Authorization and Cancellation

To authorize benefits, the State will generate benefit authorization records, containing, at a minimum, a unique benefit authorization number, Benefit Type, benefit amount and availability date information. Currently, some States also include an action (add/cancel) code. The Contractor must receive and process these benefit authorization and cancellation records transmitted by the State. The Contractor is required to accurately apply such authorizations or cancellations to the EBT database and post/deposit benefits to Cardholder accounts according to the State's instructions.

The Contractor must ensure that summary-level federal SNAP benefit authorizations and cancellations are correctly posted to the Account Management Agent (AMA) System.

File descriptions for benefit authorization are provided in the State Appendices.

Describe in the Technical Proposal the methods by which the EBT System will receive and update benefit authorization and cancellation records with current and future availability dates to the host database. Describe all conditions that will cause a benefit authorization and/or cancellation to be rejected or fail to post in the host database, and how the State will be notified that such rejection/failure has occurred.

4.3.1.8 Benefit Availability

Benefits are not considered available unless they have 1) been posted to the Contractor's host database and 2) reached or exceeded their availability date. The Contractor must make benefits available to Cardholders on a schedule as determined by the state. Current benefit availability schedules are included in the State Appendices.

4.3.1.9 Benefit Cancellations

The Contractor must support the ability to cancel, as directed by the State, all or part of any Cash benefit with a remaining balance.

With the exception of benefits posted to fraud investigator accounts, SNAP benefits may only be cancelled if they have not yet been made available to the client by meeting both of the conditions defined in the **Benefit Availability** RFP section 4.3.1.8.

Rules for Cash benefit cancellation will be defined by the CSA during the detail design phase.

4.3.1.10 Benefit Aging and Expungement

On a schedule no less frequent than monthly, the Contractor must provide this detailed report and/or extract file to each CSA of Cardholders who have not accessed their benefits (that is, completed a successful Cardholder transaction that reduces or places a Manual Voucher Hold on all or part of the SNAP benefit balance) that fall into defined aging periods and Expungement timeframes as specified by each CSA during detail design. Such timeframes must be parameter settings that can be readily modified as experience dictates. If required by the CSA, the report may require additional time periods and may be broken out by caseworker using State supplied criteria. A summary page that lists totals as defined by the States must be included with the file/report. Current benefit aging and Expungement rules are included in the State Appendices.

Describe the processes for aging, and expunging including date, amounts, frequency, timing and reporting.

The Contractor must be able to support benefit aging at the benefit level as defined by the CSA.

The Contractor must be able to support aging based on the last-used time stamp, on the benefit available date, or both.

The Contractor must support accurate Conversion of aging/Expungement data such that the original Expungement dates are retained and Expungements of benefits occur on time.

4.3.1.10.1 SNAP Benefits

The Contractor's aging and Expungement process for SNAP must be in compliance with Federal SNAP Regulations at 7 CFR 274.2(h) Stale Account Handling. The CSA core requirement for SNAP benefit level Expungement is required at 365 days, or as required by FNS. The Contractor must track aging at both the account and benefit level. Each SNAP benefit begins aging at the time it becomes available to the client in the account (by meeting both of the conditions defined in Benefit Availability RFP section 4.3.1.8. Subsequently, each time that the client completes an approved SNAP debit transaction, the account aging clock is reset to start anew, even if one or more benefits have been expunged.

No benefits may be expunged until the account aging clock has reached 365 calendar days. Once the account has reached Expungement age, only those benefits that have been available to the client for 365 or more calendar days shall be expunged. If one or more subsequent benefit authorizations for the same client account have been available to the client for less than 365 calendar days, they must remain online until each has reached its full Expungement age.

4.3.1.10.2 Cash Benefits

The Contractor's aging process for Cash benefits must conform to requirements as defined by the CSA (see State Appendices).

4.3.1.11 Additional Program Benefits

[Offerors are not required to provide a response to this section 4.3.1.11 in their Technical Proposal]

The Contractor must support the CSA in pursuit of additional State and Federal program benefits to be posted into new or existing SNAP or Cash Accounts.

The Offeror's proposed Cost-Per-Case-Month (CPCM) pricing for Core Services must apply to any future SNAP or Cash Cases added as a result of additional program benefits. Any additional program benefits posted to existing SNAP or Cash Cases will not be subject to an additional CPCM.

The Offeror's proposed pricing for Optional or State Specific Services must apply to the extent that the CSA elects the Optional or in support of additional State or Federal program benefits.

The Contractor must agree to negotiate in good faith all design and development costs for implementing the receipt, posting, Reconciliation, and reporting of additional State and Federal program benefits, based on the proposed change order request rates in Appendix P, Change Request Rates of the RFP. Additional Program descriptions may be contained and described in each individual State Appendix.

4.3.2 Account Set-up, Account Maintenance and Benefit Authorization

4.3.2.1 Batch Processing - Acknowledgement

The Contractor must provide a standard set of batch processing response files or reports to be used by the Contractor and the State to ensure the complete and accurate transfer of data during nightly batch processing. The response must include an acknowledgement summary for each file transmitted that provides a confirmation for the acceptance of the batch file(s). The summary must contain surface verification data, including the total number of records received in the batch; the total number of add records, the total number of cancel records, the total amount sent and other data intended to confirm the validity of the totals for each batch file prior to the posting of the detailed data to the Contractor database. This response must be available within 30 minutes of receipt of each batch file.

4.3.2.2 Batch Exception Reporting

Subsequent to the posting of files to the database, the Contractor must provide a batch exception file for all batch files received from the State. Batch exception files will contain a listing of all records received within a batch, which were not processed by the Contractor. Each record included on the exception file will have a corresponding reason code indicating the cause of the rejection and any warnings or messages. In particular, duplicate case exceptions must be clearly identified. This report may be consolidated with the information in the Batch Processing Report described above if receipt of batch files and posting of those files occur simultaneously. A Batch Exception file must be received for each file sent by the state to the Contractor. The exception report must be transmitted to the State within 30 minutes of completion of the processing of each batch.

4.3.2.3 Benefit Posting Detail

The Contractor must provide reporting on all benefit batch files authorized via state interface and posted to Cardholder accounts. The report must include, at a minimum, the total number of records received in the batch; the total number of add records, the total number of cancel records, the total amount sent; the total amount posted; and the availability date. It must report any pending benefits (those which are posted but not available). Depending upon State requirements, the report must contain all the detail records received in the batch which were properly processed by the Contractor at the time of transmission.

Include a summary of the processing of the transmission (the number of records accepted and the number of records rejected as identified in **Batch Exception Reporting** above).

This report may be consolidated with the information in the reports described in Batch Processing - Acknowledgment and Batch Exception Reporting above if the processing occurs simultaneously.

The posting report must be transmitted to the State within 30 minutes of the completion of the processing of each batch.

4.3.2.4 Retailer Manual Authorization

The Contractor must provide a daily detail report of all voice (manual) authorizations of SNAP transactions performed by Retailers. The report must contain, at a minimum, the Retailer name and FNS number, the transaction amount and type, the date and time, the Cardholder performing the transactions, and whether the Retailer is a traditional or non-traditional (EBT-only) Retailer.

4.3.3 Account Setup, Account Maintenance and Benefit Authorization – Performance Standards [Offerors are not required to provide a response to this section 4.3.3 in their Technical Proposal]

Refer to Section 12 Performance Standards.

4.4 Cards and PIN's – Core Requirements

4.4.1 Cards and PIN's

This section discusses core requirements specific to the plastic financial transaction cards and associated Personal Identification Numbers (PINs).

4.4.1.1 Functionality

All cards and PINs already issued by the NCS, or issued in the future by the NCS, will be operable with the Contractor's EBT System. The EBT System must provide online, real time access to Cardholders' EBT Accounts via benefit access magnetic card swipe, keyed entry or internet/web base entry.

4.4.1.2 Database Support

The Contractor will be required to maintain a centralized card database on behalf of each CSA. The Contractor will provide a mechanism to purge card records per State specifications. The Contractor will retain an offline card archive of all card records purged for the life of the contract.

4.4.1.3 Multiple Cards per Individual Account

Individuals may have more than one active card that can access their account at any time. Refer to the State Appendices for more detailed rules. There are several examples of situations requiring multiple active cards for an account. These include:

- A. Individuals with an Authorized Representative who occasionally shops for the EBT Cardholder;
- B. Individuals whose card access may be limited by the State to either the Cash and/or SNAP Account(s).

4.4.1.4 Magnetic Stripe Track 2 Format

[Offerors are not required to provide a response to this section 4.4.1.4 in their Technical Proposal]

All EBT cards must conform to ANSI/ISO standards 7810, 7811, 7812 and 7813. It is anticipated that the Contractor will issue high-coercivity magnetic stripe cards unless otherwise specified.

Track 2 of the EBT benefit card(s) must be encoded in accordance with ISO 7813. The maximum character count in Track 2 will not exceed 40 characters, including all control characters. The layout of the Track 2 for the current EBT card is as follows:

Field No.	Field Name	Min. Length	Max. Length
1	Start Sentinel	1	1
2	Primary Account Number	16	19
3	Field Separator	1	1
4	Expiration Date	4	4
5	Service Code	3	3
6	Card Authentication Value	3	3
7	End Sentinel	1	1
8	Longitudinal Redundancy Check	1	1

NCS cards currently have a non-expiring expiration date of "4912" encoded on Track 2. The expiration date does not imply eligibility or ineligibility for benefits and must not be embossed or printed on the face of the card. The Service Code field is encoded with a value of "120." Cards issued currently have a Card Authentication Value (CAV) encoded. The encryption keys utilized by the current contractor must be transferred to the *new* contractor. The Contractor must continue to encode the CAV field on Track 2 with a cryptographic value to allow for the validation of the Track 2 data contents.

4.4.1.5 Card Deactivation

Cardholders are required to call the EBT Customer Service Help Desk to report a lost, stolen or non-functioning/damaged card. The Contractor must deactivate the card immediately. To complete these transactions the Contractors' customer service help desk must have tools which use demographic data on their system which will allow them to identify a caller who does not have (or know) his/her card number. Card deactivation will also be accepted as a command sent from the State. Deactivation may be indicated in the command either/or as a code specific to the purpose or via "void date" which indicates the date on which the card became unusable.

The Contractor shall implement security measures to prevent card deactivation by the Interactive Voice Response Unit (IVR)/Automated Response Unit (ARU) and the EBT Customer Service Help Desk for an individual case upon the CSA's and/or the Cardholder's request. Security measures may include, but not be limited to applying a block to card deactivation or requiring a password, a security code or response to security questions. The Contractor is encouraged to propose additional options to ensure the security of the IVR/ARU or Customer Service card deactivation process.

4.4.1.6 Card Number/Bank Identification Number (BIN) or Issuer Identification Number (IIN)

Each State already has its own BIN, as specified in the individual State Appendices. The Contractor must offer the option to issue EBT cards containing a 16 to 19 digit PAN that utilize the State's current BIN. For those States wherein the Contractor calculates the PAN, Contractor will be responsible for ensuring that new PANs must not interfere with or duplicate the existing card base being utilized by any individual NCS. In these cases, Contractor will be liable for PAN errors resulting in erroneous access to benefits. Describe the process by which the Contractor will generate the PANs for new EBT cards being issued.

4.4.1.7 Personal Identification Number

The PIN is made up of four numeric characters. The PIN is selected by or assigned to the Cardholder. In the NCS, the PIN verification must be conducted at the EBT

host and a PIN offset may not be encoded on the stripe. The PIN must be stored encrypted and must not be stored in the clear.

4.4.1.8 Cardholder Selection and Assignment of PINs

This section describes the various methods of issuing/selecting a Personal Identification Number (PIN). The Contractor must have the capabilities to support all the methods defined in this section and may propose additional methods of issuing/selecting PINs.

When a Cardholder requests a new EBT card, individual states may require any of the following actions be taken by the EBT Contractor. The Contractor must be prepared to support any or all of these actions based on State requirements (see State Appendices):

- A. Automatic transfer of the existing PIN to the other cards;
- B. Automatic assignment of a new PIN to the new card, possibly accompanied by the automatic mailing of that PIN to the Cardholder;
- C. Leaving the new card un-PIN'ed until Cardholder selection of PIN or State assignment or request of a new PIN;
- D. Issuance/selection of a PIN before any card has been issued to a Cardholder;
- E. Issuance/selection of a PIN regardless of the card status;
- F. Separate business rules for PINs assigned to Authorized Representatives and their cards and PINs assigned to Recipients and their cards may apply;
- G. In the mailed PIN process a mechanism for either assigning a new PIN or retaining the old PIN of an existing account holder must be supported by the Contractor.
- H. A secure automated process that requires only one call by the Cardholder to select a PIN via IVR/ARU.

4.4.1.9 Invalid PIN Attempts

The Contractor's host system must deny SNAP and Cash transactions if the PIN is incorrectly entered after four consecutive invalid PIN attempts in a single day. Cardholders card(s) must be temporarily blocked until 12:01 a.m. of the following day. SNAP Manual Vouchers must also be denied when calling for authorization if the account is blocked for invalid PIN attempts.

Propose mechanisms for unblocking the PIN which include automated processes requiring no State or worker input as well as manual processes which do require State or worker input.

4.4.1.10 PIN Audit Trail

The Contractor must support a PIN audit trail available via the EBT administrative system. This system must provide a complete trail of the date/time and mechanism of each PIN selected by or for each Cardholder and or each Authorized Representative. PINs will NOT be displayed via this mechanism, however each assignment or selection of PINs must be perpetually tracked and available for fraud and abuse research purposes. Information must be displayed by time sequence. Information tracked and displayed must include:

- A. Date, Time of PIN assignment/selection activity;
- B. Mechanism used (i.e. IVR/ARU, PIN selection device, mailing of existing PIN or mailing of changed PIN, client web portal, mobile app or any other mechanism used in each State);
- C. User ID and Device ID if PIN selected by PIN Selection device;
- D. Card number entered if PIN selected by PIN Selection device using a card;
- E. If mailed PIN indicate if re-mailing of existing PIN or new PIN assignment;
- F. If IVR/ARU PIN, the phone number of source, and card number;
- G. If client portal or mobile app, the IP address/source, and card number
- H. The Contractor shall provide security measures to prevent card pinning by IVR/ARU, client portal, and mobile app for an individual case upon request by the CSA and/or Cardholder. Security measures may include, but not be limited to; applying a block to the IVR/AUR, client portal and mobile app PIN select process, requiring a password, or, requiring a security code of response to security questions.
- I. The Contractor is encouraged to propose in their response, and at any time during the term of the contract, any additional options to ensure the security of the IVR, client portal and mobile app PIN select process.

4.4.1.11 Card Sponsorship in the Network

The Contractor must sponsor and hold liability for EBT cards in the Networks whether those cards are produced by the Contractor as an Optional Service, or produced by a third party under contract to the CSA. The Contractor may be eligible for reimbursement for card liability to the Networks only when cards are produced by a third party on behalf of the CSA.

4.5 Cards and PINs - Optional Requirements

4.5.1 Card Issuance Services

At State option, Card Issuance Services may be required as part of this procurement.

The Offeror must provide card pricing for the NCS as part of their bidding. States may choose to purchase card services at the beginning of the Contract Period, or any time thereafter. Using the Card Production Schedules in this RFP, Offerors must include pricing for start-up costs, as well as volume tiered pricing for card production services. Tiered pricing refers to NCS-wide volumes in a given month. Start-up costs will be paid at the time the CSA initiates the option.

Maine, Massachusetts, Rhode Island, Vermont and New Hampshire each currently purchase cards, in full or in part, via the EBT contract. New York and Connecticut currently purchase cards using another mechanism. All States reserve the right to opt in to purchasing cards via the EBT Contract resulting from this procurement at any point in the Contract Term.

Refer to the State Appendices for more detailed descriptions of the State's current access cards.

4.5.2 Conversion to New EBT Card Stock

At State option, the Contractor may be required to mass issue EBT cards to replace those currently used by the NCS. Issuance of new EBT cards must be completed no later than six months after Conversion to the new EBT System or six months after the start date of any massive card issuance activity.

4.5.3 Card Issuance Processes

Specific States may select a mix of any of the following mechanisms for card issuance. In addition, each of the following may include a requirement for an interface to State systems for acquiring or verifying card production data. At State option, the Contractor may be required to issue EBT cards when indicated by the respective flag within each Case/Cardholder Maintenance Detail record, and/or via an online request, or via a batch request.

4.5.4 Card Mailing and Postage Requirements

All cards mailed directly to the Cardholder must be sent via U.S. Postal System 1st class mail within the Continental United States, in compliance with Federal Regulations at [7 CFR 274.6 \(b\) Providing Replacement EBT cards or PINs](#). Cards mailed in this manner will be pre-sorted by zip code.

The Business Date of the receipt of the data by the Contractor will be considered day zero. Following day zero, the first Business Day will be considered day 1. Day 2 will be the next Business Day following Business Day one, and day 3 will be the next Business Day

following Business Day two. Cards will be measured as delayed mailed on business day 3 or greater. Except for Federal or NCS state holidays, Monday through Friday will be considered Business Days. To comply with the federal regulation, the CSA may require cards be produced and mailed on Saturday.

4.5.4.1 Location of Card Production

In the Technical Proposal, specify location of the selected card production facility. The NCS prefers that the card production facility used by the vendor is within 450 miles of Concord, New Hampshire. Describe in the Proposal the methodologies to mitigate, minimize and resolve unanticipated delays in card delivery.

4.5.5 Blank EBT Card Stock Production

At State option, the Contractor must provide EBT card stock (EBT cards that contain a magnetic stripe but do not contain a pre-assigned number). This stock will be used by the State in the production of their cards. The design of this card stock must have prior approval from the individual State selecting this option. At State option, the Contractor must supply the State with card stock within six weeks of a request for an initial supply. If the CSA requests a replenishment of card stock it must be provided within (2) weeks. At State option, at Contract end or termination, the Contractor must transfer unused card stock to the successor Contractor or to the CSA.

4.5.6 Envelope Customization

At State option, the Contractor may be required to customize two names on mailed card envelopes. The client name along with an "in care-of" name, or the client name along with an Authorized Representative name. Return addresses may be variable depending on unique state requirements.

4.5.7 Overnight Bulk Delivery of Cardholder Customized Card Stock

At the States option the cards produced by the EBT Contractor must be drop shipped overnight to the CSA. All cards must be shipped using an overnight service of the State's choosing. The per-card price will include card customization, card insert and collating envelopes. The drop ship cost will be a pass-through cost to the CSA.

4.5.8 Over-The-Counter (OTC) Cards

At State option, the Contractor may be required to issue EBT cards in an Over-The-Counter environment. Each of the following options may also require cooperation and co-location of State and Contractor staff at the OTC site(s). Each may also require that PIN selection/assignment devices be located at the OTC sites.

In those options below that require the Contractor to provide the Over-The-Counter issuance location, the Contractor is fully responsible for all aspects of site provision, including, but not limited to:

- A. Equipping the site(s) with all card issuance hardware, software and internal and external Network capabilities needed for communicating with necessary Contractor or State systems.
- B. Completed cards must be issued within one hour, or as specified in state appendices, of receipt of request data.
- C. Contractor staffing.
- D. Offerors must also present solutions that allow for purchase or lease of Card Embossing or Printing Equipment

At State option, the Contractor must supply EBT card embossing or printing equipment and/or equipment maintenance. This can be done in a variety of ways including, but not limited to, in-house or using an outside Contractor. This maintenance must include, but will not be limited to, semi-annual cleaning, repair and replacement of broken or worn-down parts.

At State option, the Contractor will create software to link the EBT card printing and/or embossing equipment to the card production process so that the EBT card production process can be automated to the extent determined by the state requesting this option.

4.5.9 Replacement Card Issuance

In those States where the EBT Contractor also provides cards, calls to the EBT Customer Service Help Desk to report a lost, stolen or non-functioning card will result in both the old card being deactivated immediately and, at the State's option, a new card being mailed in compliance with FNS 274.6(b) and State specific requirements.

4.5.10 Cards Returned Undeliverable

At the State option, cards returned to the EBT Contractor by the Postal Service as undeliverable or from any other source, such as Group Homes, should be assigned a status that identified it as such (thereby inactivating the card in the EBT System immediately). All such returned EBT cards must be returned to a secured environment and destroyed. A daily report, and/or data extract file, provided to the State will provide a detailed listing of each card returned.

Daily destruction of the returned cards is required however the entire process must be available for State audit and monitoring. Therefore, occasional requests from the State may require retention of returned cards for brief periods.

4.5.11 Card Design

The award of the new EBT Contract for EBT Services may require the use of a new benefit access card for EBT. The Contractor may be required to provide each NCS member state with a redesigned EBT card. Each State will provide input to the design process and reserves the right to approve the card design. Each State retains the right to rename the new EBT card at any time. The face of the card must contain graphics as

approved by each NCS member. Other security features, such as a holographic overlay, four-color printing, embedded hologram, or embossing may be required for the card on an individual State basis. Describe in detail the capabilities to design and/or manufacture each NCS benefit access cards and identify any third party or Subcontractor involvement in the process. At a minimum the Proposal should describe the minimum card requirements as described in FNS 274.8(b)(5)(i) (Minimum card requirements). Also review the State Appendices for any individual state specifications.

At State request, all EBT cards may have the Cardholder's name and the Primary Account Number (PAN) either embossed on the face of the card or printed in flat graphics. The toll-free numbers for Cardholder and Retailer Assistance (pending NCS 1-800 Retailer number on back of the card) will be printed on the card. A signature panel may be provided on the back of the card. To promote national recognition and acceptance, cards manufactured under a contract pursuant to this RFP may include the **Quest®** logo.

Card samples must be submitted for each individual NCS approval whenever the card is redesigned or changed in any respect.

4.5.12 Card Types: Vault Cards

At State option, Vault Cards (sequentially numbered EBT cards not pre-assigned to a card holder) may be delivered in bulk to the CSA. Vault Cards will be delivered customized with State specific graphics and with unique numbers, encoded on both the magnetic stripe and on the card face. Each State will link these cards to Cardholders using processes either provided by the Contractor or by the State.

4.5.13 Card Sleeves

In those States in which the EBT Contractor is also the card Contractor the sleeves will be made available along with each card issued at no additional cost.

In those States where the EBT Contractor does not produce the cards, the Contractor may be required to provide card sleeves in bulk to the State. Offerors must provide pricing for these sleeves in their Cost Proposals.

The material used for the card sleeves must be designed to prevent card scratching and composed of High-Grade materials as defined in Appendix J. Card sleeves must be printed containing an abbreviated civil rights statement of nondiscrimination. The exact text to be pre-printed on each sleeve will be provided to the successful Offeror by each NCS State after contract award.

4.5.14 Local District, Group Home, OTCs or Congregate Facility PIN Selection via Hardware Device

The Contractor must offer a secured mechanism to support card PIN selection at Local District offices, Group Home or Congregate Care facilities using a PIN selection

device/system that interfaces with the EBT System in real time. The proposed price must include the telecommunication costs.

The device and system must be capable of supporting the following functionality:

- A. Attach a PIN to a known card or attach a PIN to card not previously known to the EBT System card using a single transaction.
- B. In order to minimize transaction time, it is preferable that Plain Old Telephone Service (POTS) based PIN selection devices will be capable of an extended sign on. Bidders are also encouraged to propose digital phone line capability and networked PIN selection device or software such as Voice over IP (VoIP). VoIP systems employ session control protocols to control the set-up and teardown of calls, which encode speech-allowing transmission over an IP Network as digital audio via an audio stream. In either event anticipated transaction time must be 45 seconds or less and described in the Technical Proposal along with pricing contained in the Proposal. A combination of analog and/or digital POS/PIN devices may be required at the discretion of each NCS State.
- C. PIN selection devices will be available 24/7.
- D. Attach a PIN to a Recipient prior to card issuance. Retain the PIN and attach it to the Cardholder's card when a card is issued.

4.5.15 EBT Mailed PIN

The Contractor must offer an option through batch or on-line request, as defined in the State Appendices, to support the assignment and mailing of PINs to new and existing account holders and/or their Authorized Representative and/or those needing a replacement PIN. PIN mailers for Authorized Representatives must have both the client and Authorized Representative name printed on the PIN mailer.

All mailed PINs must be produced and mailed within the continental United States within one Business Day of receipt of request data. If a mailed card and mailed PIN are requested at the same time, the mailing of the PIN shall be delayed to the Business Day following the mailing of the card. The date of the receipt of the data will be considered day zero. The following Business Day is day one.

4.5.16 Cards and PINs - Performance Standards [Offerors are not required to provide a response to this section 4.5.16 in their Technical Proposal]

Refer to Section 12, Performance Standards.

4.6 Non-financial cards

At state option, the Contractor may be required to produce and distribute a non-financial plastic card for use in, for example, a State's Medicaid program. The Contractor may be required to provide each NCS member state with a redesigned card. Each State will provide input to the

design process and reserves the right to approve the card design. Each State retains the right to rename the new card at any time. The face of the card must contain graphics as approved by each NCS member. Other security features, such as a holographic overlay, black print, four-color printing, embedded hologram, or embossing may be required for the card on an individual State basis. Describe in detail the capabilities to design and/or manufacture these cards and identify any third party or Subcontractor involvement in the process. Initial and replacement cards shall be produced and mailed as per the same requirements listed for an EBT card as per Section 4.5.4 Card Mailing and Postage Requirement.

5. EBT Administrative Functionality

The Contractor must provide access to the Cash and SNAP EBT Administrative Functionality as defined by the CSA (see also, Section 8 which provides WIC specific requirements which incorporates certain requirements in this Section 5 by reference). These transactions will be supported online from an EBT Administrative Terminal, a host-to-host configuration, a client to host configuration and offline through batch process. The final configuration will consist of a combination of offline and on-line functionality as defined by the State during design. The final individual State design will be determined during detail design and may include multiple online solutions.

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section item and subpart herein, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

5.1 Administrative Functionality - Core Requirements

For administrative terminal solutions, the Offeror must provide EBT administrative terminal browser-based applications and communication protocols to State offices. The functions must be capable of running on the CSA's existing hardware and Network configurations presently supported by the CSA. The Contractor must work with the CSA to ensure firewall protection on each side.

For all on-line solutions the functionality must include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access Cardholder account information. Explain in the Proposal how online functionality, including access controls will be provided.

Separately, the Contractor must provide Administrative Functionality access to Federal agencies as designated by the State and arrange for such access to be implemented when the State's EBT System is implemented. FNS will require on-line access to the administrative system, and support as required for USDA staff. At a minimum USDA staff will require access in the designated FNS field offices, the NERO regional office, the FNS Compliance office, and the OIG investigative office. The Contractor must also provide FNS communication protocols

necessary to connect staff on the FNS and OIG Networks to the Contractor's administrative system via the Internet or a leased direct connection to the USDA Network. FNS' preferred method is VPN. The Contractor must work with FNS to ensure adequate firewall protection on each side. Describe the planned approach for supporting these requirements in this section.

5.1.1 User Profile/Roles

The Contractor must supply an acceptable user interface method to allow the State agency to administer their EBT administrative system security functionality. This system must allow for the State to control all components of security for the EBT administrative terminal.

The Contractor must provide EBT administrative system access and communication protocols to State and County offices as required by each NCS member. This system must include the ability to set-up at least twenty-five (25) different user profiles/roles and the ability to assign different functions and rights/privileges to each profile/role as designated by the State. Each Admin user may be assigned multiple user profiles/roles. The CSA and the Contractor will be involved in the process for defining the "User Profiles" during detail design. The Contractor must periodically work with the CSA to re-examine user profiles for any changes required by the CSA during the life of the contract.

For instance, an inquiry only profile would only have inquiry capabilities for some or all screens, while a card worker profile would allow the user to have access to all pertinent card information as designated by the CSA's selected rights.

The CSA must have the ability to modify a user profile and that profile's rights at any time without undue delay. No costs will be incurred by the CSA for changing, adding or deleting user profiles.

The system must:

- A. Allow the State to set-up their own individual user accounts. These user accounts would be assigned a login ID by the State agency and also have an encrypted user select password. These user accounts will then be assigned a user profile by the state agency that the account must follow.
- B. Have the functionality to allow State agencies to deactivate, reactivate, add, and delete user IDs.
- C. Have a process in which the system will automatically deactivate inactive user accounts based on State parameters.
- D. Have the capabilities of allowing a State agency the ability to reset user passwords.
- E. Provide the capability of tracking all actions taken by any user that may be subject to audits.
- F. Support the lockout threshold for excessive invalid access attempts on the system.
- G. Support automatic timeout after no more than 15 minutes of user inactivity.

The system must also allow FNS to set up its own individual inquiry only user accounts in a manner similar to that described above, including the functionality to add, delete, deactivate and reactivate IDs, and to assign and reset passwords. FNS must be provided with at least two user profiles, one for security administration and one with inquiry only access to all screens. This may be accomplished by adding the State to an existing centralized FNS security process.

5.1.1.1 ADA Compliance

The Offeror must ensure that information and communication technology, applications, and other deliverables are compliant with the Americans for Disabilities Act (ADA), the Rehabilitation Act of 1973, as amended, State law, and implementing regulations. The Offeror must ensure that information and communication technology, applications, or other applicable products or Services furnished under this Contract shall be accessible to and usable by individuals with disabilities in accordance with the previously mentioned laws. Should any revisions occur to these laws during the term of any Contract that is developed as a result of this RFP, Offeror must ensure conformance with the revised laws. Compliance with the previously mentioned laws includes, but is not limited to, the requirement that the Offeror must ensure, at a minimum, that information and communication technology, applications, and other applicable deliverables conform, and will continue to conform during the term of any contract that is developed as a result of the RFP, to the accessibility standards set forth in the latest published version of the Rehabilitation Act Section 508 Standards. The Section 508 Standards were last revised in 2018 and incorporate the WCAG 2.0 guidelines by reference. Therefore, the Offeror must ensure, at a minimum, that information and communication technology, applications and other applicable deliverables conform, and will continue to conform during the term of any contract that is developed as a result of the RFP, to the W3C Web Content Accessibility Guidelines, version 2.0 ("WCAG 2.0"). As Section 508 Standards are updated, it is required that the Offeror must conform to the updated standards.

Any Network-based information and applications development, or programming delivered to or by the State pursuant to this Contract or procurement, will comply with Section 508 of the Rehabilitation Act of 1973, as amended, and be consistent with New York State Enterprise IT Policy NYS-P08-005, Accessibility of Information Communication Technology, as such policy may be amended, modified or superseded (the "Accessibility Policy"). The Accessibility Policy requires that State Entity Information Communication Technology shall be accessible to persons with disabilities as determined by accessibility compliance testing. Such accessibility compliance testing will be conducted by the Contractor and any report on the results of such testing must be satisfactory to the State.

5.1.2 Security Administrator

The administration of the on-line security system must lie with the State or FNS EBT Administrative Security Officer or designee(s). The Security Officer and designee(s) will

be assigned by each NCS member and will be required to coordinate all duties with the Contractor. The Contractor is responsible for training the State Security Officer and his or her designee(s). FNS will coordinate its own needs, including training if required, directly with the Contractor.

5.1.3 Functionality

Describe the Administrative Functionality in terms of navigation and data presentation. At a minimum, the administrative transaction set must include:

- A. EBT Account Set-up;
- B. EBT Account Maintenance;
- C. Display Running Account Balance before and after each SNAP and Cash transaction on the main transaction history screen;
- D. Benefit Authorization;
- E. Benefit Cancellation/Voids;
- F. Benefit Status Change;
- G. Benefit Authorization Balance
- H. Card Status Change;
- I. Card Issuance and Replacement;
- J. Cardholder Search (by name, Client Identification Number if utilized by state, card number, Case number, SSN, and/or benefit authorization number);
- K. Cardholder Account Information (Cardholder demographics, Benefit data);
- L. Card history.
- M. Client Status Change;
- N. Client Access Profile Change;
- O. Client Portal Messages
- P. Disaster Account set-up for new and existing account holders
- Q. Generating/Removing a Client CSR Password;
- R. Transaction History Inquiry;
- S. Repayment Functionality;
- T. Retrieval of Archived Data;
- U. Adjustment Rule Functionality;
- V. Card Replacement Fee Tracking and Collection;
- W. PIN Status Change;
- X. PIN Unlock Functionality;
- Y. PIN Issuance/Select;
- Z. PIN Restriction;
- AA. Account Access Password Restriction:
- BB. Account Status Change;
- CC. Retailer Search (by FNS authorization number and/or Retailer Name);
- DD. Daily Clearing Report Inquiry; and
- EE. Daily Balancing Report Inquiry.
- FF. Generate Affidavit Functionality.
- GG. Report Availability

5.1.4 Inquiry Functionality

Navigation and data formatting must be easy to use and understand without memorizing a list of action and status codes. NCS prefers ad-hoc inquiry functionality that would utilize all the data elements (individually or combined) identified in the Five-Year On-line History section of the RFP. At a minimum the Contractor should provide access based on, but not limited to, the following:

- A. PAN (card number);
- B. SSN;
- C. Client Identification Number - if one assigned by State;
- D. SNAP Voucher#;
- E. Client Name;
- F. Case ID;
- G. FNS Number;
- H. Contractor-assigned Store Number (if used as a unique identifier in the system);
- I. Benefit Authorization Number;
- J. Cardholder Name (the name search function must be designated to bring back exact matches and closest matches); and
- K. Predefined queries for access data requested on a regular basis.

5.1.5 Update Functionality

Access to update screen functionality is limited to appropriate personnel within each State. States may update the EBT System through a combination of batch files, administrative terminal functionality, host-to-host functionality and/or client-to-host functionality. Each individual State's current process and proposed process are described in each State Appendix. Final determination will be determined by the State during detail design. The final design will most likely include multiple ways of utilizing the functionality of the EBT System, including updates via Administrative Functionality.

5.1.6 Five-Year On-Line History

The NCS requires a consecutive five-year daily on-line history of benefits and transactions through the administrative system for each account. After five years benefit and transaction history data may be maintained off-line by the Contractor for the life of the Contract including contract extensions, or longer if required by FNS or Federal legislation. At a minimum, data within the benefit and transaction history inquiries must include:

- A. PAN (card number);
- B. Contractor-assigned EBT Account number;
- C. Cardholder case identification numbers;
- D. Benefit program identifier;
- E. Retailer identification numbers (both FNS and Acquirer) and Regulation E data for Retailer information;
- F. Regulation E data for Retailer information (including individual store name).
- G. Terminal identification number;

- H. Terminal type (Terminal types must be unique for each function (Point-of-Sale or ATM) and must be consistent to the Administrative screen transaction codes);
- I. Transaction method;
- J. Transaction amount;
- K. Total account balance before and after each transaction;
- L. Value of each incremental debit/credit applied to each individual benefit for the transaction;
- M. Balance remaining in each benefit authorization affected by the transaction;
- N. Manual Voucher information;
- O. Transaction date and time (both at host and at terminal);
- P. Transaction Results (approval code or denial reason);
- Q. Date transaction settled through primary Switch; and
- R. Unique transaction or trace ID.

5.1.7 Card Replacement Fee

Describe the Administrative Functionality to determine if a card replacement is chargeable based on prior card issuance. Rules for making the determination must be parameter driven to allow the CSA to decide how many fee-free cards have been issued before charging a fee and the lapsed time since the previous replacement. Once the determination is made the card fee Administrative Functionality will be made available. The functionality must have an option to waive the fee. Card fees may be debited from SNAP Accounts providing there are sufficient funds to support the transaction at the time the fee is being applied. If SNAP benefits are not available at the time of the fee the next SNAP benefit posting may be used to debit the SNAP Account. Describe the functionality to process this transaction. An option to debit a Cash Account must also be supported that follow the same rules as a SNAP Account deduction. The collection process involves a settling transaction where SNAP funds are drawn from FNS through the ASAP process and credited to a designated CSA Account via an ACH process. The Contractor must also include these transactions in the benefit redemption summary file transmitted to the FNS STARS system. Those states electing to support this functionality will provide any additional details during detail design discussions.

5.1.7.1 Card Fee

The Contractor must provide a daily detail report to identify all transactions to those states that assess card replacement fees to Cardholder accounts by program (Cash or SNAP).

The report data elements must include, but not be limited to, the following:

- A. card owner (client number or Case number);
- B. account number;
- C. account type;
- D. new card number;

- E. account balance prior to transaction;
- F. transaction amount;
- G. transaction date and time;
- H. account balance following transaction; and
- I. user identifier of staff performing the transaction.

Note: Reports should be sorted by client or Case number, with dollar amount totals within profile, if applicable.

5.1.8 Repayment Functionality

All repayments must be processed as non-settling transactions that reduce the value of the outstanding liability, rather than transferring funds. The repayment function must allow for the entry of comment/note to identify the reason for the repayment. At a minimum, the reasons must include SNAP Recipient claim, Cash Recipient claim, investigative account benefit cancellation, and other. The Cash Recipient claim code must not be available for repayments from the SNAP Account.

5.1.8.1 Repayment Reporting

The Contractor must provide a daily detail report to identify all repayment transactions broken out according to each States' requirements.

The report data elements will include, but not be limited to, the following: Case number, card number, transaction date and time, transaction amount, Benefit Type, reason comment/note, and user identifier of staff performing the transaction. Reports should be sorted by card or Case number within user identifier, with subtotals by user identifier.

5.1.9 PIN Restriction and Additional Security Password Functionality

5.1.9.1 PIN Restriction Functionality

The Contractor must provide system Administrative Functionality that will add or remove a flag to a card or account preventing access to the PIN change via the IVR/ARU, Client Portal and Mobile App. If the account(s) are linked to multiple cards, the flag must be set for every active card. If a new card is issued, then the flag must remain in effect without requiring an administrative action/transaction to reset the flag for any subsequent reissued card. The flag must be viewable on the administrative account/card inquiry screen(s).

Once the PIN functionality has been restricted, the caller, Client Portal or Mobile App user, will be provided with an automated message that the PIN selection function has been restricted for the card.

The Customer Service Representative (CSR) EBT Account/card screen must display an indicator to prevent the CSR from assisting or redirecting the caller to the automated PIN selection process. Callers who have no card restrictions will be provided with access to the CSR for continuing the IVR/ARU PIN Selection/Change process as described in this RFP.

The administrative transaction must be restricted to the designated user profile and/or role assigned by the CSA's EBT Administrative Security Officer or designee(s). The CSA must have the ability to modify the user profile and that profile's rights 24/7/365. No costs will be incurred by the CSA for updating, adding or deleting any user profile. This functionality must provide an audit component for tracking and reporting purposes.

5.1.9.2 Additional Security Password Functionality

The Contractor must provide Administrative System Functionality that will allow the adding or removal an additional security password to a card and/or account preventing access to any Cardholder services/information via the IVR/ARU, Client Portal and Mobile App without first entering or disclosing the password. If the account(s) are linked to multiple cards, the password must be set for every active card or EBT account. If a new card is issued, then the password must remain in effect on the EBT account without requiring an administrative action/transaction to re-enter a password for any subsequent reissued card. The password must be viewable on the administrative account/card inquiry screen(s).

The additional security password Administrative Functionality must be restricted to the designated user profile and/or role assigned by the CSA's EBT Administrative Security Officer or designee(s). The CSA must have the ability to modify the user profile and that profile's rights 24/7/365. No costs will be incurred by the CSA for updating, adding or deleting any user profile. This functionality must provide an audit component for tracking and reporting purposes.

5.1.10 Administrative System Manual

The Offeror should provide a sample electronic and paper copy of the Administrative Terminal Manual with their proposal. The manual should include a table of contents, an index, a glossary of terms and acronyms.

A State Specific draft of the Administrative System Manual must include a table of contents, an index, a glossary of terms and acronyms, and must be provided no later than 210 calendar days after a State's Contract start date and the final 60 calendar days after each State's successful Conversion. The Offeror must provide to each state a detailed manual of Administrative System functionality in both hard copy and electronic media. As part of the final draft requirement, the Contractor must provide an electronic copy of the Administrative System Manual in Microsoft Word. The Offeror is encouraged to recommend for consideration any approach that may provide the CSA and FNS on-

line access to the Administrative System Manual and its updates. Information must be provided on the Administrative System Application functionality, including;

- A. Description of all Administrative System screen functions, menu access, field definitions, and the on-line reports functions;
- B. Flow charts of Administrative System screen hierarchies;
- C. Definitions of terminology and codes used on Administrative System screens;
- D. EBT System security procedures and access control.

5.1.11 Fraud Investigator Accounts

The Offeror must cooperate with USDA and authorized NCS investigative agencies (local law enforcement agencies and district attorneys), regarding any Retailer investigation. To support Federal and State fraud investigators, the Contractor must provide the capability to establish accounts, post SNAP and Cash benefits, and if the state opts for card issuance Services, issue cards for the purpose of investigating fraudulent use of SNAP and Cash benefits. Such accounts and all transactions related to such accounts must be maintained in a secure and confidential manner. Only authorized personnel will have access to these accounts including information and data concerning these accounts.

EBT Administrative Functionality must be provided to set up accounts, and to authorize and remove benefits. At a minimum, it will be necessary for the Contractor to provide access for the purpose of establishing accounts, posting SNAP and Cash benefits, reconciling transactions, deleting remaining available benefits, closing accounts, and providing the required transaction reporting for accounts and benefits. The reporting must consist of separate entries created for fraud investigative SNAP benefit activity as defined in the AMA Entry Report or Inquiry in this RFP. Funds for SNAP investigative transactions will be drawn through ASAP. Funds for Cash transactions will be drawn from the State. Refer to each State Appendix for additional functionality, reporting, and transaction file requirements.

5.1.12 State Administrative System Training Materials

The Offeror must provide written Administrative System training materials which include detailed descriptions of all functionality supported by the EBT Administrative System. Specifically, the materials must consist of a table of contents, glossary of terms and acronyms, tables describing the various transaction related codes and definitions, security features within the system, detailed explanation of the screens and functions supported by the application, and an index. Updates and revisions of the training materials must be provided in a timely manner, in quantities specified by each State, whenever the Contractor modifies functionality of the EBT System. Technical support, as a result of any changes to the system and its functions, must be supported during regular business hours. In addition, training materials must be provided in electronic media using Microsoft Office Suite products. Administrative System training materials must include individual differences that may exist among the States' Administrative Functionality.

5.1.13 Administrative System Software Updates

The Contractor, at a minimum, must offer each CSA any updates and enhancements to the EBT administrative system that are available or are currently in use as an option to other states. The CSA reserves the right to accept or reject these updates and enhancements. These updates will be provided at no additional cost to the CSA requesting software update changes.

5.1.14 Access to Archive Information

The Offeror must provide a mechanism to access off-line/archived transaction history data. The data must be made available to the CSA within seven calendar days of the request for the data by the CSA. Describe the mechanism for providing access to off-line/archived data including the timeframes in which this data will be formatted and provided to the CSA. The NCS prefers that this requirement not be dependent upon proprietary software to read and understand the data.

5.1.15 Administrative Functionality Core Reports/Files/Inquiries

See the EBT Reporting Requirements Appendix for a complete listing and detail descriptions of the required core reports/files/inquiries. Specific details and data elements for all reports/files/inquiries will be determined by the CSA during the detail design phase.

The Contractor is responsible for distributing appropriate daily, weekly and monthly reports/files to FNS and the State. FNS staff must have access to their own set of security reports/files. States must also have access to the entire set of administrative security reports/files. The distribution of reports/files must be in an electronic format, but the method for distribution of reports/files will be finalized during system design/development activities. However, state the preferred method for distributing reports/files. The Contractor must also be able to support the retransmission of previously produced reports/files to the State or FNS as requested. The Contractor must support requests for two previous generations for monthly reports/files (i.e., last two months), and last thirty Business Days for daily reports/files.

Categories of Contractor supplied reports/files have been identified and are described in the EBT Reporting Requirements Appendix. Individual reports/files currently received by each State are defined in the individual State Appendices. Although it is not expected that the formatting of the reports/files be duplicated, it is expected and required that the Contractor duplicate the data being presented. Each State will have approval rights over all reports/files being provided by the Contractor.

5.2 Direct Deposit/Electronic Payment Card – Optional Requirements

NCS members may have self-managed direct deposit systems currently in place. Increases or decreases in direct deposit participation may have direct impact on the EBT Cash caseload.

5.2.1 Direct Deposit Services

The States desire the option to implement a program whereby cardholders who have a bank account can have cash received from the State directly deposited into their bank accounts. Describe the system for handling direct deposits of cash payments.

Propose ACH payment functionality to support the direct deposit of Cash benefits into client-designated bank accounts. To support ACH payment Services, the EBT Contractor, or its designated Financial Agent, must have an ACH Originating Depository Financial Institution (ODFI) membership in the ACH Network. The EBT Contractor must initiate the Settlement of direct deposit payments through the Settlement procedures specified by individual States. The EBT Contractor must maintain ACH activity records on client accounts, including date, amount and banking information.

The Offeror must provide pricing per deposit for direct deposit Services. A price per deposit must be billed only for a month in which a direct deposit is made.

Describe in the Proposal how to document and account for case month billing on Cases which participate in direct deposit programs.

Maintain Direct Deposit information - The CSA will obtain bank account and routing information from the Recipients and provide it to the Contractor for set-up of the ACH payment. The Contractor is required to maintain bank account and routing information for direct deposit Recipients.

Support Electronic Funds Transfer of Recipient Cash benefits to the direct deposit accounts. All direct deposit benefits will be included in the benefit files transmitted to the EBT Contractor. On the day preceding the benefit availability date, the EBT Contractor must process through ACH a credit to the cardholder's direct deposit institution account and a corresponding debit against the State/Local District Account to affect the direct deposit. This action must be based on active direct deposit account information on the Contractor's database.

Process Direct Deposit Returns - Returns are live dollar payments that are not accepted by the Recipient's designated bank account. It is critical that returns be handled in a timely and expeditious manner. The Contractor must make returned benefits available to the Recipient within 24 hours either by posting the benefits into an EBT Cash Account or by other means. Propose methods for handling returns and making necessary corrections.

Support Pre-Notes - A pre-note for new direct deposit Recipients is required. Any rejected or returned pre-notes require pre-noting with correct account information prior to a live dollar transfer being attempted. Pre-notes are also required for direct deposit Recipients whose bank information is changed.

Support Cardholder Customer Service Inquiry - For those cardholders with direct deposit, the Contractor Customer Service call center must be able to assist cardholders on transfers made to direct deposit accounts and problems with transfers. This must be

the same Customer Service call center that is available to all EBT Recipients as described in the Cardholder Customer Service Section 9.2 of this RFP.

5.2.2 Direct Deposit Enrollment Management Services

Provide pricing for and describe proposed functionality to support Contractor receipt, entry, and maintenance of all direct deposit enrollment information and provision of the following Services. For these Services, a price per month for each Case enrolled in direct deposit will be paid to the Contractor for each month in which a direct deposit payment is made.

Supply and distribute enrollment forms to Local District offices.

Provide initial set up and change or error correction entry of Recipient enrollment information, including but not limited to bank routing number, account number, effective start date, and stop date. The Contractor must accommodate changes to bank information resulting from bank mergers. The Contractor must also provide functionality for cardholders to change from direct deposit to EBT benefit at no cost to the NCS member, Local District or the cardholder.

Maintain a central inquiry file of enrollment information. Support administrative terminal inquiry by State Recipient/Case number, by bank, and by bank account number. Specific requirements will be developed in the design phase of the project. The Contractor must maintain the cardholder's bank information in its database for six years. The State envisions a process whereby bank information will be entered into the EBT System after an EBT Account for the cardholder has been established on the EBT System. The Recipient will provide bank account and routing information to the State for setup of the ACH payment.

5.2.3 Direct Deposit Alternate Proposals; Electronic Payment Cards

In addition to addressing the Direct Deposit requirements outlined above, propose alternate solutions that would provide cardholders with a low-cost debit/payment card that is "branded" to ensure maximum points of access through POS, POB and ATM locations for purchases and Cash withdrawals. These products shall be branded (e.g., Visa or MasterCard). Each cardholder account shall have full 12 CFR 205 Regulation E: Electronic Funds Transfers protection and full Federal Deposit Insurance Corporation (FDIC) coverage up to \$100,000 per cardholder account, and as such, the Contractor must assume all responsibility for the product. A "zero liability" policy must be provided to electronic payment cardholders and the States. The electronic payment cardholder must not be able to obtain or negotiate checks against the card or the underlying account. Offerors should specify whether they will provide additional Services to electronic payment cardholders such as bill pay, deposit and account balance information via-email or text message to a cardholder's cell phone. A selection of products with incrementally greater service may also be offered to Recipients. Recipients who voluntarily choose a product with more than the basic service may be charged appropriate fees. The CSA will not pay for and will not be responsible for additional Services provided by the Bank to the Recipient.

The Debit Card system shall be an industry standard application, primarily using the existing commercial Networks and Retailers' POS devices. The Vendor and/or its banking partner shall have the capability to perform Electronic Funds Transfer (EFT) using National Automated Clearinghouse Association (NACHA) standards.

Each cardholder's account balance shall be Federal Deposit Insurance Corporation (FDIC) insured up to \$100,000. A "zero liability" policy shall be provided to cardholders and the State. The Vendor and/or its banking partner shall provide evidence of certification, membership and/or compliance with FDIC rules and regulations.

The Vendor shall provide all manuals for State staff prior to Debit Card system operations as described in this RFP.

The State will transmit all account and deposit data to the Vendor nightly in batch via a secure connection to the Vendor's system.

The Vendor shall process and edit files, based on design requirements, and correctly apply deposits to the proper account.

A processing return file shall be provided to the State confirming the accounts that were successfully created and providing error information for any accounts and deposits that could not be processed due to problems with the transmission or files.

Required Files - The following table represents the files to be sent between the State and the Vendor:

- A. Account Maintenance File: The data records contained in this file will be used to set up and establish new accounts in the Vendor's Debit Card transaction processing environment and to perform maintenance action(s) on established accounts, which includes the changing of personal demographic information.
- B. Account Maintenance Reject File: The data records contained in this file identify any account maintenance records that were rejected by the Vendor during processing of the Account Maintenance File received from the State.
- C. Account Maintenance Summary File: The data records contained in this file are the actual Account Maintenance File processing summary report generated by the Vendor during processing of the Account Maintenance File received from the State.
- D. Deposit File: The data records contained in this file identify detail information for deposits to be posted to the Vendor's Debit Card system.
- E. Deposit Reject File: The data records contained in this file identify any deposit records that were rejected by the Vendor during processing of the Deposit File received from the State.
- F. Account Status File: Every calendar day, the Vendor shall provide to the State an Account Status File for each division within each State agency. The data records contained in this file identify newly established accounts and cardholder PIN selection activities (both initial PIN and any subsequent PIN activity).

- G. Account Change File: Every calendar day, the Vendor shall provide to the State an Account Change File for each division within each State agency. The data records contained in this file identify any change to a Recipient's demographic record processed via the Vendor's System Administrative Terminal, including the user identifying information of the user that made the change.
- H. Deposit Confirmation File: Every calendar day, the Vendor shall provide to the State a Deposit Confirmation File for each division within each State agency. The data records contained in this file identify detail information for each individual deposit posted and available to the cardholder on the Vendor's Debit Card System on the prior Settlement Day.
- I. Undeliverable Card File: Every calendar day, the Vendor shall provide to the State an Undeliverable Card File for each division within each State agency. The data records contained in this file identify any debit cards that have been mailed and later determined to be undeliverable by the USPS, whereby the Vendor has given the card a status "returned" and destroyed it.
- J. Address Change Alert File: Every calendar day, the Vendor shall provide to the State an Address Change Alert File for each division within each State agency. The data records contained in this file provide the State with the USPS forwarding address information found on "returned" card envelopes processed by the Vendor, whereby the Vendor has captured this forwarding address information prior to the "returned" card envelope being destroyed.
- K. Card Mailer File: Every calendar day, the Vendor shall provide to the State a Card Mailer File for each division within each State agency. The data records contained in this file identify any cards requests processed by the Vendor (i.e., initial or replacement cards) as the result of the processing of the Account Maintenance File or a cardholder's request via the Vendor's Cardholder Help Desk. This file is a copy of the file submitted to the Vendor's Card Production Unit.
- L. Cardholder Reconciliation File: On the 1st day of each calendar month, the Vendor shall provide to the State a Cardholder Reconciliation File. The data records contained in this file identify the detail of each cardholder account established on the Vendor's Debit Card system as of midnight Central Time on the last day of each calendar month.

5.2.4 Card Specifications

- A. The State will provide input to the design process and shall approve the card design.
- B. The card shall be a branded VISA or MasterCard card, shall operate via the VISA or MasterCard Network and shall be accepted by any participating merchant.
- C. The card shall allow for PIN-based and signature-based purchases.
- D. The card shall operate as a debit card or another electronic payment-type card and have no line of credit associated with it. The cardholder, or any other entities not authorized by the State, shall not be able to make deposits or add value to the Debit Card, except for merchants making refunds or Adjustments.

- E. The Vendor's Proposal shall describe in detail its capabilities to design the State's debit card and identify any third-party vendor or Subcontractor involvement in the process.
- F. The State requires a magnetic card which is fully compliant with all federal laws and regulations, meeting industry standards for quality.
- G. The state requires the card meet Europay, Mastercard and Visa (EMV) standard for chip.
- H. The card shall be similar in design and technology to any bank-issued ATM card.
- I. The card shall include security features to activate the card and to prevent counterfeiting.
- J. The primary individual's name and Permanent Account Number (PAN) shall be embossed on the face of the card. The primary cardholder's name to be embossed will be identified in the Account Maintenance File sent by the State.
- K. A statement that clearly states, "Do Not Write PIN on Card" shall be reflected on the back of the card.
- L. A toll-free telephone number for cardholders to contact the 24-hour Help Desk for card and account assistance shall be reflected on the back of the card.
- M. A statement that directs the cardholder to the Vendor's Cardholder Web Site to check their account balance shall be reflected on the back of the card.
- N. A tamper-evident signature panel shall be reflected on the back of the card for the cardholder signature.
- O. The card's expiration or "Good Thru" date shall be embossed on the face of the card.
- P. The Vendor shall be responsible for card production and issuance of both initial and replacement cards. An initial card shall be provided to the cardholder when their account is established at no cost to the State or cardholder. How, and in what timeframes would electronic payment cards be made available to Recipients?
- Q. Once the cardholder has selected a PIN activating their initial card, the first replacement card requested each year thereafter (i.e., based on their initial card activation date) shall be provided to the cardholder at no cost to the State or cardholder, if requested by the cardholder. Any subsequent replacement card requested during the year shall be subject to a card replacement fee assessed to the cardholder.
- R. Initial and replacement cards shall be produced and mailed as per the same requirements listed for an EBT card as per Section 4.5.4 Card Mailing and Postage Requirement.
- S. The State shall have final approval for the design and content of the card mailer and instructional materials associated with the usage of the account and card, including the card activation sticker.
- T. The Vendor shall describe its card activation sticker. The card activation sticker shall be in English and Spanish and shall indicate that receipt of the debit card does not

guarantee that the cardholder meets State program eligibility criteria or that the cardholder will receive a benefit or payment.

- U. The Vendor shall include a description of the card distribution process and how it will meet this timeframe.
- V. The Vendor shall clearly describe what constitutes a replacement card (e.g., lost; stolen or damaged card) and the policy for replacement and re-issuance, including how cardholders can report a lost, stolen or damaged card. In addition, the Vendor shall clearly describe the procedures for expediting a replacement card at the request of a cardholder and any associated fee to the cardholder.

5.2.5 Electronic Payment Returned Cards

Returned/undeliverable cards shall be forwarded to a secure location selected by the Contractor for handling in the United States. The Contractor shall describe how it intends to meet the returned card requirement and the geographic location of where the function will be performed.

All returned cards shall be given a status of “returned” by the Contractor and destroyed. This may be accomplished manually through the Administrative Terminal of the Contractor’s Debit Card System or in an automated fashion.

The Contractor shall status a card as “returned” by the card’s Permanent Account Number (PAN), which may or may not be the latest or current card PAN on the cardholder’s account. This requirement is meant to prevent the wrong Debit Card from being given a status of “returned” in error in the event the cardholder has since updated their address and has been issued a replacement Debit Card prior to the Contractor receiving the “returned” card.

The Contractor shall provide the Undeliverable Card File to the State on a daily basis which contains notifications of account numbers that have a PAN status as “returned” the prior day; this includes any new or replacement cards that are given a “returned” status.

The Contractor shall capture and provide USPS forwarding address information in electronic format from an Address Change Alert File when provided on “returned” card envelopes; this file shall follow the same batch file interface requirements as any other Contractor supplied batch interface file. The State will use this file to “alert” the appropriate caseworker of their Recipient’s address change as reported by the USPS. (The State shall determine the Recipient’s correct address and send any address updates via an Account Maintenance File to the Contractor).

The Contractor shall **not** update the account’s address in its Debit Card system based on USPS forwarding address information provided on “returned” card envelopes. The State may, at its option, elect to allow the Contractor to update an account’s mailing address via the Contractor’s debit card system’s Administrative terminal in the future based on State approved procedures if it is determined to be in the best interest of the State or its Recipients.

5.2.6 Electronic Payment Expired Cards

The Contractor shall automatically track the card expiration date for all cards and mail a new replacement card with a new “unique.” PAN to each cardholder prior to the card expiration date that meets the following minimum replacement criteria:

- A. The current card status is REGISTERED or EXPIRED.
- B. The current card account address status is GOOD.
- C. The current date is greater than the replacement period start date (i.e., card expiration date or “Good Thru” date minus 30 days).
- D. The cardholder’s account balance is greater than \$0 or there has been activity within the last 365 days; activity is defined as having at least one of the following transaction types:
 - 1. ATM Cash Withdrawal;
 - 2. ATM Balance Inquiry;
 - 3. Cash Purchase;
 - 4. Cash Purchase with Cash Back;
 - 5. Cash Withdrawal;
 - 6. Pre-Authorization; or
 - 7. Deposit.

The Contractor shall keep the existing card active while a new card with a new “unique” PAN is mailed (prior to existing card’s expiration date).

The new cards shall be mailed 30 days before the existing card’s expiration date.

The existing card shall be deactivated upon activation of the new card.

The new card shall be provided without a card replacement fee when replacement is due to expiration.

The Contractor shall clearly describe its card replacement process and state the number of years a card is valid before expiration.

5.2.7 Electronic Payment Personal Identification Number (PIN) Management

- A. The State requires that each cardholder have a PIN to ensure that only the intended cardholder can obtain the authorized deposits.
- B. The PIN shall be a series of four numeric characters.
- C. The Contractor will validate the PIN at the host for all electronic transactions processed as Cash back transactions and ATM’s. Signature-based transactions will not require the validation of a PIN.

5.2.8 Electronic Payment Interactive Voice Response (IVR)/Automated Response Unit (ARU) PIN Selection

- A. Cards shall be created without an assigned PIN. However, the Cardholder shall be required to select their PIN before the card can be used.
- B. The Contractor shall provide Cardholders with the ability to select their PIN using an IVR/ARU PIN selection option.
- C. The Contractor shall allow a PIN to be changed by allowing the Cardholder to enter the last four digits of their Social Security Number (SSN) and Date of Birth (DOB) to validate a caller's identity.
- D. The Contractor is encouraged to propose additional options to ensure the security of the IVR/ARU process.

5.2.9 Electronic Payment Account Set-up and Maintenance

- A. An account record shall be established prior to receipt of any deposit records.
- B. Describe in detail the mechanism(s) offered for account establishment.
- C. The Contractor will be required to accept benefit deposits to Electronic Payment cardholder accounts either through a States pre-existing EFT/FTP process or by direct transmission from the State to the Contractor. Please describe how, and on what schedule the Contractor would process benefits for electronic payment cardholder accounts. Describe how rejected deposits for electronic payment cardholder accounts will be handled.
- D. What mechanisms would be available to States for exchanging enrollment data with the Contractor?
- E. The Contractor shall issue a replacement card if it determines the record is an address update and the existing card on the account is given in "returned" status.
- F. The Contractor shall not assess a replacement card fee for replacement cards generated by an incoming Account Maintenance File record update for "returned" cards.

5.2.10 Electronic Payment Account Update

The State will send Account Maintenance File records to trigger updates to Recipient's demographic information. The update record will contain the entire Recipient demographic information. The Contractor's system shall overlay the information on the database for the Recipient with the information in the record.

5.2.11 Electronic Payment Account Maintenance and Closure

The Contractor shall clearly describe the cardholder account maintenance and closure process. The description should detail a process that:

- A. Assures each cardholder account remains available for deposits until the State advises that it no longer intends to make deposits to that cardholder account; and
- B. Shall not have charges or fees associated with the level of cardholder account activity or inactivity.

5.2.12 Card Processing

The Contractor shall accept, process, and distribute cards utilizing the following requirements:

- A. The Contractor shall receive and process all deposit records transmitted by the State and shall have procedures in place to prevent duplicate deposit posting.
- B. The Contractor shall enforce duplicate deposit validation at the unique document identifier/authorization number level across all accounts in the Contractor's debit card system (not just a single account but across all accounts).
- C. Should a duplicate deposit occur, the Contractor shall be responsible for restoring deposit amounts to their approved levels within 48 hours and any funds expended prior to restoration of authorized deposit levels prior to availability date.
- D. The Contractor shall process deposits and post the deposit amounts to the appropriate debit card accounts, based on the unique account numbers, Program Type, and unique document identifier/authorization number generated by the State for each payment/benefit authorization.
- E. The Contractor shall provide the State and/or Federal auditors with bank statements, and any other relevant documents detailing all deposits that have been made into the Contractor's Demand Deposit Account (DDA) in support of the CSA Debit Card Program.
- F. The Contractor shall accept, process, and distribute cards for international addresses utilizing the same requirements in effect for domestic addresses in subsections "A" through "E" above.

5.2.13 Electronic Payment Availability Date and Time

- A. The State will provide an availability date and time, which is included in the deposit detail record submitted to the Contractor, in the nightly batch files. The Contractor shall clearly state the timeframe after receipt of the deposit files when funds will be loaded to the debit card accounts and available for cardholder use.
- B. Availability dates and times can be in the past or the future. The Contractor shall post all deposits with a date and time in the past upon receipt and Settlement.
- C. All deposits with a future availability date and time shall be made available at the specified date and time in Central Time.

5.2.14 Cardholder Requirements

- A. Use of Cardholder Information - All cardholder information and cardholder account information created as a result of any contract that results from this RFP shall remain confidential and shall not be sold or otherwise shared with any other entity not associated with the contract, or for any purpose other than the execution of the contract, unless required by law. In addition, the Contractor and any Subcontractors must ensure that cardholder information and cardholder account information is protected and kept confidential.
- B. The CSA may request that certain types of transactions be blocked such as car rentals or pay at the pump gas purchases. Describe the capability for providing this level of restriction.

5.2.15 Cardholder Changes

- A. The Contractor shall provide a 90-calendar day advance written notice to the State of changes affecting Cardholders.
- B. The Contractor shall provide a 30-calendar day advance written notice to Cardholders of changes affecting them.
- C. The State shall have final pre-approval of the contents of all notifications to its Cardholders. Cardholder changes include any changes made by the Contractor or its Subcontractors to the debit card policies or procedures, program rules or any adjustments to the Cardholder's account balance.

5.2.16 Electronic Payment Cardholder Portal

- A. The Contractor shall provide Cardholders with a secure web-based management tool to obtain on-line statements of detailed financial transactions posted to their account.
- B. The site shall give detail deposit information by program and shall be free of charge.
- C. The site shall also include all Cardholder notification materials, collaterals; Frequently Asked Questions (FAQs), Cardholder Help Desk contact information, and links to the State shall also be available to all Cardholders.
- D. The State shall have final approval of the design and contents of program material on the website.

5.2.16.1 Additional Cardholder Services

The Contractor shall describe how they will meet the following requirements:

- A. How the State is notified of changes in policy or procedures affecting the cardholders.
- B. How cardholders are notified of changes in policy or procedures that affect them.
- C. How cardholders are notified of adjustments to their account balances when adjustments are required and performed by the Contractor.

- D. How cardholder complaints and disputes are resolved and the timeframes associated with the process. List the types of issues anticipated and explain how each will be resolved.
- E. How errors (provide specific examples of errors) are resolved and timeframes associated with the process.
- F. Provide detail of all other Services the Contractor will provide to cardholder.
- G. Describe the process for accessing the cardholder portal and how cardholder's will navigate through the portal.
- H. Describe any limitations placed on the cardholder, such as amount available to withdraw daily, number of transactions permitted daily and minimum withdrawal amounts at teller windows.

5.2.17 Electronic Payment Account Access

5.2.17.1 ATM Access

The Contractor shall describe in their Proposal how they will meet the following access requirements and all ATM usage fees for transactions.

- A. The Debit Card shall perform through an operating ATM Network and allow for nationwide and international ATM access and the withdrawal of cash through a normal ATM transaction.
- B. The system shall allow at least two free ATM transactions per month. However, it is desirable that at least three free transactions be allowed per month. The Contractor shall specify the number of free transactions allowed per month.
- C. For additional consideration, the Contractor shall describe other options available that benefit the cardholder, for example, rolling over for future use any free unused ATM transactions from any previous month(s).
- D. The Contractor shall describe its ATM Network and provide the total number of Network ATM locations.
- E. The Contractor shall describe how it will offer ATM access to cardholders who reside outside the CSA or outside the Continental U.S.A.
- F. The Contractor shall describe any fees or Surcharges that will apply to a cardholder or indicate if there are no fees or Surcharges.
- G. The Contractor shall describe the extent of Surcharge-free ATM access available to the cardholders. The Contractor shall describe where cardholders can use their card without incurring an ATM Surcharge and provide the total number of Surcharge free ATM locations.
- H. The Contractor shall describe how the Debit Card, at the CSA's option, will be designed to preclude the ability for the Debit Card, and any subsequent

replacement Debit Card(s), to be used to withdraw cash at certain ATMs through the proposed ATM Network.

5.2.17.2 POS Access

- A. Cardholder shall be able to use the Debit Card to purchase goods and services anywhere the brand (Visa/MasterCard®) is accepted, including internet, mail order, and telephone order.
- B. The operating Network shall query the cardholder's available balance at the time of any PIN-based POS transaction and disallow those that would exceed the cardholder's balance.
- C. The cardholder shall be able receive cash back with a POS transaction based on either the store limit or the negotiated Cash-back withdrawal limit.
- D. The Contractor shall describe in its Proposal how its Debit Card solution will allow PIN-based and signature-based purchases and/or transactions. There shall not be any fee to a cardholder or the State for any POS transaction.
- E. The Contractor shall describe in its Proposal how its Debit Card will be accepted by any participating merchant or service provider Network using a POS device.
- F. The Contractor shall describe in its Proposal how its Debit Card transaction process, at CSA's option will be designed to preclude the ability for the Debit Card, and any subsequent replacement Debit Card(s), to be used to provide Cash at POS from the account where the card is linked.
- G. The Contractor shall describe in its Proposal how its Debit Card transaction process, at CSA's option, will be designed to preclude the ability for the Debit Card, and any subsequent replacement Debit Card(s) to be used to purchase specific items and/or product categories to be identified by the CSA during detail design.

5.2.17.3 Bank Teller Cash Advance Access:

- A. At CSA option, the Contractor shall support bank teller cash advance access. The Contractor should clearly describe this process and propose if teller cash restrictions can be supported on its Debit Card.
- B. The Contractor shall describe how its Debit Card will be accepted by any participating bank location for bank teller cash advance access, including any minimum withdrawal limits, and any cash advance restrictions that may be imposed and report the total number of bank locations where the Debit Card is accepted.

5.2.17.4 Electronic Payment Transaction Processing

The Contractor shall describe its transaction processing process. At a minimum, the following transactions;

- A. Accepting transactions coming from an authorized Transaction Acquirer;
- B. Authorizing or denying transactions including any transactions that will be disallowed, or transactions that may cause the Cardholder to exceed the amount available in their account;
- C. Sending response messages back to the Transaction Acquirer authorizing or rejecting Cardholder transactions;
- D. Logging the authorized/denied transactions for subsequent Settlement and Reconciliation processing, Transaction reporting, and viewing through transaction history.

The Contractor shall validate the following minimum information before processing a transaction:

- A. Verify Recipient card number (PAN) is active;
- B. Verify PIN is correctly entered;
- C. Verify number of consecutive failed PIN tries (maximum of four) has not been exceeded;
- D. Verify sufficient Recipient balance to complete transaction to ensure that each deposit is properly posted based upon availability of funds;
- E. The transaction shall be denied if any of the conditions listed above are not met.
- F. Any Debit Card restrictions imposed by the CSA shall be described further during detail design with the CSA electing to support the Electronic Payment Card.

5.2.18 Electronic Payment Customer Services

5.2.18.1 Cardholder Help Desk

The Contractor shall provide Cardholder Help Desk 24 hours a day, seven days per week to provide current debit card account, deposit and transaction history information via a toll-free "1-800" number and shall provide a toll-free international number.

The Contractor shall have the capability to provide Cardholder Customer Services in English and Spanish, and additional languages as specified in State Appendices. The individuals providing customer services shall be proficient in spoken and written English; and have a clear comprehension of the English language.

The Contractor shall provide Teletypewriter (TTY) capability to cardholders with hearing disabilities. The Offeror should describe how its customer services include the TTY and communications relay capability as described in the Americans with Disabilities Act.

Performance standards regarding number of rings prior to answer and average time on hold shall be consistent with call center industry standards.

The Contractor shall provide CSR's to resolve cardholder issues that cannot be resolved by the IVR/ARU, including requests for Adjustments and disputes.

The Contractor shall provide sufficient CSR capacity to meet the contractual service standards for cardholder calls referred to a CSR and shall provide English and Spanish speaking CSR's.

The Offeror should describe the procedures it employs to verify the identity of the cardholder using the Cardholder Help Desk, the Cardholder On-line Web Portal and mobile applications.

The Offeror should clearly describe its monitoring capabilities for both live CSR and IVR/ARU calls to ensure quality customer service, including how the EBT Project Director (or designee) may access live CSR and IVR/ARU calls for monitoring purposes (unlimited, 24 hours a day, or 365 days a year). The Offeror should define and include sample information that it will provide to enable the State to review any cardholder related service complaints.

5.2.18.2 Electronic Payment Interactive Voice Response/Automated Response Unit

Performance standards regarding number of rings prior to answer and average time on hold for the IVR/ARU shall be consistent with call center industry standards.

In its Proposal, the Offeror should describe how it will achieve these standards. In addition, the Contractor's Proposal shall describe exception reports used to monitor compliance with these standards and proposed procedures to handle exceptions.

For reporting purposes, the Contractor shall provide the State with monthly Automated Response Unit (IVR/ARU, Cardholder Help Desk activity data reports and Cardholder Dispute Reports.

The State reserves the right to review and approve the transaction flow and content of all IVR/ARU messages, prompts, and customer service scripts prior to their implementation.

The Contractor shall not change IVR/ARU messages or menu functions without prior approval of the State.

The IVR/ARU shall contain the ability for cardholders to opt out to a CSR at anytime.

The IVR/ARU and Cardholder Help Desk shall support the following functions:

- A. Card Activation;

- B. Cardholders shall select their PIN by using a PIN select IVR/ARU;
- C. The Contractor is required to propose a secure IVR/ARU PIN select procedure;
- D. The Contractor may offer the capability to provide cardholders the option of establishing a password, when requested. The Contractor shall clearly describe its card activation process.

5.2.18.3 Electronic Payment Report a Lost/Stolen/Damaged Card

Prior to disabling the card, the cardholder's identity shall be confirmed. The Offeror should describe its procedures for determining the identity of a caller prior to providing account information.

The Contractor shall also display the date and local time that the cardholder made the report.

5.2.18.4 Current Balance Inquiry

[Offerors are not required to provide a response to this section 5.2.18.4 in their Technical Proposal]

- A. Current Balance shall provide real-time account balance information but shall not include deposits with a future availability date.
- B. On-Line Transaction History - Transaction History shall provide information about the last 10 transactions (i.e. transaction number, amount and deposits by program).

5.2.18.5 Additional Transaction History

In addition to the On-Line Transaction history, a cardholder shall be able to request statements, at no charge, of transaction history by account for their debit card account to be mailed to the cardholder mailing address on the Contractor's Debit Card system within two Business Days.

5.2.18.6 PIN Change

PIN Change callers shall be given information needed about PIN re-selection procedures. The Offeror should clearly describe how the cardholder is able to choose or change their PIN using the IVR/ARU.

Report Unauthorized Card Use - Cardholders selecting this option shall be transferred to a Customer Service Representative (CSR) for assistance in reporting unauthorized card use.

5.2.18.7 Other Services

The Offeror should clearly describe how funds remaining in accounts of deceased cardholders are processed, including how the accounts are frozen.

The Offeror should clearly describe how and when the funds are made available to the deceased cardholder's estates or next of kin, and how the State will be notified of such transactions.

The Offeror should clearly describe its fraud detection processes and procedures, including: how potential fraudulent transactions are identified; and the procedures for handling and reporting any potential fraudulent transactions.

Reporting - The Offeror should clearly describe its reporting process and capabilities as well as experience in providing reports in other state Debit Card programs. The Contractor shall provide the State with detailed reporting to the extent permissible under 12 CFR 205 Regulation E and industry guidelines.

5.2.19 Electronic Payment Financial

Financial audit reports are needed by the State in order to account, reconcile and balance, and audit the debit card system operations. All daily reports shall be provided by 6:00 A.M. Eastern Time for the previous day's activity.

All weekly financial reports shall be provided by close of business on Mondays.

All monthly financial reports shall be provided by close of business on the 5th of the following month.

System Accounting Report - This daily report shows the Settlement activity for the selected Settlement Date by Program. A report shall be created for each participating program.

Deposit File Summary Report - This report is generated each time a deposit file is transmitted and identifies the count and dollar value of the deposit records posted in the Contractor's system and the count and dollar value of the records rejected.

5.2.20 Electronic Payment Customer Service Statistics Reports

On a monthly basis the Contractor must provide reporting, no later than 10 Business Days after the end of the preceding month, that report on the statistics and effectiveness of the customer service functions for Cardholder Help Desk lines by customer service levels identified in this RFP. Statistics for both the IVR/ARU and Customer Service Representatives (CSR) must be reported.

The Contractor shall deliver the Monthly Customer Service Help Desk Statistics report that provides a summary of the number of calls received on the Cardholder Help Desk

by reason (such as lost card, stolen card, Balance Inquiry, transaction history, etc.) for both IVR/ARU and CSR.

Daily statistics regarding the Cardholder Help Desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received, and length of time calls are placed on hold) shall be collected and reported.

5.2.21 Training Material

The Contractor shall provide instructional materials to the cardholders written in English and Spanish, and other languages as specified in State Appendices, at a reading level no higher than the 5th grade. The State shall have final approval of instructional materials provided with the debit card.

The Offeror should fully describe and submit examples of all materials that will be sent to the cardholder at card issuance.

Training materials shall be included in the card issuance packet to ensure that the cardholder understands how to activate the account, their rights and responsibilities, how to use the card, identification of any associated fees, and where to call in case of questions for reporting of disputes, Claims or issues.

The Offeror should fully describe and include samples of all Web Pages, instructional materials, marketing materials, statements, dispute forms and any other forms related to the Debit Card process in its Proposal response.

5.2.22 Fraud and Abuse

The Offeror should describe methods it employs to protect information pertaining to payee accounts and the methods it employs to detect attempts to gain unauthorized access to its systems with intent to committing fraud upon the State or its cardholders. This shall include security features associated with Debit Card activation, counterfeit prevention and fraud prevention, including procedures for preventing identity theft.

Please describe the Contractor's system security for electronic payment cardholder and State agency access.

5.2.23 Electronic Payment Project Work Plan

A project work plan is a mandatory component of the Offeror's response to this RFP. The Contractor shall use the detail in this section as an outline for preparing the initial project work plan to be included with the Proposal.

The initial project work plan should include a schedule of all tasks and deliverables required from beginning to completion of the project.

The initial plan should identify the individual tasks and deliverables by project phase, as defined below.

The initial plan should identify all critical path and dependency tasks.

The initial plan should delineate the responsibilities of the Contractor, the State and Federal agencies in person-estimate for each deliverable and work activity, show Contractor and State project team effort separately.

The initial plan should include a detailed narrative description and calendar-based Gantt charts that summarize the level of effort for the entire project including any due dates, plans, reports, quality assurance checkpoints, and milestones.

The Contractor's narrative should also include significant detail describing and explaining its rationale for Conversion strategies, Conversion risks and risk mitigation measures throughout the project work plan, as well as assumptions and constraints.

The Contractor shall define the anticipated timelines and estimated completion dates for the project deliverables within each phase in the initial work plan submitted with the Contractor's response.

Please describe the Contractor's disaster recovery plan to insure minimal interruption of service to electronic payment cardholders.

5.2.24 Electronic Payment Card Services Cost

[Offerors are not required to provide a response to this section 5.2.24 in their Technical Proposal]

The CSA is interested in its cardholders receiving at no cost or the lowest possible cost the set of Services associated with use of the debit card. These Services would include: Point-of-Sale use, Point-of-Sale with Cash-back use, ATM access to Cash, teller access to Cash and Balance Inquiry by telephone and ATM.

The Debit Card Program shall be a turnkey system, fully installed and operational including, but not limited to, software, system modifications and development, documentation, implementation, data Conversion, interfaces, training, warranty, phase-in/phase-out activities (including all work performed during Transition Periods before the Cutover Date) and all maintenance as specified by the RFP.

The CSA will not accept cost Proposals that specify costs to the State to implement or operate the Debit Card program.

The Contractor shall provide a pricing schedule that itemizes the individual costs and fees associated with this program that will be borne by the cardholder (e.g., ATM withdrawal fee; etc.).

The Contractor shall clearly describe any terms associated with how the fee would be assessed. For example, whether a particular fee would only be charged after a certain number of withdrawal transactions or whether a particular fee would be waived under certain conditions or situations.

The Contractor shall also indicate any changes to the amount of the fee depending on volume.

The price breaks shall be stated in terms of total dollars loaded to all debit card accounts in use by the State.

The Contractor shall include any pricing options considered as alternative pricing schedules.

The State will consider any suggestions or recommendations the Contractor wishes to propose to reduce costs to the State and its cardholders.

5.2.25 Electronic Funds Transfer for Contractor Payments

The Contractor must provide, at State option, an Electronic Funds Transfer method of payment that allows for the indirect payment to an outside vendor, or the payment of provider bills or service fees including but not limited to: rent, fuel, utilities, foster care, day care, and adoption subsidies. The Contractor must process through ACH a credit to an outside vendor or provider bank account and corresponding debit to a State or Local District bank account based on payment instructions received from the State.

5.2.25.1 Electronic Funds Transfer Standards

An optional electronic funds transfer method of payment may be selected by States as an alternative to indirect (contractor) check production. The EBT Contractor must affect the actual funds transfers from the State or Local District designated account to an outside vendor and provider bank account through ACH based on EFT payment files transmitted to the Contractor from the State.

The data necessary to affect the funds transfer from the Local District bank account to the outside vendor bank account will be included in the file to the EBT Contractor. This data will include the bank routing number and account number to be debited, the bank routing number and account number to be credited, and the amount of the payment. The transfer must be processed by the Contractor in the next ACH cycle. The Contractor will be required to provide reporting back to the State in confirmation of each file received and to report the transfers completed and transfers not completed.

The CSA will pay the Contractor a fee for each transfer successfully completed. No other fees will be paid for this service. For example, any account management fees, rejected payment fees or any other fees beyond the initial transfer fee for each successful transaction.

The Contractor will be held liable for erroneous transfers as required in this RFP.

5.2.27 Direct Deposit - Optional Reports/Files/Inquiries

At this time, Direct Deposit Reports are not needed for all of the NCS members. However, the Contractor must support the requests for Direct Deposit reports from NCS members that request them on a timely basis. The reports will be paid for by the State on an hourly rate. Describe the process to be used to request Direct Deposit Reports and the expected timeframe in which the request will be satisfied.

5.2.28 Direct Deposit Inquiry

The EBT Contractor will be required to maintain a central inquiry file of enrollment information for Recipients participating in Direct Deposit. The Contractor will be required to support administrative terminal inquiry by State Recipient/Case number, by bank, and by bank account number. Specific requirements will be developed in the design phase of the project.

5.2.29 Direct Deposit Activity Reports

The EBT Contractor must provide direct deposit activity reports to the participating State and Local Districts. This will include district specific enrollment reports - showing both the details of individual enrollment and summary data, and direct deposit activity reports showing specific amounts transferred to Recipient Accounts and summary data by financial institution. Statewide aggregate data reporting will also be required.

Direct Deposit monthly billing totals must also be reported.

5.2.30 Direct Deposit - Performance Standards

[Offerors are not required to provide a response to this section 5.2.30 in their Technical Proposal]

Refer to Section 12, Performance Standards

5.3 Data Warehouse Functionality – Optional Requirements

- A. The EBT Contractor shall be required to provide each NCS and USDA FNS member that selects this functionality with an EBT data warehouse. The EBT data warehouse will contain all transactional data relating to a State's EBT SNAP and Cash Accounts.
- B. For the purposes of this RFP and the contracts deriving from it, the EBT data warehouse is defined as an electronic repository of a State's detailed EBT transaction and account data, separate from the on-line or operational data base. The Contractor shall work with qualified State staff to establish the architectural goals of the warehouse, and to design the data relations that will allow the quickest response to any required complex user queries.
- C. The succeeding contractor shall accept and convert all available transaction history data from the current EBT Contractor to populate the data warehouse. The Conversion of data and population of the data warehouse shall be completed and tested 30 days prior to the

system Conversion date. The Offeror's response shall indicate their capability to meet or exceed the requirement to provide access to all available transaction history data.

- D. The Contractor shall be required to provide data warehouse capability that will allow appropriate State staff to access the data warehouse through administrative terminals, screens and/or systems or through an Internet browser application.
- E. This information is meant to demonstrate to Offerors, the minimum type and extent of data each NCS member expects their data warehouses to contain. Rather than being the definitive list, it represents the minimum expectation of the stored data elements. Offerors should indicate their ability to meet or exceed these data requirements. The data warehouse should include at a minimum, but not necessarily be limited to, the following data elements.

Data Warehouse Elements	Description
Access Type	Account access allowed for a Cardholder
Access Type Description	Description of account access type
Account Balance	Account balance for the account as of the completion of the transaction.
Account Number	Identifier for the specific account.
Acquirer ID	Acquirer ID associated with this transaction.
Applied Amount	Amount of the total transaction amount that was applied to a grant.
Applied Grant Number	Grant number against which a transaction was charged.
Authorization Response Number	Authorization number for the transaction.
Benefit Month	Month for which the benefit was issued
Card Entry Type	Identifies whether the card used for a transaction was swiped, manually entered or internet/web-based entry.
Card Expiration Date	Expiration date for the card.
Card Issue Date	Date card issued.
Card Number	Card number of the Client or Authorized Representative.
Cardholder DOB	Cardholder date of birth.
Cardholder Full Address	Cardholder Full Address.
Cardholder Name	Cardholder Full Name.
Cardholder Phone Number	Cardholder phone number.
Cardholder primary/alternate indicator	Cardholder primary/alternate indicator.
Cardholder Service Site	State specific code indicating which office a cardholder is serviced from.
Cardholder SSN	Cardholder social security number.
Cardholder Identification Number	Cardholder Identification Number if used by the State
Cash back Amount	Cash back amount for the transaction.
Completed Issuer Fee Amount	Fee amount actually completed for the transaction.

Data Warehouse Elements	Description
Completed Surcharge Amount	Surcharge amount actually completed for the transaction.
Completed Transaction Amount	Completed dollar amount of the transaction that was approved; the transaction amount actually completed.
Current Account Balance	Account balance as of the completion of the most current transaction.
FNS Number	Retailer's Food and Nutrition Services assigned Number.
Grant Funding Source	Indicates if the grant is federally or State funded.
Grant Funding Source Description	Description of the grant funding source.
Grant Number	Authorization number for the grant.
Local Date	Local date for this transaction as determined by the Terminal Driver.
Local Time	Host time that EBT Contractor logged the processing of the transaction.
Local Time	Local time for this transaction as determined by the Terminal Driver.
Log Date	Host log date that EBT Contractor logged the processing of the transaction.
Merchant Full Address	Merchant Full Address.
Message Type	Type of message sent on the inbound ISO message.
Original Authorization Number	Manual authorization approval number or, on Reversal transactions, the original approval number of the transaction being reversed
Program Type	Program Type for a transaction.
Received Benefit Type	State supplied Benefit Type for this grant.
Reference Number	Device and Switch provided Trace Numbers. Only available for ATM and POS transactions.
Rejected Transaction	Indicates whether or not a transaction was accepted or rejected.
Reply Code	Response code for a transaction.
Reply Code Description	Description of the reply code.
Requested Issuer Fee	Amount Fee amount requested for the transaction.
Requested Transaction Surcharge Amount	Surcharge amount requested for the transaction.
Requested Transaction Amount	Original request amount for this transaction; the transaction amount requested.
Restaurant Indicator	Indicates whether or not the Cardholder is authorized for usage of EBT benefits in approved restaurants.
Restaurant Indicator Description	Description of the restaurant indicator.
Retailer Type Code	Identifies the business type code for the Retailer.
Retailer Type Code Description	Description for the Retailer type code.

Data Warehouse Elements	Description
Settlement Date	Settlement Date for the transaction.
State Code	Two-character State code identifier.
State Unique ID Number	State unique identifier (also referred to as Cardholder Case Claim Number).
Terminal ID	ID of the ATM or POS terminal submitting the transaction
Terminal Merchant Name	Store name received in the ISO message.
Trace Number	Device and Switch provided Trace Numbers.
Transaction Amount	Total amount of the transaction.
Transaction Method	Keyed, Swiped, Other.
Transaction Type	Identifies the transaction type.
Transaction Type Description	Description of the action performed by the transaction.
User ID	User performing the administrative transaction, if available.
Voucher ID	Manual Voucher ID associated with the transaction.

- F. The CSA must have the capability to sort and manipulate this data as necessary to meet their needs. At a minimum, sort capability shall be provided at the CSA, benefit program, and local office, county and/or geo-admin levels. In addition, CSA's should be able to access data sorted by CSA selected parameters including but not limited to transaction type, transaction time period, out-of-state transactions, card status, Key Entered transactions, etc.
- G. The Contractor shall provide the CSA with a suite of pre-developed queries or reports to facilitate frequent or "standard" queries. Examples of these shall include, but are not limited to:
 - I. Transactions by Client account number with user definable date range;
 - II. Transactions by FNS number with user definable date range;
 - III. Transactions by Case number (or State's equivalent) with user definable date range;
 - IV. Transactions by EBT card number with user definable date range;
 - V. Transactions by Benefit/Grant number with user definable date range;
 - VI. Transactions by Social Security Number (or State's equivalent) with user definable date range;
 - VII. Transactions by Zip Code with user definable date range;
 - VIII. Out-of-State transactions with user definable date range and State; and
 - IX. Account administrative actions with user definable date range and service site or office location.
 - X. Transactions by Retailer name and/or location.
- H. CSA users will normally fall into one of two categories: "standard users", who are State staff, empowered to use already constructed queries/reports, and "power users", who are a limited number of State staff, empowered to create custom

queries or reports using the tools provided by the Contractor. The EBT Contractor shall work with States to facilitate the development of standard queries or reports. The EBT Contractor shall provide the ability for the NCS to share standard queries or reports (not data) between themselves, as well as provide the ability for a power user to make a custom query or report available to the State's "standard" users.

- I. The Contractor is expected to use, and make available to the State's power users, industry-standard reporting and data mining tools such as Crystal Reports and/or Business Objects. Any standard queries developed for one NCS member shall be provided at no cost to all NCS members. Access to the data warehouse shall be limited to authorized State users and should be secured through standard access control measures. It is understood that the architecture of a data warehouse differs from that of an operational system. Because of this, States recognize that a data warehouse, by definition, may not be "real time"; however, the Contractor is expected to keep the data warehouse current with no more than 36 hours of elapsed time between a transaction's occurrence and its loading into the data warehouse. Typically, EBT data warehouses are updated once every 24 hours.
- J. The Contractor shall also be responsible for paying the license fees, if any, for the States' users. The Offeror shall indicate the number of users in each user category that the Offeror will support. It is further desired that Retailer location data stored in the data warehouse be normalized so that it is in agreement with FNS REDE data.
- K. Finally, States recognize that an EBT data warehouse has the potential to be extremely useful for combating fraud. Offerors are encouraged to offer approaches to this need through use of the data warehouse they propose to provide. The Offeror's response shall fully describe their approach for providing the data warehouse functionality to the NCS. The response shall indicate the Offeror's approach for implementing a data warehouse staff training program, including instruction manuals, based on the type of user and job function specifying training content and duration.

5.3.1 Ad-hoc Reporting Capability

To make use of the Data Warehouse functionality, the EBT Contractor shall be required to provide the NCS with a robust ad-hoc reporting capability. The Contractor may propose either a web-based reporting application or an on-line reporting application and may propose a commercial off the shelf (COTS) reporting package such as SQL Server Reporting Services (SSRS) or equivalent. The Offeror's response shall fully describe their approach for providing ad hoc functionality to the NCS. The proposed ad hoc reporting capability must provide access to transaction history data referred in the Data Warehouse section of this RFP via the data warehouse. The EBT Contractor shall provide parameter driven-access to permit, at a minimum, data inquiry, sorting and extraction capability as follows:

- A. By account, summary credit, debit, and current balance information;

- B. By account, detail information on all Cash or SNAP transactions for a specified period of time, listing such as date, time, location, and amount;
- C. By account, detail information on all transactions for a specific Retailer, POS terminal, or ATM;
- D. By account, EBT card status, card issuance, and card replacement history including account balances at time of replacement and summary statistics on card replacements over specified time periods;
- E. By Retailer, detail information on all Cash or SNAP transactions for a specified period of time, listing such information as: account numbers, dates, times, locations, terminals, and amounts; and
- F. By Retailer, detail information on all transactions for a particular account.

The Offeror's response shall indicate their capability to meet or exceed these data inquiry, sorting and extraction requirement. Due to changing and evolving business needs, the report formats and data requirements of the NCS and the Federal Program agencies are subject to change. A comprehensive EBT Data Warehouse and Ad-hoc Reporting Tool will accommodate evolving reporting requirements. Nevertheless, the EBT Contractor shall be required to support these changing reporting needs. The Offeror's approach to supporting State or FNS-driven changes in reporting requirements shall be specified in the Proposal.

5.3.2 Data Analytics Manager

At State option, the Contractor must provide a Data Analytics Manager or a staff person in a comparable position with working knowledge and technical experience with the data warehouse. It is desired that this individual has at least five years' experience as a Data Analytics Manager with at least three years' experience with the Contractor's data warehouse system. The Data Analytics Manager will have oversight of the processes related to data warehouse data collection, processing, and analysis, and ensure data accuracy and consistent reporting by designing and creating optimal processes and procedures. The Data Analytics Manager will support the CSA on an as-need basis, by phone and/or email, to resolve issues relating to data analytics and the data warehouse and will work with the CSA through problem resolution. While the Data Analytics Manager is not by definition a Key Staff member, Offerors should submit Appendix L Proposed Key Personnel Experience Form with their Proposal to identify the individual intended to fill the position set forth in this paragraph and detail their relevant experience.

6. Settlement and Reconciliation

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section and subpart item herein, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's

understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

6.1 Settlement and Reconciliation - Core Requirements

For accounting purposes, the Contractor's Cash and SNAP EBT System must operate on a 24-hour processing cycle. The Contractor's system must provide a clear and accurate accounting of all processing and movement of EBT funds within each 24-hour processing cycle. For each cycle, the Contractor must:

- A. Perform Settlement processing based upon transaction activity in Cardholder accounts;
- B. Provide documentation of, and balance and reconcile for;
 - 1. beginning balance of the funds in the system;
 - 2. funds entering the system (deposits and credit transactions);
 - 3. funds leaving the system (withdrawals and debit transactions); and
 - 4. funds remaining in the system (ending or outstanding balance).

6.1.1 Settlement

6.1.1.1 Contractor Responsibilities

The EBT Contractor is responsible for the daily Settlement of funds to benefit providers (Retailers and ATM owners), either directly or through financial intermediaries such as Third Party Processors (TPPs) and ATM Networks. Settlement must be through the existing commercial banking Automated Clearing House (ACH) infrastructure. The Contractor (and/or any subcontracted Settlement agents, including Switches and Acquirers that settle directly to TPPs, ATM Networks, directly connected Retailers or EBT-Only Retailers) must own and reconcile the bank accounts used for the daily draw down and Settlement. The Contractor must have an originating and receiving relationship with the ACH, either directly or through one of its Subcontractors. See 7 CFR 274.4(a) for concentrator bank responsibilities.

6.1.1.2 Time Frames for Settlement Switch Processing and Host EBT Business End-of-Day

The Contractor, in consultation with the state agency, must designate standard daily cutoff times for the host EBT Business Day, and also for the primary Settlement Switch (first line Switch to TPPs, ATM Networks, directly connected Retailers and/or EBT-only Acquirer if separate, etc.) day. The 24-hour period between the Contractor's host cutoff time on Day 1 and Day 2 constitutes the host EBT Business Day. The cutoff time will be specified in the State Specific Appendices to ensure that all on-line (administrative, host-to-host, etc.) issuances, repayments and settling transactions (card fees) are reflected in the proper day's reports.

The 24-hour period between the primary Settlement Switch cutoff time on Day 1 and Day 2 constitutes the Settlement Switch Day. The specified cutoff time must allow

the Contractor sufficient time to originate ACH payments for next day Settlement. It is also preferred that the host EBT Business Day cutoff coincide as closely as possible with the Settlement Switch Day cutoff time.

6.1.1.3 Settlement Processing

For each 24 hour Settlement Switch Day processing cycle, the Contractor must perform Settlement processing based upon transaction activity in Cardholder accounts:

- A. to draw Cash funds from state or county treasury accounts;
- B. to draw SNAP funds from the USDA Letter of Credit (LOC);
- C. to draw funds either from state treasury accounts or from the USDA Letter of Credit, as determined by the CSA; and
- D. This must include processing to make EFT payments to the Contractors (e.g. Optional Group Living Arrangement Accounts) on behalf of EBT Recipients.

For Retailers, third parties, or other benefit providers that are directly connected to the Contractor's primary Switch, the Contractor or its subcontracted Switch operator must originate an ACH credit for the total balance due for EBT benefits provided during the just closed Settlement Switch Day. The benefit provider credits must be entered into the ACH for Settlement on the next banking day, unless the Contractor has established a Retailer-specific cutoff for that provider at the primary Switch. In that case, the Contractor must be able to identify, by Retailer and in total, the value of Retailer suspense activity that was carried over from the previous Settlement Switch Day, and that carried over to the next Settlement Switch Day.

If responsibility for EBT-only acquiring and Settlement has been subcontracted, the Contractor must ensure that the Subcontractor also meets the timeframes and requirements identified in the previous paragraph.

The Contractor must follow the FNS required procedures for draw down of federal funds as well as the state draw down options and cash draw processes outlined in the State Appendices.

Credits due to EBT benefit providers who are connected to the Contractor through a transaction Switch, TPP, or national Network must settle using the applicable Network rules and/or Quest Operating Rules. Chapter Six – Settlement of the Quest Operating Rules specifies “Transactions performed during a Business Day prior to the standard cut-off time shall be settled by the Issuer to the Acquirer on the next Business Day.”

6.1.1.4 Settlement Schedule

Federal Settlement requirements are defined in 7 CFR 274.3(a)(3). These requirements must also govern Settlement of State and other government agency funds unless otherwise specified by the State.

The EBT System must provide credits to the financial institutions holding the accounts for Retailers or Third Party Processors within two Business Days of the daily Settlement Switch Day cutoff. If responsibility for EBT-only acquiring and Settlement has been subcontracted, the Contractor must ensure that the Subcontractor also meets the timeframes and requirements identified in this paragraph.

6.1.1.5 Funds Movement Methods (ACH, Fed Wire), Settlement Errors, and Service Charges

Specify the method(s) for moving funds for Settlement. The EBT Contractor must bear all liability for routine fees associated with successful funds transfers.

Specify the method(s) for making corrections to Settlement errors, including but not limited to:

- A. Funds transfer rejects due to transmission failures, Insufficient Funds, or incorrect account information; and
- B. Settlement errors due to duplicate transfers, incorrect amounts, or incorrect account information.

6.1.1.6 Rejected ACH SNAP and Cash Settlement

ACH Settlement, rejected due to inaccurate account information or closed accounts, must be researched by the Contractor, and when possible, corrected and re-sent to the food Retailer or the Third Party Processor (TPP) of the Retailer Account. Situations where the Contractor cannot ultimately locate and settle the funds to the Retailer or the TPP, the Contractor must return any funds to USDA-FNS that could not be settled within 90 calendar days of the initial ACH transmission. If the responsibility for EBT-only acquiring is subcontracted, the Subcontractor must also return any rejected Settlement funds to USDA-FNS. These funds must be returned to USDA-FNS within 10 calendar days after the Federal Fiscal Quarter (FFQ) in which the unsettled funds met the 90 day resolution period.

At a minimum the Contractor must provide Quarterly reporting for each unsettled payment to the CSA. The disposition and reporting of unsettled *Cash* funds will depend on individual State Law and will be reviewed during the design phase. The processing of unsettled funds including the reporting described in Appendix Q – NCS EBT Reports must be supported at no additional cost to the CSA.

6.1.1.7 Federal Interfaces

The Contractor will be responsible for drawing funds for SNAP Settlement through the U.S. Treasury's Automated Standard Application for Payments (ASAP) system.

The Contractor will be responsible to interface with FNS to exchange Retailer demographic data with the FNS database of certified merchants. See Appendix-H REDE Information and File Formats. The Contractor will be responsible for daily submissions of Retailer EBT transaction data for the Anti-fraud Locator of EBT Retailer Transactions (ALERT) Subsystem. See Appendix H1 ALERT Submission File Specification.

The Contractor will be responsible for providing requisite data on reimbursements to merchants for daily EBT transaction activity to Food and Nutrition Service (FNS) via the Store Tracking and Redemption Subsystem (STARS) file. See Appendix-H2 STARS File Record Layout Specifications. The Federal Reserve Bank must serve as the Account Management Agent (AMA) for the FNS SNAP EBT Benefit Account. The AMA interfaces with the Treasury Department's ASAP, and must establish and monitor ASAP account funding limits for the State for SNAP EBT activity, and perform reconciliations required by FNS. Consequently, the EBT Contractor must interface with the AMA and provide the necessary data for funds projection and for FSP Reconciliation. This data must be provided in a formatted file, as specified in Appendix-H3-AMA File Formats.

6.1.1.8 Reporting

The Contractor must provide a daily report or inquiry of Settlement totals and processing status to detail each funds transfer that affects each respective funding account. Settlement totals must be made available to funding parties by 7:00 a.m. Eastern Time (ET) on the Settlement Day in advance of the actual transfers to allow for replenishment of zero balance accounts. Should the electronic reports or inquiries be unavailable, the Contractor must fax the Cash Settlement totals for each funding account to the state by 7:30 a.m. ET. An online history of daily Settlement data must be maintained for a length of time to be agreed upon with each CSA.

6.1.1.9 Accountability

The Contractor must maintain audit trails throughout the Settlement process. Specify the procedures for maintaining audit trails throughout the Settlement processes.

6.1.1.10 Liability

[Offerors are not required to provide a response to this section 6.1.1.10 in their Technical Proposal]

Funds may not be drawn for over-issuances or transactions in excess of the authorized Recipient benefit allotment. In the exceptional circumstance that a transaction legitimately draws funds in excess of state authorized benefits due to returned SNAP credits processed during initial implementation, the transaction must be clearly documented and reported to the State for audit purposes.

The Contractor must bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the Contractor or its representatives, or Subcontractors. These liabilities must include, but are not limited to:

- A. Any duplicate or erroneous postings to a Cardholder account, including inaccurate transactions that draw funds in excess of authorized benefits, and including inaccurate processing of authorizations to void benefits and benefit cancellations;
- B. Any losses from funds drawn from an account after the Cardholder has notified the Contractor that the card had been lost or stolen;
- C. Any losses from transactions performed with cards issued, but not activated by the Cardholder and/or the Contractor;
- D. Any erroneous payments for SNAP transactions that cannot be traced to a valid FNS authorization number (result of transactions approved without confirming against valid current national REDE file);
- E. Any damages or losses suffered by a Federal or CSA due to negligence on the part of the Contractor;
- F. Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or Subcontractors; and
- G. Any processing fees or bank charges incurred due to errors or fraud and abuse by the Contractor.

6.1.2 Reconciliation

Identify and describe all the components, either proprietary or subcontracted, that make up the EBT System. Include EBT functionality developed, operated, and maintained by the Contractor, the host databases, and the transaction Processors and Switches, that allow the EBT Processor to receive transactions from POS terminals that are either state-owned or owned and operated by other Third-Party Processors.

Describe in detail the methods employed to:

- A. ensure that the various components of the EBT System remain in balance;
- B. document, account for, accumulate, and correct variances as they occur at the account, benefit, and program (Cash or SNAP) levels;
- C. ensure Reconciliation integrity during and after transfer to a backup host for processing if warranted; and
- D. The Contractor must identify and report any system errors that cause variances, so that a complete audit trail is maintained, and correct them at no extra charge to the State.

6.1.2.1 Funds Flow and Balancing

The Contractor must meet SNAP Reconciliation requirements of 7 CFR 274.4(a)(1) and the FNS Reconciliation Guidance¹, as amended. The Contractor must also use the SNAP Reconciliation requirements to perform Reconciliation for all EBT programs, unless otherwise specified by the State.

6.1.2.2 Daily Reconciliation

The EBT Contractor is required to perform a daily automated Reconciliation of Cash and SNAP funds entering, leaving, and remaining in the system for each 24 hour processing cycle.

Funds entering the system (deposits and credit transactions):

- A. Benefits received from State systems or authorized via the Contractor's administrative system functionality must be reconciled to benefits deposited into Cardholder accounts.

Describe the methods of reconciling, reporting and ensuring accurate postings of benefits from State systems, including the methods of accounting for, tracking, and reporting to AMA:

- A. benefits that may be received but not posted to Recipient Accounts (unlinked), and /or un-cashable;
- B. benefits that may be posted to Recipient Accounts prior to their availability dates;
- C. benefits that may be received and subsequently cancelled or voided; and
- D. benefits that may be authorized for direct deposit to Recipient bank accounts.

Describe the method(s) for reconciling the daily deposit totals to AMA issuance totals.

Explain how SNAP refunds and Adjustment credits are handled, including the methods to ensure accurate account postings for tracking, Settlement, Reconciliation, and report on all transactions as part of the daily balancing process.

Funds leaving the system (settling and non-settling withdrawals and debit transactions):

- A. Describe the method of reconciling, reporting and ensuring accurate posting of non-settling transactions that reduce the outstanding liability for benefits from State

¹ *EBT Reconciliation - Guidance for State Agencies, March 29, 2007*

systems, including the methods of accounting for, tracking, and reporting expunged benefits and repayments to AMA.

- B. Cardholder net redemptions must be reconciled to draws from funding accounts and also to Retailer/Acquirer Settlement values.
- C. The net Settlement value of all SNAP transactions must be reconciled to the sum of the net Settlement value for SNAP.
- D. The net Settlement value of all Cash transactions must be reconciled to the sum of the net Settlement value for the State and for New York the combined County treasuries.
- E. Each day's Settlement draws from each Government Treasury Cash Account and from the USDA Letter of Credit (LOC) via ASAP and in accordance with ASAP requirements must be reconciled to Settlement deposits to Retailer/provider accounts at the program (SNAP and Cash) level.
- F. Describe how Adjustment debits, ATM Transaction Fees, ATM Surcharges and manual SNAP authorizations, clears and expirations are each handled, including the methods to ensure accurate account postings for tracking, Settlement, Reconciliation, and report on all transactions as part of the daily balancing process. Also, describe the method of ensuring accurate draws from Recipient account balances and funding accounts, and accurate Settlements to Retailers and Acquirers.

Funds remaining in the system (ending or outstanding balance):

- A. Cardholder account daily beginning balance and net draws must be reconciled to the sum of ending balances for all accounts on the Contractor's EBT host. The total net change in program-wide obligations outstanding must be reconciled to the sum of the net change in obligations outstanding for all Benefit Types.
- B. The Contractor must support procedures for Reconciliation of EBT System activity to government agency database(s).
- C. The total net change in program wide obligations outstanding must be reconciled to the sum of the net change in obligations outstanding for all Government agencies. This applies to all bank accounts that the Contractor needs to draw from, which means any and all political sub-divisions
- D. The Contractor must reconcile end of day balances for Cardholder accounts on the EBT host and accumulated daily transaction activity to the outstanding balance of the US Treasury's ASAP system, operated by the Federal Reserve Bank (FRB) of Richmond. This process will also include a Reconciliation of all benefit activity posted to and accounted for by the AMA system.
- E. Describe the procedures for determining outstanding liability at end of day, starting with the logic and criteria used to determine which deposits and transactions are included in the daily balancing (e.g. real-time, host time stamp, Settlement Date, etc.) for each transaction type displayed on the Database Value Report. Describe

the procedures for providing updates to and Reconciliation with AMA and ASAP. Also, describe how daily SNAP draws will be reconciled to ASAP draw figures.

6.1.2.3 Annual Reconciliation

The Contractor must also support the Contracting State Agency's requirement to provide an annual certification confirming that the EBT System is in balance by performing an annual overall Reconciliation of all EBT funds entering into, exiting from, and remaining in the system. The annual overall Reconciliation must be completed within six months.

6.1.2.4 Transition Reconciliation

The Contractor must perform an overall Reconciliation of all EBT funds entering into, exiting from, and remaining in the system at the end of the contract.

During the Transition phase from an existing Contract Period to a new Contract Period, the Contractor must ensure that the file transferred to the *new* contractor is totaled and compared to the balance in the associated ASAP account.

It is imperative that the Contractor conduct a Reconciliation during this Transition phase as it consists of activities required to convert the EBT processing for the State from the current contractor to the *new* contractor and the Cardholder benefits that remain on the existing contractor's system are passed onto the second contractor. Concurrently, the amount of funds in ASAP is switched from the old account to the new account. The Contractor will be responsible for ensuring that the level of funding in the new ASAP account reconciles to the level of benefits moved between contractors, or between Contract Periods, if the Contractor remains the same. The Contractor must research and resolve any discrepancies. The Contractor must also make payment to FNS for any outstanding shortfall that may exist in ASAP revealed by the Reconciliation process. The Contractor must keep the State apprised of its actions in such matters. The Contractor must also advise the State of any overages found in ASAP during this Reconciliation period so that the State can advise the USDA Food and Nutrition Service Agency, to authorize the necessary adjustment and reduce the outstanding value of benefits being transferred to the *new* Contractor.

6.1.2.5 Reconciliation of Transaction Activity against Cardholder Accounts on EBT Host Database

The Contractor must maintain ledger accounts at the program (SNAP or Cash) level. At the end of every host EBT Business Day processing cycle, the EBT System must be balanced and reconciled at the program level, as follows:

- A. Each day, the EBT Contractor must provide an automated Reconciliation of "transaction activity", which is all movement of EBT funds, including deposits and non-settling actions such as Expungements and repayments, against the net

change in the sum of Cardholder account balances applied to the EBT host database. This must be a daily Reconciliation at the program level (SNAP and Cash) of processing totals within the EBT transaction Settlement Switch Day to processing totals within the Contractor's host EBT Business Day.

- B. All activity against Recipient Accounts, including Adjustments, Cash Transaction Fees and ATM usage fees, that occurs between the end of a Settlement Switch Day and the end of the Contractor's host EBT Business Day must be itemized and summarized, by Settlement Date, as "next day" suspense activity. Specify whether the proposed system captures host EBT Business Day suspense, Retailer suspense, or both.
- C. In performing this Reconciliation, the EBT Contractor must account for and accumulate variances and research and correct them within 30 calendar days at no extra charge to the State.

Describe the methods employed to:

- A. Ensure that, on an ongoing daily basis, the sum of accumulated transaction activity remains in balance with the sum of Cardholder account balances on the EBT host;
- B. Document their "next day" suspense accounting procedures; and
- C. Document, account for, accumulate and correct variances as they occur.

The Contractor must provide an audit trail so that, when a variance occurs, Reconciliation can be performed at the individual EBT account level up through the program (SNAP and Cash) level. For each level, the end of day net position is equal to:

- A. Opening balance + credits - debits = End of day balance;
- B. The end of day balance must be verified by adding all the balances in Recipient accounts; and
- C. The Contractor must compute the end-of-day net position or balance for each Benefit Type to include every transaction, including any that do not fall into predefined Benefit Types, and carry the ending balance to the next day's beginning balance.

The balancing functions performed by the Contractor must ensure that the change in the net position in the sum of Cardholder Accounts equals the change in the net position of program (SNAP or Cash) Accounts at a summary level.

The Contractor must also ensure that the change in the net position in the sum of the program accounts is equal to the change in the net position (obligations outstanding) for the funding agencies.

The Contractor must also ensure that the change in the net position of each Benefit Type is equal to the change in the net position for each program (SNAP or Cash) type.

6.1.2.5.1 Accounting for Reconciliation Variances between Transaction Activity and Cardholder Accounts

The Contractor must accumulate and maintain an accounting of all outstanding variances that result from their Reconciliation of:

- A. the sum of each Settlement Switch Day's transaction activity plus deposits and non-settling actions such as Expungements and repayments, against
- B. the net change to Cardholder Accounts on the EBT host database, adjusted for "next day" host EBT Business Day and/or Retailer suspense.

Describe the methods employed to account for and correct any variances that may be identified in this Reconciliation process.

Suspense Accounting for Variances:

Offerors are invited to propose alternate solutions for variance Reconciliation; however, an acceptable standard method for meeting this requirement would be to maintain these two system components in balance so that their values are equal at the end of each day's processing cycle. Any variances would be suspended until they are researched and corrected. (Variances are to be researched and corrected within 30 calendar days.) This method would also serve to provide the required audit trail documentation.

The Contractor would establish a variance suspense account into which all Reconciliation variances would be applied, so that the day's transaction activity, as defined in above, offset by the remaining net variance, is in balance with and equal to the net change in the sum of Cardholder Account balances at the end of each daily processing cycle.

Each variance would be treated as a credit or debit pseudo transaction to record the date and amount of the variance. The variance suspense account would be maintained and carried forward from day to day to document and accumulate daily variances. For corrections that are later reflected in the Contractor's host database, after troubleshooting and analysis, compensating debits or credits would then be made to the variance suspense account, and the accumulated daily variance would remain in synch.

6.1.2.5.2 Research and Correction of Reconciliation Variances between Transaction Activity and Cardholder Accounts

When processing aberrations occur that affect Reconciliation balances, the Contractor must be responsible to identify, document, and explain these aberrations so that they can be understood, and incorporate them into their Reconciliation processing to account for them.

Reconciliation variances must be researched and corrected within 30 days. Variances that cannot be explained and corrected must be documented on a daily

basis and accumulated for periodic adjustment, upon request by the CSA. (Some States may prefer to make adjustments annually or only at the end of the Contract Period.)

Accumulated variances for both Cash and SNAP benefits must be reconciled every quarter.

All variances must become the liability of the Contractor. The amount the Contractor would be liable for is the amount of the difference, regardless of whether the difference is positive or negative. Using the variance suspense account method suggested above in section 6.1.2.5.1 as an example, corrective adjustments would be made as follows:

- A. Variances that are positive, (indicating an inflated funding source and a shortfall to Recipient Account balances) so that the outstanding liability accumulated from the daily transaction activity is higher than the total value of benefits remaining in Cardholder accounts on the host EBT database, would result in a positive balance in the variance suspense account. (These would occur when state-authorized benefits fail to post credits to accounts, or withdrawal transactions double post or over-debit account balances, or Reversals don't restore benefits.)
- B. At periodic adjustment, the Contractor would debit the variance suspense account and appropriately reduce the liability to the government funding account so that it meets the sum of outstanding Cardholder account balances.
- C. Example: Outstanding liability from accumulated transaction activity is \$1,600 but the host EBT database sum of Cardholder account balances only totals \$1,500. The variance suspense account holds the extra \$100.
- D. The Contractor would have to adjust the government liability figure down to \$1,500 and debit the variance suspense account \$100 to bring it to a balance of \$0.

Variances that are negative, (indicating a funding source shortfall and inflated Recipient Account balances) so that the outstanding liability accumulated from the daily transaction activity is lower than the total value of benefits remaining in Cardholder Accounts on the host EBT database, will result in a negative balance in the variance suspense account. (These would occur when State-authorized benefit cancellations fail, or withdrawal transactions fail to debit account balances, or Reversals double post credits to accounts.)

At periodic adjustment, the Contractor would credit the variance suspense account and pay the amount of the variance to the respective government funding source in order to appropriately increase the outstanding liability to meet and cover the total of outstanding Cardholder account balances.

Example: Outstanding liability from accumulated transaction activity is \$1,500 and the host EBT database sum of Cardholder account balances is \$1,600. The

variance suspense account balance is negative \$100. The Contractor would be liable for the \$100 that is missing.

The Contractor would have to pay \$100 to increase the government liability figure to \$1,600 and credit the variance suspense account \$100 to bring it to a balance of \$0.

6.1.3 Settlement/Reconciliation Procedures Manual

The Contractor is required to provide an instruction manual in both hard copy and electronic media to detail the logical steps and procedures for States to perform daily Reconciliation using system data and reports provided by the Contractor. The manual must include a table of contents, a glossary of terms and acronyms and an index. Manual updates (as needed when changes are made) must be provided at no additional charge to the State. It must address procedures for the following:

- A. Reconciliation of funds entering the EBT System from State systems against Deposits to EBT and Direct Deposit accounts;
- B. Reconciliation of funds exiting the system against settling transactions and non-settling transactions (repayments and Expungements);
- C. Reconciliation of funds drawn from funding accounts, including the SNAP Letter of Credit, against transaction activity for the Settlement Day; and/or funds drawn from funding accounts, including the SNAP Letter of Credit, against payments to Retailers and TPPs;
- D. Reconciliation of funds remaining as outstanding liabilities in the sum of Recipient and optional group living arrangement account balances against the outstanding balance derived from the accumulated sum of EBT transaction activity which has been reported back to State systems;
- E. Procedures for confirming AMA entries and for reconciling to ASAP; and
- F. Special procedures for reconciling fraud investigation accounts.

This manual must also detail the established Settlement Switch and host EBT Business Day processing schedules and cut offs, and the cut off for replenishing state zero balance funding accounts. It must also describe and illustrate the reports and inquiry screens that will provide users with all Reconciliation and Settlement data. A first draft of the Settlement/Reconciliation Procedures Manual is due 210 calendar days after each State's Contract start date and a final is due 60 calendar days after each State's successful Conversion.

6.1.4 Reconciliation Training

The EBT Contractor shall provide initial Reconciliation training to designated State staff during Contract implementation. Thereafter, the EBT Contractor shall provide a full-day, on-site refresher training class to designated State staff annually or as requested by the State. The training shall be updated as needed during the course of the Contract to reflect changes to the Reconciliation reports, processes or data displays.

At no additional cost to the CSA, the report package must allow State flexibility to determine report frequency, set different parameters for minimum/maximum dollar thresholds, and sort reports by geographic or other operational codes.

6.1.6 Settlement and Reconciliation - Performance Standards

[Offerors are not required to provide a response to this section 6.1.6 in their Technical Proposal]

Refer to Section 12, Performance Standards.

6.2 System Security Policy

6.2.1 System Security Policy – Core Requirements

The Contractor and all Subcontractors must ensure that an appropriate level of security is established and maintained in connection with the EBT Services provided pursuant to this RFP.

The Offeror must process information that has been designated sensitive but unclassified. Sensitive but unclassified information is any information, the loss, misuse or unauthorized access to or modification of which could adversely affect the national interest of the conduct of Federal programs, or the privacy to which individuals are entitled under Section 552a of Title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an act of Congress to be kept secret in the interest of national defense or foreign policy. The Contractor shall also conform to the EU General Data Protection Regulation (GDPR) standards. The vendor will need to plan and provide sufficient resources for access by Third Party applications and accessing the system via API (SOAP with WS Security and REST with TLS). The Contractor must provide the ability for the CSA to granularly segregate, delimit, control, and audit access to the open API, including the limitation of access to certain data points and to certain entities. This ability must be flexible to allow for changes over time. Each CSA shall unilaterally determine whether a third party is allowed access to the EBT system via API.

6.2.2 System Security Plan

Submit documentation of a comprehensive System Security Plan which addresses those systems, controls and programs discussed in section 6.2.2.1 through 6.2.2.8 below. The System Security Plan must describe the administrative, physical, technical and systems controls to be implemented for the EBT System and how the Contractor will address deficiencies or security breaches if they are identified during the course of the contract. In addition, the EBT System Security Plan must provide for the ongoing certification and examination of the EBT Contractor's operations and control systems. The System Security Plan must reflect the guidance of FNS Handbook 901 and FNS EBT Security Manual. In addition to describing the planned controls to meet the security requirements of this section, the System Security Plan must provide for the ongoing certification and

examination of the Offeror's operations and control system and must include a detailed description of how the Contractor will address roles and responsibilities of the Contractor, the State and any Subcontractor(s) in maintaining security. The Offeror may use OMB Circular A-130 and 90-08; see <https://www.whitehouse.gov/omb/information-for-agencies/circulars/> as references and templates in preparing the System Security Plan.

If awarded the Contract, the Offeror must submit a revised system security plan 30 calendar days after each State's Contract start date and a final plan 90 calendar days after each State's Contract start date. System Security Plan acceptance is contingent upon State and USDA/FNS review and approval.

6.2.2.1 EBT Systems Security

This section addresses security and control requirements pertaining to the development and overall operational characteristics of the EBT information and processing systems. Describe the systematic and procedural controls for the following areas and other pertaining controls for the EBT System operations.

6.2.2.2 Control and Security Requirements

Specify the security controls to be used by the Offeror and any Subcontractor(s) in the performance of Services required under this RFP. The Offeror must utilize Federal Government and Electronic Funds Transfer (EFT) industry standards and conventions in ensuring a secure EBT environment.

6.2.2.3 Facilities Physical Security

The Offeror must utilize physical security and access control systems to limit access to any facilities used to process cards, process data or house any sensitive data to those authorized personnel and authorized visitors. The control systems must have the capability to detect and report attempted unauthorized entries into the facility. The Offeror must regulate access to primary and backup data centers in such a way that the flow of all persons can be monitored and controlled.

The following minimum physical security protection measures must be implemented to deny unauthorized access to, manipulation, and/or sabotage of the EBT data processing and telecommunications facilities. Describe the physical controls for operational facilities in these areas. Additional measures should be described as appropriate.

Entrance security – The EBT data processing and telecommunications facilities must be secured 24 hours per day, seven days per week. The entrance(s) to the facilities must provide for controlled entry and be secure against forced entry.

Locks – The facilities must be locked at all times.

Cipher or proximity/swipe card type devices – may be used during duty hours to control entry into a facility. During non-duty hours, the cipher lock must not be used as a sole locking device.

Data Storage Security – All data on portable media, including but not limited to, magnetic tapes, diskettes, CDs, removable disk packs, paper listings and microfiche must be in secure access controlled storage areas with access limited to authorized personnel, when not being used by computer operations.

Fire Protection and Suppression – The primary and backup processing sites as well as the tape storage areas must be equipped with fire detection and suppression systems that detect and suppress fire in the incipient stage.

Control of Card Stock – Describe the system and procedural control(s) to ensure that unissued card stock is properly safeguarded against loss, theft and/or abuse.

Control of PINs – Describe the system and procedural controls to ensure that access to all PINs, whether assigned or selected are strictly controlled. The Offeror is responsible for ensuring the confidentiality of the PIN during generation, issuance, storage and verification. The Data Encryption Standard (DES) algorithm must be used to control all PINs. The Offeror must ensure that clear text representation of the PIN will never be displayed on PIN entry devices. The Offeror must provide for authentication of data encoded on the card's magnetic stripe and PIN offset, and the PIN controls listed in Chapter IX, Security, of the QUEST® Operating Rules.

6.2.2.4 Administrative Security Controls

Communications Access Controls – The Offeror must provide for communications software to control access to the EBT System. Such communications software controls must ensure that all Federal, State, local staff, and Contractor personnel having access to the EBT System is strictly controlled. The Contractor must include software controls for the PIN selection devices located at local offices. Communications access control software must provide for the following capabilities.

User Identification and Authentication – All personnel requiring access to the system must be established within the system. The system must require unique identification from each user to access the system. The system must not allow the display of the PIN on an administrative terminal or PC monitor. Access to the databases, transactions and programs must be restricted to those personnel needing access to such data to meet professional responsibilities. The security system must protect authentication data to make it unavailable by any unauthorized user. The security system must provide the capability to identify authorizations of individual users and unauthorized users. The security system must support a lock out threshold for excessive invalid access attempts. The security system must support the immediate deletion of users no longer authorized by the state EBT Administrative Security Officer or Designee. In addition, the system must send the State notice of any local user that has been inactive for ninety days. The Offeror must provide the

State with the required Administrative System Security Reports to identify inactive system users.

Discretionary Access Controls - The security system must use identification and authorization data to determine user access to information and level of information accessed. The security system must provide the users the capability to specify who (by user or type of user) may have access to system data. The security system or Network must assure that users without proper authorization are not allowed access to EBT data.

System Access and Audit Controls – The security system must be able to provide an audit trail of access to the system and also maintain and protect such records from modification, unauthorized access and destruction. At a minimum, the security system must be able to record the following types of events: log on, log off, change of password, program initiation and all actions by system operators, administrators and security officers. The security system must have a secure process for users that have password problems, for example a set of on-line security questions built into the users profile that when correctly answered, allow users to create a new personal password, rather than the State's Administrative Security Officer or Designee change or reset the system password. The security system will provide the capability to delete, upon State parameters, inactive users and provide that data electronically to the State's Administrative Security Officer or Designee. The security system will provide the capability to allow the State's Administrative Security Officer or Designee to change passwords in an on-line environment. The State's Administrative Security Officer or Designee must be able to selectively audit the actions of one or more EBT System users based on individual identity.

Transaction Communications – The Offeror must provide controls to ensure that EBT transaction communications are safeguarded and only processed from authorized local, State and Federal terminals, state host computers, or PIN selection devices. Communications message validation must provide for control edits to ensure for message completeness, file and field formats and control and authentication measures. Describe controls to secure communication lines and links. The Offeror must have the ability to perform error checking of transmitted data. The Offeror must provide a configuration layout showing complete end-to-end details of the telecommunications and automated information system(s) as part of the Detailed System Design document required as a deliverable after contract award as a result of this RFP. This should include hardware components, including but not limited to modems, encryption devices, etc. that States would be required to use in support of communication access controls.

6.2.2.5 System Data Security

System Data Security is the protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentiality, integrity, and availability System Data must be protected to ensure that system and confidential information not be disclosed for unauthorized

purposes. Data Security controls should follow the set of recommended security requirements for protecting the confidentiality of data per NIST SP 800 -171 Rev 1 (or an updated version thereof) for both basic and derived security requirements. In a system security plan, describe how the specified security requirements are met or how organizations plan to meet the requirements. The plan will describe the system boundary; the operational environment; how the security requirements are implemented; and the relationships with or connections to other systems referencing the controls from NIST Special Publication 800-53 Rev 4 associated with Federal Information Processing Standards (FIPS) Publication 199 (or an updated version(s) thereof) impact value for moderate data. At a minimum, the following should be addressed in the RFP response via the system security plan:

- A. Access Control
- B. Awareness and Training
- C. Audit and Accountability
- D. Configuration Management
- E. Identification and Authentication
- F. Incident Response
- G. System Maintenance
- H. Media Protection
- I. Personnel Security
- J. Physical Protection
- K. Risk Assessment
- L. Security Assessment
- M. Systems and Communications Protection
- N. System and Information Integrity

In their response, the Offeror should specifically address:

State Access – The Offeror must ensure that designated users from a particular NCS member only access the system in relation to system data and the operations in relation to that State.

Disclosure of Information and Data – Any sensitive information made available in any format must be used only for the purpose of carrying out the provisions of this RFP. Information contained in such material must not be divulged or made known in any manner to any person except as may be necessary in the performance of this RFP. Disclosure to anyone other than an authorized officer or employee of the Federal or State agencies, or a local office is prohibited without prior written approval. Sensitive information must be accounted for upon receipt and properly stored before, during and after processing. In addition, all related output should be given the same level of protection as required for the source material.

Separation of Duties – The Offeror must provide for adequate internal controls through separation of duties and/or dual control for the functions of card and PIN issuance, system administration and security administration (this includes the separation of operations from control functions (such as Reconciliation controls), account set up, benefit authorization and Settlement authorization).

Backup and Contingency Operations – The Offeror must provide for backup procedures to ensure the continuation of operations in the event of a temporary disruption or disaster. Backup and Contingency requirements are in Section 4 of this RFP.

System and Procedural Documentation – An integral component of the Offeror's internal control structure is the provision and maintenance of adequate detailed system design documentation of system and software applications and operating procedures and requirements.

6.2.2.6 Comprehensive Security Program

The Offeror must be responsible for the implementation and maintenance of a comprehensive security program for the EBT System and operations. This program must include the administrative, physical, technical and systems controls that will be implemented to meet the security requirements of the EBT System and this section. It is the expectation of the NCS that the system of internal controls used to manage risks to the EBT System and operations will be based on EFT industry standards as they may evolve.

6.2.2.7 Problem Escalation and Resolution

In addition to the self-certification and evaluation requirements, the Contractor must follow the problem escalation and resolution process defined in Section 11 to notify the impacted State and resolve any non-compliance.

7. Disaster Preparation and Contingency Planning

It is the goal of the NCS to continue Cash and SNAP EBT transaction processing and disbursement of benefits in the event of adverse situations related to systems and telecommunications failures and in natural and other disasters whether affecting the State or the Contractor. This section of the RFP addresses major risk points and solutions designed to enable continuation of business with minimal interruption in these adverse situations.

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section and subpart herein, except where specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding

of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

7.1 Disaster Preparation and Contingency Planning – Core Requirements

7.1.1 Business Continuation and Recovery Plan

The Contractor must provide a Business Continuation and Recovery Plan that provides for continuous operability in the event of technological failures or natural disasters affecting the Contractor. The plan must ensure restoration of the Contractor's host system processing and communications facilities to each contracting state as described below.

The Contractor's Business Continuation and Recovery Plan must detail steps to be taken to recover from systems failures, telecommunications failures and natural and other disasters. This plan must include provisions to ensure that cardholder and Retailer/merchant services incur minimal interruption. The plan must state the resources committed to each contingency operation for each system component as well as provide detailed problem and escalation procedures. Problem and escalation procedures must conform to the requirements set forth in the Problem Notification and Escalation and Resolution Process section of this RFP and be consistent with those described in the Offeror's Proposal. In addition, Contractors must describe the mitigation for all points of failure. Please refer to the Single Points of Failure Mitigation section of this RFP.

In the event of an outage or disaster impacting the availability of the Contractor's primary data processing site, the Contractor must provide a hot back-up site, as defined in the Hot Backup Site section of this RFP. The Hot Backup site must provide EBT processing in the event of loss of primary host processing ability. The Business Continuation and Recovery Plan must detail guidelines, considerations, and specific steps for making the decision to switch over from the primary site to the backup site in the event of a primary system failure. The Business Continuation and Recovery Plan must include a communication protocol between the State and the Contractor, as well as criteria and time frames that are acceptable to the State.

The Contractor must have the EBT hot back-up contingency site begin processing transactions within one hour of an outage occurring or a disaster being declared. The Contractors' site must be maintained concurrently and must be able to take over on-line and batch processing switch over upon notification by the Contracting State Agency. One hour is the specified period within which the telecommunication links (state and Acquirer), the databases, and the CPU processing must be operational and able to accurately and completely process EBT transactions via the backup site.

Offerors should submit a draft of the Business Continuation and Recovery Plan in the Technical Section of the Proposal. The Contractor must submit a first design draft 30 calendar days after each State's Contract start date and a final design draft 90 calendar days after each State's Contract start date. Business Continuation and Recovery Plan acceptance is contingent upon State review and approval.

7.1.1.1 Contractor Systems

The Contractor must notify the State immediately upon learning of any outages affecting processing, admin functionality, Retailers or cardholders, regardless of cause.

Transaction processing is to be switched to the EBT host hot back up site if the outage is expected to, or exceeds one hour in duration, and/or a determination of necessity is made by the affected States based on an evaluation of the problem and the time required to resolve it. In the event of a primary system failure, the processor's backup site must take over the operations, including the capability to Transition back to the primary production system, according to the requirements set forth above, and in the Hot Backup Site section of this RFP.

The Contractor must notify the State immediately upon Contractor's decision to move to a back-up site to provide EBT Services. If the Contractor is providing EBT Services to multiple States, the Business Continuation and Recovery Plan must address the timing and order of recovery of the State as compared to the other agencies being processed.

The back-up site and alternate communications routing must be available for continuity of business testing for any given State at any time determined appropriate by that State to demonstrate the Contractor's capability to Transition host processing operations from their primary facilities to their backup facilities. The Contractor must provide the State with copies of these test results within 30 calendar days of completion of the testing.

7.1.1.2 State Systems

The Contractor must support the recovery of the State's eligibility and EBT interface systems as defined in this RFP.

7.1.2 Disaster Services Plan

In addition to the Business Continuation and Recovery Plan, the Contractor must provide a Disaster Services Plan to each CSA. The Disaster Services Plan must detail alternate methods of delivering SNAP and Cash benefits to cardholders in the event of telecommunications failures and natural and other disasters and system outages on the State end (distinguishing it from the Business Continuation and Recovery Plan). Included in this plan must be a variety of specific technical and procedural measures to be available for use as warranted in emergency situations. It is not necessary for the State to experience a presidentially declared disaster or to run a DSNAP in order to implement the requirements described below.

In the event that the State is running a DSNAP, it is expected that the Contractor will support the State in complying with FNS Regulations and all requirements of the USDA

Disaster SNAP Guidance (July 2014 or most current) around benefit availability, reporting, and any other standards required by FNS Regulations.

In the Technical Proposal, describe the actions to be taken before, during and after a disaster or outage, along with documented, tested procedures which, if followed, must ensure the availability of critical resources and facilities maintaining the continuity of operations in a contingency situation.

This plan must include provisions to ensure that cardholder and Retailer/merchant services incur minimal interruption. The plan must state the resources committed to each contingency operations plan for each system component as well as provide detailed problem and escalation procedures and indicate whether the contingency plan has been tested under real or simulated conditions. Problem and escalation procedures must conform to the requirements set forth in Section 11 of this RFP and must be consistent with those described in the Offeror's Proposal. In addition, Contractors must describe the mitigation for all points of failure. Please refer to Section 4.2.1.5 - Single Points of Failure Mitigation.

Submit a draft of the Disaster Services Plan in the Technical Proposal. The Contractor must submit the first draft 30 calendar days after each State's contract start date and a final draft 90 calendar days after each State's Contract start date. Disaster Services Plan acceptance is contingent upon CSA review and approval.

A State may declare a disaster and/or issue disaster benefits without utilizing any of the specified services outlined in this section. In that circumstance, new Cases added using the core functionality must be billable at the core case per month rate as noted below.

The Contractor must provide the following Core Services that can be selected and implemented by the state depending on the severity and nature of the disaster. Offerors are encouraged to propose and describe additional disaster service options in their technical.

7.1.3 Disaster Cardholder Support Services

7.1.3.1 Lift Staggered Issuance

In the event of a disaster, the NCS requires the ability to post all benefits in a designated County, region or service office immediately, regardless of actual availability date.

7.1.3.2 Benefit Reissuance

During a disaster the NCS may require the Contractor to reissue benefits or a portion of benefits to cardholder accounts based on a previous month's benefit issuance.

7.1.3.3 Customer Service Support

At the request of the CSA, the Contractor must have the capability to immediately implement a specific disaster IVR/ARU script for cardholders and Retailers that has been approved by the State. This script must be changeable to meet differing situations throughout a disaster; e.g., special voucher approval rules may be implemented and later revoked as conditions improve. The Contractor system must be capable of alerting Customer Service Representatives when accessing the cardholder's record that the cardholder resides in the county or counties identified by the State as the disaster area.

7.1.3.4 On-Line Cardholder Account Set-up and Benefit Issuance

In the event of a disaster, eligibility requirements for specific types of emergency assistance may be more liberal than those used for determining "normal" eligibility for benefits. The NCS requires the ability to set up accounts for this new population quickly, and provide them with emergency benefits. These benefits are specifically targeted for disaster assistance, and must be used within a certain number of days.

Once an individual has been determined eligible, received a card and PIN, and has been assigned a unique State ID, the state must have the ability to add the Cardholder to the EBT host, issue benefits and link the EBT Account to a temporary EBT card with a pre-assigned PAN and PIN. This must be accomplished through online entry on the EBT administrative system using screens designed for disaster purposes only. Administrative data entry must be completed in real-time, such that the Cardholder may immediately access their benefits.

Support for backup remote access to the EBT administrative system must be supported via a wireless Virtual Private Network (VPN) connection.

7.1.4 Disaster Retailer Support Services

7.1.4.1 Retailer/ATM Site Surveys

Upon notification by the State of a disaster, the Contractor must survey selected Retailer locations and financial institution/ATM Networks to determine the level of service that can be provided to cardholders because of equipment outage or other factors. After disaster services have been completed and the State resumes normal operations, the Contractor must contact these benefit redemption points again to determine the status of ongoing operations. The Contractor must ensure that CSRs are aware of specific benefit redemption points that are operational during and after the disaster in order to direct cardholders to appropriate locations. The CSA must also be provided daily reports including this information.

7.1.4.2 Retailer Customer Service

In the event of a disaster the Contractor must provide the same scope of Services to Retailers for the IVR/ARU and Customer Service operations. The IVR/ARU must have a specific disaster script that has been approved by the State. Because call volumes will likely increase, the Contractor must increase the number of CSRs to support Retailers.

7.1.4.3 SNAP Manual Voucher Forms and Hold Period

The Contractor must provide a sufficient supply of extra SNAP Manual Voucher forms for processing in the event of a disaster and provide the ability to extend the Hold period for SNAP Manual Vouchers according to the approved FNS waiver at the time.

7.1.5 Disaster Technical Support

7.1.5.1 Accelerated Expungement of Benefits

Disaster benefits may be issued as a specific Benefit Type for use during disaster situations only. These Benefit Types will be set up during detail design. These benefits must be expunged within an approved timeframe after issuance. The approved timeframe will be specified by the State after receipt of waiver approval by FNS.

7.1.5.2 Eligibility System and Interface Support

The Contractor must support recovery of the State's eligibility and EBT interface systems at a back-up site in the event of a disaster at the State's primary data center. This support must consist of providing connectivity to the State's back-up site to support transmission of data files and reports between the State and the Contractor. This may include transmission of files to and from the affected State's "Buddy State." "Buddy States" means any of the States, territories or the District of Columbia who have entered into an agreement with another state, territory, or the District of Columbia to provide post-disaster recovery support in the event of a catastrophic disaster – either natural or man-caused.

The Contractor must provide support to the State in ensuring that benefits and EBT cards are still being provided to Cardholders through the EBT System during the recovery of the State's data processing systems. Following the declaration of a disaster by the State and movement to a back-up data center or Buddy State, the Contractor must work with the State technical staff to provide EBT administrative terminal support.

7.1.5.3 Transmission Alternatives

The Contractor must support alternate methods of batch file postings in the case of telecommunication failure.

7.1.5.4 Batch File Processing

In the event of a system outage, the State may need to transmit account set up and maintenance records (including demographic updates) via an online host to host or client to host link, using a protocol of its choosing. The Contractor must receive and process such records 24 hours per day, seven days per week. The Contractor must process the records, perform all edits, set up and maintenance processes, and reflect changes by times agreed upon with contracting States.

7.1.5.5 Administrative System Access

In the event the State's eligibility system or the traditional interface is not accessible, the State must have access to the Contractor's administrative system functionality via a wireless Virtual Private Network (VPN) connection. The Contractor must provide the appropriate password, access and software components, and training prior to the disaster situation.

7.1.5.6 Disaster System Testing

Disaster response systems must be tested before a State has to use the system to respond to an actual disaster. The Contractor must perform testing within 240 days after each State's Contract start date and annually thereafter. This requires testing of disaster Services for preparedness in conjunction with other testing warranted by software or equipment changes that may have an impact.

7.1.5.7 Post Disaster Support and Catch-up Reconciliation Processing

Describe procedures and methods the Offeror will use to provide post disaster support and catch up Reconciliation processing during and following a disaster. The Technical Proposal should address disaster support Services for the following Reconciliation topics:

- A. Disaster issuance Reconciliation: benefits issued, transacted, and expunged.
- B. Comparison of disaster issued benefits to the current state eligibility system for duplicates.
- C. Inventories of unissued disaster cards and their return to secure storage.
- D. Inclusion of disaster benefit issuances in the monthly billing reports as specified in this RFP.

The Offeror is encouraged to propose a method to identify “duplicate participation” reporting on any individual within more than one active SNAP Account in receipt of disaster issued benefits. The process will report on such activity in the event the CSA invokes the Disaster Services Plan and Contingency Planning Services described in this RFP. Reporting details will be determined during detail design discussions.

7.1.5.8 Billing Disaster Benefit Types

The Contractor must establish unique disaster Benefit Types as stated above (Accelerated Expungement to support accurate state-specific reporting of disaster benefit issuance activity and billing).

7.1.5.9 Disaster User Profiles for FNS Approved Disaster Issuances

The Contractor must maintain user profiles that include workers authorized to perform disaster related functions. These workers must have access to administrative system screens required for disaster Services, as well as standard inquiry access.

7.2 Disaster Preparation and Contingency Planning - Optional Services Requirements

7.2.1 Disaster Vault Card and PIN Inventory

At each State’s option, the Contractor may be required to maintain a stock of disaster Vault Cards with pre-assigned PINs to be available during an outage or disaster. The number of Vault Cards and pre-assigned PINs required by a CSA will be determined in detail design. However, this option can be selected any time during the Contract with appropriate notice. The corresponding supply of PIN stock must be available for emergency use as needed. The cards must be embossed or printed with flat graphics with a designated Disaster PAN only. Cards and PINs must be in normal mailers, with English and Spanish language enclosures. Vault stock cards must be readily distinguishable from regular mail-issued cards. Card/PIN matching pairs must be readily identifiable, and batches of cards and PINs must be produced in a fashion that facilitates the matching logistics. If compromised in any way, Vault Cards must be able to be stashed by customer service.

Describe procedures and methods to support card and PIN issuance during and following a disaster. Address disaster support Services for the following topics:

- A. Card handling and security;
- B. Card production, as requested by the CSA to support an adequate supply;
- C. Card Types: Over-The-Counter, Vault Cards, and Preloaded with SNAP benefits;
- D. Card storage and inventory controls;
- E. Card delivery and security;

- F. Procedures for delivering cards to cardholders who are temporarily housed outside the disaster area; and
- G. PIN issuance, selection, and security, including provision of additional PIN selection devices for use in an outage or disaster.

7.2.2 Drop Ship Delivery for States Utilizing Contractor Issued Cards

New Cardholders receiving their first EBT card during a disaster may have their card issued Over-The-Counter at local offices or mailed from the State central offices, or have the card and PIN mailed to their residence via normal U. S. Postal System mail delivery by the Contractor. All cards being mailed directly to the Cardholder via U.S. Postal System 1st class mail must be in compliance with FNS 274.2 (b). Cards mailed in this manner will be pre-sorted by Zip Code.

The States must have the option of requiring the Contractor to drop ship active cards and PIN mailers via overnight express mail (required to be separately priced) to a specific local or state office(s). Cards must be delivered to the CSA according to FNS Regulations.

7.2.3 On-Site Card Issuance

Emergency Vault Cards with pre-assigned PINs must be shipped via overnight express on the same day of the State's request to issuance sites if a disaster has been declared. The State will determine the number of cards required for same day shipment. The remaining cards must be available to the State within five days of the request. All costs associated with this requirement must be treated as pass through or reimbursable costs and must be reflected in the monthly invoice for the state acquiring this service.

7.2.4 Duplicate Participation Check Function/Reporting

A State may choose to establish new disaster SNAP Cases and issue disaster benefits independently of their state eligibility system as described in Section 4.3 – Account Set-up, Account Maintenance and Benefit Authorization – Core Requirements.

At each State's option, the Contractor must assist the State in complying with the FNS duplicate participation check requirement independent of any checks the state supports on their eligibility system to ensure that individuals are not participating in more than one household. For example, a household participating within a Disaster SNAP program/Case and concurrently participating within an ongoing SNAP Case is prohibited by regulation. This check requires the capability for the state to input demographics for the head of household and all household members (full name, SSN and date of birth) via on-line administrative terminal screen entry or by the state transmitting a batch file. The Contractor must generate and transmit daily demographic files to the State and/or generate daily match reports identifying any household member participating in more than one disaster household or as a grantee in an existing Case.

If selected by the State, the functionality must be included in the Disaster Services Plan provided by the Contractor. Specific details of the functionality will be determined by the State during the detail design phase.

7.2.5 Backup Remote Access

At each State's option, provide the State with desktop personal computers or laptops to access the backup remote access to the EBT administrative system via the VPN connection described in Section 7.1.3.4 above.

7.3 Disaster Preparation and Contingency Planning - Core Reports/Files/Inquiries

The Contractor must supply disaster reporting to support FNS requirements and regulations. See Appendix Q – NCS EBT Reports for a listing and more detailed descriptions of the required core reports/files/inquiries. Specific details and data elements for all reports/files/inquiries will be determined by the CSA during the detail design phase.

7.4 Disaster Preparation and Contingency Planning - Performance Standards

[Offerors are not required to provide a response to this section 7.4 in their Technical Proposal]

Refer to Section 12, Performance Standards.

8. WIC EBT Requirements

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section and subpart herein, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

One or more NCS members may contract for Special Supplemental Nutrition Program for Women, Infants and Children (WIC) EBT Services under this procurement. All NCS members, referred to as a Contracting State Agency or CSA, shall have the *option* to contract, on their own individual timelines, WIC EBT Services under this procurement vehicle but no NCS member is *obligated* to do so. It is FNS policy that all WIC CSA's must complete planning work in accordance with Handbook 901 prior to consideration of this contract option.

All NCS WIC Agencies require many of the Services and technology described throughout this RFP and beyond this section. Offerors are reminded that in addition to this section, Offerors are contractually obligated to meet the material terms and conditions, specifications, and requirements set forth throughout this RFP. Unless otherwise specified in the WIC Requirements or unless there is an obvious conflict, the requirements specified in RFP Sections 8 shall apply to the WIC EBT Program. Where reference is made to a specific

section(s) of the RFP, the Offeror's response to the WIC requirements need only make a statement acknowledging acceptance of the requirement(s). In cases where there is a conflict between other RFP Sections and the WIC Sections, the requirements in the WIC Sections take precedence for the WIC EBT program. In preparing their technical response to the WIC Sections, Offerors are requested to follow instructions in Section 14, Proposal Submission, and to address all requirements in Sections 8. Also please note, in addition to all requirements in Section 8, Offerors shall respond where instructed throughout Section 8, to specific questions and request for details on the Offeror's approach.

For purposes of this section of the RFP the terms "Contractor" and "EBT Contractor" are used interchangeably. For purposes of this section of the RFP the terms "eWIC Vendor", "WIC Vendor", "Merchant", and "Retailer" are used interchangeably. For purposes of this section of the RFP, the use of the terms "shall", "must" and "will" are used interchangeably when describing the Contractor's/Offeror's duties. For purposes of this section of the RFP, the use of the term "days" refers to "calendar days" unless otherwise specified.

8.1 Status of WIC EBT in NCS

The Commonwealth of Massachusetts, Connecticut, New Hampshire, New York Rhode Island, Vermont, and Maine are seeking WIC-EBT Services. The Proposal should contain responses to the following requirements in the event any NCS member elects to contract WIC-EBT Services as a result of this procurement. The Commonwealth of Massachusetts, Connecticut, New Hampshire, New York, Vermont, Maine, and Rhode Island will all be active users of WIC EBT at the time this RFP is published. Given this, upon award of the Contract, the successor Contractor shall work with the CSA and any other organizations designated by the CSA to ensure an orderly Transition Phase and responsibilities under the Contract to ensure the continuity of those Services required by the CSA. As of the writing of this RFP, and given contract timelines, the Commonwealth of Massachusetts and the State of Maine are less likely than their affiliate CSAs (Connecticut, New Hampshire, New York Rhode Island, and Vermont) to use the final agreement as a contracting vehicle. Each may exercise use of new NCS contracts for an eWIC service provider as their schedule dictates.

8.2 WIC Program Overview

WIC is administered by the U.S. Department of Agriculture, Food and Nutrition Service (FNS). WIC provides nutrition screening and education, access to preventive health programs and access to selected foods to supplement the diets of low income, pregnant, breastfeeding and postpartum women, infants and children up to age five who are at nutritional risk. WIC is not an entitlement program as Congress does not set aside funds to allow every eligible individual to participate in the program. Federal grants are provided to States to administer the State program and provide benefits to eligible women, infants and children.

Indian Tribal Organizations (ITO) operate as fully independent WIC agencies. However, in some cases, the ITO WIC programs share State computing resources as members of a WIC consortium. This may result in multiple program files for the State's WIC programs.

In such cases, ITO WIC programs may be included under this procurement at the State's option. The State, however, will remain the primary or lead contracting entity.

8.3 WIC EBT Program Qualifications and Experience

The requirements specified in this RFP applicable to the WIC Program should be provided in the Offeror's response describing its WIC EBT qualifications. Although not required, experience implementing online EBT solutions for WIC programs is preferred.

8.4 WIC EBT Organization and Staffing

The Offeror's response should describe their approach to staffing the WIC EBT implementation, transition, and operations. Responses should address how the Offeror can scale operations and meet implementation timelines in the event multiple NCS members elect to contract and implement EBT Services simultaneously.

The Contractor shall provide adequate resources to support the implementation and operation of the eWIC system.

8.4.1 Project Manager

- A. The Contractor shall provide the CSA with a dedicated WIC Project Manager (Contractor Project Manager) for the implementation. It is preferred that the Contractor's Project Manager be a certified Project Management Professional (PMP) or an equivalent certification. In addition, it is required that the proposed Project Manager has provided project management for at least one previous EBT or eWIC implementation. The Contractor's Project Manager will be subject to CSA approval. The Contractor Project Manager shall start work on the State's project no later than 15 days after the effective date of the contract between the Contractor and the State WIC Program and will continue through the State WIC Program's written acceptance of the successful statewide implementation of the Contractor system. During the critical phases, such as the project kickoff meetings/design sessions, start of UAT, transition, and the first week of operations, it is required that the Contractor Project Manager be onsite as needed, as determined by the State.

- B. The Contractor shall assign a Project Manager for the entire length of the operations phase. Some states require a dedicated Project Manager during the operations phase - See State Appendices for details. During the operations phase, the Contractor Project Manager must maintain regular contact through required status reports and requested calls with the State's eWIC Coordinator and designated staff members. The Contractor's Project Manager for the Operations Phase is subject to CSA approval. During the Contract, the CSA may request the replacement of the Contractor's Project Manager for any legitimate performance reason. The proposed replacement will be subject to CSA approval. Staff replacement occurring at the CSA's request shall be performed within 30 calendar days of receipt of the request.

8.4.2 Other Key Personnel

- A. Other Key Personnel from the Contractor subject to the approval of the State WIC Program are the WIC Vendor Enablement Manager and Program Manager.
- B. The WIC Vendor Enablement Manager will be responsible for coordinating eWIC Vendor activities related to WIC Vendor integration, certification and stand-beside deployment. The WIC Vendor Enablement Manager will also need to perform activities 'as required'. It is preferred that individuals proposed for this position have experience in WIC Vendor management, and eWIC Vendor enablement management of at least one previous project, and experience facilitating integrated WIC Vendor certifications. Preferred experience includes experience providing support to WIC Vendors during rollout and experience supporting POS equipment deployment and training.
- C. The Program Manager will be the primary contact for the CSA and its MIS operations and maintenance Contractor for the eWIC system, interfaces, and communications with the eWIC system. This staff person will coordinate and/or serve as a liaison between the Contractor technical staff and the CSA/MIS Contractor technical staff to support the eWIC implementation project. This staff member should have a technical background. It is required that individuals proposed for this position have experience in a similar role for at least one EBT or eWIC project.
- D. The CSA may conduct interviews of Key Personnel prior to contract execution in order to determine acceptability. If a change in Key Personnel is made after execution, the Contractor shall present the replacement to the CSA, which will have right to refuse the replacement. If any of the proposed Key Personnel or Project Managers are not currently in the employment of the Contractor, these proposed staff shall be identified as contingent hires as part of the contract negotiations process. The Contractor should demonstrate staff capabilities and experience by providing, the name, position title, responsibilities, and resumes of all Key Staff and identify project roles to be filled upon contract execution.
- E. The Contractor shall have the appropriate number and mix of project staff both on site (during critical phases) and off site at all times during the State's implementation to ensure the successful design, development, test, implementation and operation of the CSA's eWIC system. The CSA recognizes that it is not necessary to maintain onsite EBT Contractor staff for the duration of the project, but expects that key Contractor staff, as determined necessary by the State, will attend onsite meetings and support onsite activities during the project, particularly during critical points in the project, such as the requirements validation, system interface meetings, user acceptance testing, Transition (e.g., Transition activities under the new Contract), and shift to operations.

8.4.3 Communications

To support the WIC EBT Program, the Contractor shall be required to meet the Ongoing Communication Requirements specified in RFP Section 11.7.1.

Please also see section 8.29 WIC Documentation for more detail.

8.4.3.1 Project Communications

- A. Contractor shall prepare weekly status reports during the implementation phase.
- B. Status reports summarize any outstanding project issues or obstacles.
- C. Status reports detail any proposed deviations from planned activities, schedules, or staffing.
- D. Contractor shall attend weekly status meeting during the implementation phase.
- E. Contractor shall meet with individual states as needed to plan, monitor, and oversee State-specific issues and activities.

8.4.3.2 WIC Vendor Update Meetings

- A. The Contractor shall establish regular WIC Vendor Update Meetings with the WIC EBT Program.
- B. Agendas for the update meeting shall be provided two Business Days prior to the meeting.
- C. Update meetings shall include, but not be limited to, WIC Vendor outreach activities, regular status update on WIC Vendor readiness, WIC Vendor agreements completed, POS terminals shipped, and WIC Vendors ready for level 3 certification, and timeline updates on WIC Vendor activities. Note, at CSA discretion, a limited Level 2 may be necessary per individual or NCS policy.
- D. Notes from the meeting shall be provided within two Business Days following the meeting.

8.4.3.3 Issues Log

The EBT Contractor will develop and maintain an issues log for the duration of the Contract. During implementation and operations, the EBT Contractor must provide the following in a formal written submission for any problems or issues:

- A. A summary of the issue;
- B. An impact statement describing the potential impacts to operations if the issue is not addressed;
- C. Personnel responsible for problem resolution;
- D. Estimate timeframes for resolution;

- E. Monitor the status of all reported problems;
- F. Provide a clear and detailed written description to cure and resolve any reported problems;
- G. Implement and clearly describe (as necessary) any escalation procedures approved by the CSA; and
- H. Maintain a written formal record of the final outcome to mitigate any future problems or issues during the Transition Phase.
- I. The EBT Contractor will ensure all submissions are recorded and tracked in a centralized log.

8.4.4 WIC EBT Transition/Conversion Services and Activities

The Offeror's response shall describe their approach to transitioning EBT Services from the incumbent Contractor as applicable. A project plan, details of Transition with Third Party Processors, and Conversion of benefit, household, card, and history data should be included. See Section 11 Project Planning and Phases - Core Requirements and Section 11.5 for Transition/Conversion requirements.

- A. Any Transition from one processor to another will require the gateway Switch, if any, to Transition on the same cut over date as the EBT host processing.
- B. Any system outage required to accommodate the Conversion must occur during a timeframe when impacts to the Retailer/merchant and cardholder community are minimized. Each NCS member expects Conversion to occur at a time during the month when transaction processing is lowest and during non-peak hours. The Contractor must analyze monthly transaction volumes and select a date and time when the least number of Retailers and cardholders would be affected. Likewise, the Contractor must work with each CSA to minimize the Transition's impact on the CSA's daily EBT operations, such as file processing and transfers and/or daily record transmissions.
- C. The Contractor must support the use of existing EBT cards throughout the Conversion process and until new eWIC cards can be reissued as part of the Conversion process.
- D. Target date for Conversion shall be no greater than 240 calendar days after each State's Contract start date, however, each State will determine, during contract negotiations, the target date for Conversion.
- E. For states that currently have 180-days of on-line history the successor EBT Contractor must convert 180-days of on-line transaction history from the incumbent Contractor to the successor Contractor database. CSA's will require the successor Contractor to convert less than 180 days of on-line history if the states' old contract requirement was for less than 180 days of on-line history.
- F. The EBT Contractor must perform comprehensive testing of the Conversion process, including performing a full range of test transactions against the converted databases, and provide reports on testing activities and results.

- G. The EBT Contractor must perform at least two (2) or more, at State option, simulated Conversions of the production database. Results from the simulated production Conversions will be used to validate the timing for the Conversions, to test a Conversion checklist for inclusion of all required activities, and to validate Conversion balancing and reconciliation procedures. The EBT Contractor is expected to create and maintain the Conversion checklist.

- H. The EBT Contractor must complete the majority of the Transition activities no later than 30 calendar days prior to the database Conversion.

- I. Following the Conversion of the production database, the EBT Contractor must perform test transactions to validate that PINs have been converted successfully and that cardholder benefits can be accessed through the EBT infrastructure.

- J. The Contractor must work with the State to develop adequate methods of validating the Conversion to the Production database.

- K. Upon termination of the Contract, the Contractor must work with the future EBT Contractor to ensure a timely and accurate Conversion of 180-days of on-line transaction history. This is to be accomplished and completed at no additional cost to the CSA.

8.5 WIC Business Requirements

To support the WIC EBT Program, the EBT Contractor shall comply with the general Business Requirements specified in this RFP. In addition, The EBT Contractor shall also comply with the performance criteria for uptime and transactional errors as documented in section 8.28 WIC System Operations. Also referenced below, section 12.2, each CSA has authority to assess full or partial liquidated damages at its discretion for non-compliance with performance standards.

The EBT Contractor shall, unless specified otherwise by a State, account for and invoice WIC EBT Services separately from other EBT Services provided to a State under this RFP. In situations where a Contractor's WIC-EBT solution utilizes resources (i.e., POS devices) shared with the State's other EBT programs, the Contractor shall allocate the cost of those resources between WIC-EBT and the other EBT programs as dictated by the CSA, and shall invoice those costs separately to each CSA as dictated by the CSA.

8.6 Comprehensive Overview of the WIC EBT System

Offerors should provide a comprehensive overview of their proposed WIC EBT solution. The overview should clearly describe the WIC EBT system configuration including all processing components, databases, interfaces, and participating entities. In particular, the Offeror shall clearly describe how the proposed system solution meets WIC functional and system requirements specified in the RFP and this WIC-specific Section.

8.7 WIC Deliverables and Documentation

For any State acquiring WIC EBT Services under this procurement, the EBT Contractor shall be required to include WIC program requirements for all deliverables and documentation specified in this section or provide separate deliverables specific to the WIC Program if required by the State or negotiated at the time a WIC agency opts to execute their Contract option. Please also see section, 8.29 WIC Documentation for more information.

8.7.1 WIC EBT Functional Requirements

This section specifies the technical and functional requirements to support the ongoing operations of a WIC EBT system that is in conformance with Federal regulations, national standards and specified NCS performance standards. The system deployed to support WIC EBT Services must be an industry standard application primarily relying on the commercial networks and available commercial POS terminals.

- A. The EBT Contractor is required to install and maintain WIC-ready EBT-only/stand-beside POS and multi-function POS equipment on behalf of the NCS.
- B. Multi-function POS equipment must accept SNAP and WIC transactions.
- C. Multiple POS models may be proposed to accommodate differing Retailer requirements and cost constraints.

The Offeror's WIC EBT system must comply with FNS policy, regulation and the WIC EBT Operating Rules, Technical Implementation Guide and WIC Universal MIS-EBT Interface documents.

8.7.2 WIC Benefits

The EBT Contractor shall be required to implement systems and Services that maintain the integrity of WIC benefits. WIC benefits are in the form of a food prescription. WIC benefits are only accessible at authorized Retailer/WIC Vendor locations that have a WIC Vendor agreement with the specific WIC CSA. Unlike SNAP, WIC benefits issued within a State can only be redeemed in that State; interoperability is not a requirement for *all* WIC programs, however, this may be required by particular NCS WIC programs. While most authorized Retailers are located within the State, there are a limited number of authorized Retailer/WIC Vendor locations in bordering States (e.g., where State A authorizes a vendor in State B located near State A's border where more accessible to participants of State A). During the course of this Contract, the EBT Contractor must be able to support all authorized Retailers for each CSA.

A WIC participant may only redeem benefits prescribed on the WIC food prescription, including types and quantities of specific food items. WIC EBT authorizes purchases through Category/Sub-Category Codes, Units of Measure, Universal Product Codes (UPC) and Price Look Up (PLU) Codes. WIC approved Category/Sub-Category, Units of Measure, UPC and PLU codes are not specific to each State but universal. Food

prescriptions for WIC participants are intended for use by that participant within a specified time period.

WIC Authorized Product List (APL) specifies the authorized products for each State and varies from State to State. WIC food retail WIC Vendors are required to support multiple APL files. WIC benefits may not be accessed at ATM terminals and may not be commingled with either Cash or SNAP benefits in the EBT Account.

8.7.3 WIC Processing Technology

WIC EBT systems deployed by the NCS through this procurement will employ online technology.

8.8 WIC Card Production and Management

The WIC EBT card shall be required to meet the EBT card requirements specified in this RFP, including the continued use of existing cards by participants throughout the Conversion process, and at the discretion of the CSA, the replacement of existing cards. Please see above, and section 4.5 Cards and PINs - Optional Requirements for more detail.

- A. The EBT Contractor shall provide the eWIC card including the replacement of all existing eWIC cards. Offerors should provide pricing to replace existing cards. The chart below is an estimate of the existing card numbers per state. While the quantities may increase or decrease prior to transition, Offerors will be required to replace all cards at pricing provided in Appendix P.

Connecticut	50,000
New Hampshire	13,000
New York	300,000
Rhode Island	16,000
Vermont	15,000
Maine	20,000

- B. The eWIC card shall be compliant with International Organization for Standardization (ISO) 7810:2003, Identification cards - Physical characteristics.
- C. The eWIC card design created by the EBT Contractor shall be unique to the CSA WIC Program and subject to the CSA WIC Program approval.
- D. The obverse graphics of the eWIC card shall be produced using a four-color printing process.
- E. The reverse of the eWIC card shall have a tamper-evident signature panel.
- F. The reverse of the eWIC card shall have a high coercivity magnetic stripe.
- G. Track 2 of the magnetic stripe shall be encoded according to ISO standard for financial cards: ISO 7811, 7812 and 7813.
- H. The reverse of the eWIC card shall have printed information as specified by the CSA WIC Program and currently required.

- I. The eWIC card shall contain a mark, brand or wording that identifies it as being associated with the CSA WIC Program. Such identification is to be agreed upon with the CSA WIC Program and may include but not be limited to national or State non-discrimination statements, OIG fraud hotline statement, etc. CSAs may also elect to have such information printed on card sleeves if in the future CSAs choose to use card sleeves.
- J. The eWIC card shall not contain the mark or brand of any debit/credit network.
- K. The eWIC card shall contain a 16-digit Primary Account Number (PAN) to identify the cardholder.
- L. The PAN printed on obverse of the card shall be in a contrasting color.
- M. The PAN of the eWIC card shall use the CSA's Bank Identification Number/Issuer Identification Number (BIN/IIN).
- N. The PANs for new cards shall not duplicate any EBT Contractor's card numbers already in use.
- O. The PAN layout shall be as follows (note, certain CSAs currently have 8 digit IIN's (BINs). In these instances the layout would extend to the first 8 rather than 6 digits):
Position 1-6 BIN
Position 7-15 Discretionary (refer to WIC EBT Operating Rules 8.1.c for possible uses)
Position 16 Check Digit

8.8.1 WIC Card and PIN Issuance

To support the WIC Program, the EBT Contractor shall be required to meet the Card and PIN Issuance requirements as specified in Section 4.4 (Card's and PIN) of this RFP.

8.8.1.1 Provision of eWIC Cards

- A. The EBT Contractor shall distribute/deliver eWIC cards to a single address at the CSA for CSA distribution to clinics or to Local Agencies Directly.
- B. The EBT Contractor shall maintain card inventory controls.
- C. eWIC cards shall be shipped with logical numbering and inventory lists.
- D. eWIC cards shall be packed in sealed cartons, not to exceed 250 cards per sleeve.
- E. eWIC cards shall be packed in numeric sequence from lowest to highest
- F. Subsequent shipments shall begin with the next card number in sequential order from the previous shipment.
- G. eWIC card sleeves shall be shipped in cartons, not to exceed 6 sleeves per box and as few as one sleeve per box.
- H. The EBT Contractor must support Over the Counter (OTC) as described in Section 4.5.8 (Over-the-Counter Cards) of this RFP, and/or the issuance of new and/or replacement WIC-EBT cards by mail, provided the mailing process is consistent with WIC program rules.
- I. The CSA shall retain ownership of all CSA eWIC cards produced and not issued at the end of the Contract Term.

- J. During the Transition phase, Contractor will ship cards to the State at least thirty (30) days prior to operations. To allow adequate time for card production, the State will provide the requested quantities at least 90 days prior to the requested delivery dates.

8.8.1.2 Add Card/Cardholder

- A. The eWIC system shall receive card issuance message data from the MIS.
- B. The eWIC system shall validate that the MIS family ID exists and is active.
- C. If the cardholder type code is "primary" on the add, the eWIC system shall validate that there is not already an active primary cardholder associated with the account. The CSA intends to issue only one card per household but reserves the right to choose to issue multiple cards at a future date.
- D. The eWIC system shall create a new cardholder record and associate the cardholder with the given card and the household EBA.

8.8.1.3 Update Card/Cardholder

- A. The eWIC system shall receive eWIC updated card message data from the MIS.
- B. The eWIC system shall validate that the card is active and assigned.
- C. The eWIC system shall change the card status to the new value.
- D. The eWIC system shall validate that the replacement card number exists and has not previously been issued.
- E. If the cardholder currently has an active card, then the eWIC system shall change the existing active card status to deactivated.
- F. The eWIC system shall transfer the cardholder's existing PIN to the new card.
- G. The eWIC system shall receive eWIC updated cardholder message data from the MIS.
- H. The eWIC system shall validate that the card is active and assigned.
- I. The eWIC system shall validate that the replacement card number exists and has not previously been issued.
- J. The eWIC System shall update its data with the updated cardholder data in the message from the MIS.

8.8.1.4 Maintain Card History

- A. The eWIC system shall maintain a history of cards assigned to households and cardholders.
- B. The eWIC system shall provide message data in response to a request from the MIS for a history of all eWIC cards that have been assigned to a household.

- C. The eWIC system shall report, in accordance with the WUMEI, card history message data to the MIS (e.g., card activation date, card status changes, cardholder changes, card deactivation date).

8.8.1.5 PIN Selection Terminals

The Offeror shall propose Card Issuance methodology to support requirements below.

Cardholders may be required to respond to security questions prior to selecting or changing their PIN via the IVR or through on-line access. The EBT Contractor shall be required to accurately link the card and PIN to the appropriate cardholder account(s).

- A. PIN security and management shall conform to ISO 9564.
- B. As of the writing of this RFP, NCS CSAs are not using PIN pads in clinics, however, one or more may choose to do so in the future.
- C. The PIN selection device shall accept and securely encrypt 4 digit PINs. CSAs will use a 4 digit PIN.
- D. The PIN selection device shall not display the PIN in text, print, or electronically record or write out the PIN.

8.8.1.6 PIN Selection

- A. Initial PIN selection and PIN change for WIC-EBT cards must be supported locally at WIC clinics, through cardholder portal, or through a single call IVR process, according to CSA preference.
- B. By FNS regulation, WIC cards and PINs must be available and active immediately upon participant certification.
- C. The eWIC system shall provide functionality for a cardholder to select or change (update) a PIN remotely by phone call to the eWIC participant IVR system or through the cardholder portal.
- D. The eWIC system shall validate that the card number is active and associated with a valid EBA.
- E. The eWIC system shall validate that the identity of the person requesting the PIN change by requesting identifying information such as the cardholder's DOB and ZIP code.
- F. If a CSA chooses in the future to deploy PIN selection devices, the eWIC system shall support PIN selection through PIN selection devices at the WIC clinic.

8.8.2 Personal Identification Number (PIN) Encryption

Security may include authentication codes and check-sum digits, in combination with data encoded on the magnetic stripe, to ensure data security during transmission and processing of EBT transactions. Any of the network security measures may be utilized together or separately and may be applied at the terminal or central computer as indicated in the approved system design to ensure communications control. The Offeror's response shall specify the encryption approach and other security measures used for WIC transactions.

- A. The EBT Contractor shall utilize, at a minimum, the Triple Data Encryption Standard (3DES) algorithm or better to encrypt the PIN during EBT transactions from the point of entry. In the event 3DES has been deprecated, the Contractor shall utilize the National Institute of Standards and Technology (NIST) succeeding standard.

8.8.3 Invalid PIN Attempts

The EBT Contractor system must deny transactions if the PIN is input incorrectly. See below PIN Lock and Unlock requirements.

- A. The eWIC system shall lock an EBA from access if a cardholder has exceeded a CSA WIC Program-specified number of consecutive invalid PIN attempts (e.g., 5) in a 24-hour period of midnight to midnight local time.
- B. The CSA within the eWIC system shall be able to view for a given card the count of the invalid PIN attempts and if the card is locked.
- C. The eWIC system shall provide functionality to unlock on demand from the MIS an EBA that has been locked for exceeding invalid PIN attempts.
- D. The eWIC system shall automatically unlock an EBA at 11:59 PM on any day that an EBA has been locked for exceeding the allowed number of invalid PIN attempts.
- E. The CSA shall have the ability to reset the number of PIN attempts to zero (0) for participants.
- F. Participants shall have the ability to reset their PIN via an IVR and/or cardholder portal feature by entering a User ID and Password; or, by providing their card number, ZIP code, and date of birth.

8.9 WIC Account Set-up and Benefit Authorization

The EBT Contractor shall be required to provide the systems and Services required to allow the States to set-up WIC accounts and authorize WIC benefits separate from SNAP and Cash functionality. The EBT Contractor shall be prepared to provide a solution that is consistent with FNS national guidance on the interface between the WIC clinic (Management Information System (MIS) and the EBT system, the WIC Universal MIS-EBT Interface (WUMEI) Specification.

- A. The EBT Contractor shall be required to provide the systems and Services required to allow the States to set-up WIC accounts and authorize WIC benefits separate from SNAP and Cash functionality.
- B. The EBT Contractor shall also be capable of supporting cross-agency family or case IDs, demographics, and agency ownership of the account demographic set-up records.

8.9.1 WIC EBT Account Structure

In addition to WIC benefits, a participant may also be eligible for SNAP and Cash benefits.

- A. The EBT Contractor shall be required to design an EBT Account Structure that supports WIC participants.
- B. Benefit balances are accurately maintained and segregated by Benefit Type (SNAP, Cash, and WIC)
- C. Benefits accessed by participants are drawn from the appropriate benefit account
- D. Benefit accounts are not overdrawn or over issued, i.e., benefits cannot be decremented in an amount greater than the balance available on the account.
- E. The EBT Contractor shall be financially liable for any benefits that are overdrawn and other processing errors including allowing access to program benefits prior to the availability date, and for EBT host transaction processing errors.

8.10 Interfaces to the States' WIC Management Information System

The EBT Contractor shall be required to meet State requirements for the implementation of a high performance interface that follows the WUMEI specification, one that supports the instantaneous and consistently reliable exchange of data between the Contractor's primary and back-up WIC EBT platforms and the States' primary and back-up WIC MIS. This interface will be used to transmit and validate account set-up and benefit authorization records between the State and the EBT Contractor. Contractors should reference the FNS WUMEI Specifications document from the FNS website and follow the stated requirements. The Contractor shall be responsible for transmitting UPC codes to and from the MIS system, in UPC-A format. UPCs processed as UPC-E format will need to be converted by the Contractor to UPC-A for all transactions with the MIS system. For States that already have a configured MIS-EBT interface, Offeror will need to conform to State's interpretation of the Universal Interface standards to minimize disruption during transition, unless agreed to otherwise by the CSA.

8.10.1 Interface with the eWIC System

- A. The EBT Contractor shall establish secure connectivity between the eWIC system and the MIS to accommodate available and reliable message-based system interfaces.
- B. The EBT Contractor shall establish secure, high performance connectivity between the eWIC primary and eWIC fail over system and the MIS.

- C. The EBT Contractor shall establish secure, high performance connectivity between the eWIC primary system and the eWIC fail over system and the MIS disaster recovery system.
- D. The eWIC system shall accept and transmit data to and from the MIS in message-based interface or in batch system interface (batch files). The system shall be able to accept batch files 24x7x365 with the exception of scheduled down time.
- E. The interface shall use an approved communication protocol and not require a Virtual Private Network (VPN) tunnel.
- F. Data transmitted and accepted by the eWIC system shall conform to FNS requirements.
- G. Data transmitted and accepted by the eWIC system shall conform to the WIC Online EBT Files Format specifications found in the WIC EBT TIG and WUMEI.
- H. The eWIC system shall conform to the WIC Online Message Structures, Messages and Transactions and Message Classes as defined by the WIC EBT TIG and WUMEI.
- I. The Contractor is expected to meet past, current, and future versions of the WIC Universal MIS-EBT Interface specification as implementation of the specification will vary between States. During the contract period, migration to the 2020 version of the WUMEI will be completed when State agency MIS are updated. Details will be worked out with each CSA.
- J. The eWIC system shall be available during the CSA WIC Program business hours, 8a.m. to 7 p.m. Local Time of the CSA, for message-based data transfer with the MIS. Business hours will be confirmed by the CSA WIC Program during system design.
- K. Scheduled maintenance of the eWIC system shall not exceed four (4) hours per month unless other timeframes are agreed upon by the CSA WIC Program. With the exception of emergencies, advance notices of scheduled maintenance must be provided no less than 48 hours prior to the maintenance.
- L. The EBT Contractor shall provide the CSA WIC Program with seven (7) day advance notification of any scheduled Downtime outside of the time required for routine maintenance. Such Downtime shall be pre-arranged with and approved by the CSA WIC Program. At the discretion of the WIC Programs, shorter notice may be approved dependent on the urgency of the situation.
- M. Down time shall be scheduled during periods of low transactions, e.g. between 1 AM and 5 AM CSA Local Time. This time will be defined by the CSA with the eWIC processor during the requirements validation phase of the project.
- N. The EBT Contractor shall provide the CSA WIC Program with 30 days advance notice with the CSA WIC Program's input and coordination, for routine maintenance Downtime. The CSA WIC Program understands that the dates may change due to a variety of factors and in such cases will not require another 30-day period before maintenance can be performed.

8.10.2 Coordination with the MIS Contractor

- A. The EBT Contractor shall coordinate design, development, testing, transition, and operations activities with the MIS contractor. Coordination will include regular and ad hoc meeting attendance; independent coordination between technical subject matter experts to identify challenges, issues, and risks, analyze causes, document decisions, and develop solutions; and regular reporting to the CSA on discussion topics and status.
- B. During the operations and maintenance phase, the EBT Contractor will coordinate with the MIS contractor as issues are identified, as changes to the EBT system that may impact the interface are determined, and as new federal requirements are executed.

8.10.3 Batch Files

- A. The eWIC system shall provide the following standard batch files to the MIS, a CSA WIC Program-designated database, and/or other entities, such as WIC Vendors, their designated agents, TPPs or financial institutions, as applicable:
 - B. WIC daily benefit reconciliation file.
 - C. WIC Benefits Purged File (reports expiration and expungement).
 - D. WIC authorized product list (APL) made available to WIC Vendors which may be automated daily.
 - E. The Contractor shall be responsible for receiving UPC codes from the MIS system, in UPC-A format or UPC-E if dictated by the CSA.
 - F. WIC Auto-reconciliation File (ARF) for integrated WIC Vendors.
 - G. Banking data files (to initiate ACH payments).

8.10.4 Batch File Acknowledgements

- A. When eWIC system receives a batch file from the MIS, it shall transmit a confirmation to the MIS that a batch file was received.
- B. Batch level errors (e.g. wrong sequence, wrong record count, etc.) shall be reported by the eWIC system to the sending party.
- C. Detail record errors (e.g. provide specific record identifier and indication of specific error) shall be reported by the eWIC system to the sending party.
- D. If a batch file is transmitted with no records, this indicates that no action is to be taken by the receiving system.

8.11 Maintaining UPC/PLU Data

As noted, WIC approved UPC and PLU codes are not specific to each State.

- A. The EBT Contractor will verify that the APL file is updated daily regardless of whether changes have been made by the MIS.

- B. . The EBT Contractor shall update the State agency APL based on the UPC/PLU data file transfer and distribute to the vendor SFTP site daily. The Contractor shall be responsible for ensuring all APL files represent UPC data consistent with the TIG (e.g., UPC-E's must be converted to the equivalent UPC-A).
- C. The EBT Contractor must adhere to requirements of the ANSI x9.93 for APL file descriptions. Vendors will be required to meet ANSI x9.93 and TIG.

8.11.1 Maintaining Category/Subcategory Data

Each State will specify the specific set of food items that are included in their benefit prescriptions. The food items are identified by a category type (e.g., milk) and by sub-category (e.g. whole milk, skim milk).

8.11.1.1 Category/Subcategory Information

- A. The eWIC system shall accept the initial WIC Category Sub-Category file generated by the MIS.
- B. The eWIC system shall accept WIC Category Sub-Category files containing changes and/or additions to the CSA WIC Category Sub-Category file from the MIS data.

8.11.1.2 WIC UPC/PLU Data

- A. The eWIC system shall accept the initial WIC UPC/Price Look-Up file from the MIS that includes peer group pricing for each item.
- B. The eWIC system shall accept WIC UPC/PLU files containing changes and/or additions to the CSA WIC UPC/PLU database that includes peer group pricing for each item.
- C. The WIC file shall be in the format and contain data as described in Interface Control Document approved by the State agency in compliance with section 8.25 WIC Standards.
- D. Upon receipt of the UPC/PLU file, eWIC system shall validate whether the UPC/PLU data already exists for the CSA WIC Program.
- E. If the UPC/PLU data does not exist, the eWIC system shall add the UPC/PLU data
- F. The eWIC system shall accept WIC UPC/PLU files containing deactivations of specific UPCs or PLUs.
- G. Upon validation, the eWIC system shall deactivate the existing data on the designated end date.

8.11.1.3 Access to APL

- A. The eWIC system shall provide user, WIC Vendor, Third Party Processor, and FNS access to the approved product list (APL). The MIS will generate the Category/Subcategory file and UPC/PLU file and remit to the eWIC system which will create the APLs.
- B. At a minimum, the eWIC system shall generate the APLs on a daily basis.
- C. APLs shall be created 7 days per week.
- D. The eWIC system shall make the APLs file available on a secure data retrieval site for download by WIC Vendors. The APL shall not display not-to-exceed (NTE) data.

8.12 WIC Account Set-up

To set-up an EBT Account, NCS generate account set-up records containing specific participant demographic data necessary for the establishment of an EBT Account and transmit these records to the Contractor's EBT host system. Each case is created with a primary card holder; benefits are aggregated by household. The EBT system must create EBT Accounts upon the receipt of the account set-up record.

- A. The eWIC system shall receive account set-up messages from the MIS with household identifiers such as birth dates and ZIP codes and associated household demographics.
- B. The eWIC system shall validate the uniqueness of the MIS household ID (no duplicate IDs allowed).
- C. At a minimum, the eWIC system shall accept the type of account (e.g., household, compliance) and the MIS household ID.
- D. The eWIC system shall accept demographic data. Limiting the amount of personally identifying information (PII) to data that is needed for use of the IVR or web portal is preferred. The EBT Contractor will protect any participant or WIC Vendor PII data that is under its control in compliance with the approved Security Plan and State agency and federal data privacy requirements.
- E. The eWIC system shall make the EBA update immediately.
- F. The eWIC system shall establish an Electronic Benefit Account (EBA) for the household and assign a unique EBA ID.

8.12.1 EBT Account Number and Account Maintenance

To support the WIC EBT Program, the EBT Contractor shall be required to comply with the NCS RFP for EBT Services EBT Account Number and Account Maintenance requirements as specified in this RFP.

- A. The eWIC system shall accept messages from the MIS to change the MIS family EBT status.
- B. The eWIC system shall validate that the original MIS family ID exists.

- C. If the account status has changed, then the eWIC system shall change the account status.
- D. If the MIS account is deactivated, the eWIC system shall purge the remaining benefits upon their expiration date according to the approved ICD.
- E. The eWIC system shall accept messages from the MIS to change the household demographic data.
- F. The eWIC system shall validate the MIS family ID exists.
- G. The eWIC system shall update household demographic data.
- H. The eWIC system shall provide via message data detailed EBA information upon request from the MIS using the MIS family ID.

8.12.2 WIC Benefit Authorization

Benefit prescriptions for all household members will be aggregated by the State prior to transmission. The States generate and transmit benefit authorization records containing the primary cardholder's case number or family ID, the WIC benefit prescriptions at the household or participant level, and benefit availability date information. Each benefit prescription has a specific benefit availability period. WIC benefits may be issued by calendar month or a rolling month (e.g., 14th through the 13th of the following month). Benefits may be redeemed only during the benefit prescription availability dates. Benefit prescriptions may be issued for multiple months.

However, the EBT Contractor shall not make benefits available outside the benefit availability period.

8.12.2.1 Add or Update Benefits to the EBA

- A. The eWIC system shall receive message data for benefit issuance from the MIS.
- B. The eWIC system shall validate that the MIS family ID and the EBA exist and are active.
- C. The eWIC system shall validate that the benefit issuance records are correct in format, including a valid combination of Category code and Sub-Category code and that the Benefit ID is unique.
- D. The eWIC system shall reject duplicate benefit issuance and remit a message to the MIS informing the MIS of the reject and reason for reject.
- E. The eWIC system shall validate that the benefit quantity (units available) for the Category code and Sub-Category code on a given date does not exceed the maximum balance (999.99).
- F. The eWIC system shall allow benefit issuance for current and future months.
- G. The eWIC system shall allow more than one issuance to a household for a single month.

- H. The eWIC system shall validate that the MIS family ID and EBA exist and are active.

8.12.2.2 Maintain EBA Benefits and Benefit Availability

- A. The eWIC system shall maintain the WIC benefit account structure, to include benefit beginning and end dates.
- B. The eWIC system shall accurately maintain EBA account balances by Category/Sub-Category.
- C. The eWIC system shall ensure that benefits being purchased are drawn from the appropriate Category/Sub-Category.
- D. The eWIC system shall ensure that benefit accounts are not overdrawn.
- E. The eWIC system shall ensure benefits are made available on their availability date and time (midnight).
- F. The eWIC system shall ensure that unused benefits are expired on their expiration date and time. Expiration time shall be 11:59 PM on the last day of use.
- G. The IVR and participant portal must reflect accurate benefit availability based on local time
- H. The eWIC system shall ensure benefits may not be redeemed before begin date and time or after end date and time.
- I. The eWIC system shall provide via message data the benefit balance information for a specific EBA.
- J. The eWIC system shall validate that the MIS family ID exists and is active.

8.12.2.3 Benefit History

- A. The eWIC system shall provide via message data the benefit maintenance history for a specific EBA.
- B. The eWIC system shall validate that the MIS family ID and the EBA exist and are active.
- C. If the MIS family ID is sent, then the eWIC system shall return the benefit maintenance history for the household. If a PAN is sent, then the eWIC system shall return the benefit maintenance history for the PAN.
- D. The eWIC system shall provide via message data the benefit redemption history for a specific EBA.

8.12.3 Benefit Void

The EBT Contractor shall be required to provide the capability to void a WIC benefit prescription, in full, partially, or the remaining balance, during or prior to the benefit availability period.

- A. The eWIC system shall receive and process message data of benefit voids (debits) from the MIS.
- B. Both full and partial voids of benefits shall be supported.
- C. Benefit voids shall be allowed during and prior to the benefit availability date.
- D. The eWIC system shall not allow a void of more benefits than currently exist in the eWIC system for the EBA.

8.12.4 Modify Benefit Prescription

- A. Appropriate State or clinic staff shall have the capability to modify or adjust a participant's benefit prescription prior or during the period of authorization.

8.12.5 WIC Transaction Processing

To the maximum extent possible, the NCS seek to use the existing commercial transaction processing infrastructure for the transmission and processing of EBT transactions. The EBT Contractor shall ensure that cardholders access their WIC benefits only at POS terminals in authorized WIC Retailer (WIC Vendor) locations.

8.12.5.1 Processing Day

- A. The eWIC system shall maintain a 24-hour Business Day processing cycle.
- B. The EBT Contractor shall designate a standard daily cutoff time for transaction processing.
- C. The standard daily cutoff time shall occur at a time of day that shall allow the origination of ACH payments for next day settlement.

8.12.6 Transaction Processing

- A. The eWIC system shall provide real-time transaction processing of message data received from WIC Vendors' third-party processors
- B. The eWIC system shall support online, commercial network communication with WIC Vendors, such as through an EBT transaction gateway.
- C. The EBT Contractor shall support the routing of transactions and retrieval from and delivery of files to WIC Vendors, their agents, or third party processors.

- D. Transactions accepted by the eWIC system from the WIC Vendor's TPP shall be in the ANS X9.93-2014 Financial Transaction Message - EBT - Part 1: Messages (and future updates) for exchanging eWIC financial transaction messages
- E. The eWIC system shall accept the following minimum transaction set:
 - Balance Inquiry
 - WIC Purchase
 - WIC Void/Reversal
- F. Produce shall be identified by its specific UPC/PLU. The eWIC system shall support PLU mapping in accordance with the WIC EBT Operating Rules.
- G. The eWIC transaction date and time shall be the date and time the purchase is approved by the eWIC system. It shall be able to be displayed and reported as of the local date and time of the WIC Vendor location.
- H. The Contractor shall allow states to provide a minimum of 5 APLs by WIC Vendor type: pharmacy only, grocery only, exempt formula grocery, grocery with embedded pharmacy, and farmers. The Contractor shall support the addition of additional APL types by CSAs.
- I. POS devices must be capable of storing at least 35,000 items in the APL.

8.12.7 Transaction Validation

Prior to the online transaction processing of a purchase or a Balance Inquiry transaction, the EBT system shall go through a series of validation checks.

If any one of the defined conditions is not met, the EBT Contractor shall deny the transaction. If the transaction is denied, the system must return a message to the Retailer (WIC Vendor) indicating the reason for denial (e.g., invalid PAN, invalid PIN).

The eWIC system shall conduct checks and processes to determine if a transaction is approved.

The eWIC system shall ensure the transaction originates from an approved WIC Vendor by validating the WIC Vendor's identification number.

The eWIC system shall validate that the PAN is valid and the card is active.

The eWIC system shall verify that the number of consecutive failed PIN tries has not been exceeded

The eWIC system shall verify the PIN is valid and associated with the PAN.

The eWIC system shall verify the account is active.

If transaction verification and/or validation fails, the EBT Contractor shall deny the transaction.

If the transaction is denied, the system must return a message to the Retailer (WIC Vendor) indicating the reason for denial (e.g., invalid PAN, invalid PIN). Return messages shall include but not be limited to errors such as Insufficient Funds, incorrect PIN, inactive card, and invalid card. Return messages shall conform to X9.93 Annex B.2 Action Code.

Contractor shall include a mapping for each error codes to a meaningful system status.

8.12.8 WIC Purchase Transactions

After the validation process, the food items will be scanned. Prior to authorizing the transaction, the EBT Contractor shall ensure:

- A. The food prescription is within a valid benefit availability period.
- B. Each UPC included with the purchase is listed on the CSA APL file and is within the UPC end dates specified.
- C. The food item is within the remaining quantity of units of measure for the Benefit Prescription Category/Subcategory.
- D. The food item purchase amount is within the maximum allowable price.

Except for the maximum allowable price validation, if any of these conditions are not met, the transaction will be denied.

The Contractor shall ensure that benefit purchase/transactions are authorized for no more than the CSA authorized maximum allowable price for each food item quantity. If the transaction is approved, the EBT system shall generate an approval message and update the food prescription balances at the host.

- E. The eWIC system shall verify that the UPC or PLU code presented for each purchased product is an authorized UPC or PLU for the CSA through comparison to the APL.
- F. The eWIC system shall validate the Categories and Sub-Categories of the food items presented against the current list of WIC approved Categories and Sub-Categories.
- G. The eWIC system shall validate the products and units are available within the EBA benefit balance.
- H. The eWIC system shall validate the products for appropriate availability dates in the EBA benefit record.
- I. For void transactions, the eWIC system shall verify an existing benefit record so that the transaction can be properly posted.
- J. The eWIC system shall process transactions in real time as transactions occur.
- K. The eWIC system shall ensure the purchase quantity redeemed from the EBA benefits shall be obtained from the benefit quantity associated with the UPC in the APL.
- L. The eWIC system shall provide an approval or a denial for each transaction.
- M. The eWIC system shall provide an appropriate reason code for all rejected transactions as set by X9.93: Part 1.
- N. The eWIC system shall compare the product price against the NTE for the UPC. (NTEs will be established by the CSA MIS).

- O. If the product price is equal to or less than the NTE for the WIC Vendor's peer group, the eWIC system shall approve the purchase of the product at the WIC Vendor's product price.
- P. If the product price is greater than the allowable price for the WIC Vendor's peer group, the eWIC system shall approve the purchase of the product at the NTE price.
- Q. The eWIC system shall provide a return message to the WIC Vendor ECR system or POS, or the TPP, that contains the amount paid for the product.
- R. If a food item UPC/PLU is allowed to use a Broadband Food Sub-Category, then the eWIC system shall allow the food item to be redeemed with the units remaining in the Broadband Food Subcategory once all units in the Specific Food Sub-Category have been decremented.
- S. The eWIC system shall allow the redemption of a single food item in part from a Specific Food Sub- Category and in part from the Broadband Food Sub-Category.
- T. The eWIC system shall have the capability to process up to 50 unique UPCs and PLUs in a single purchase transaction.
- U. The eWIC system shall provide the data required for the WIC Vendor to print receipts according to the requirements of Section 12.1 of the TIG. This includes benefits redeemed, the opening and/or ending EBA benefit balance, and benefit balance end date, as applicable, to support receipts printed by the WIC Vendor system or CADs. (Note - Opening benefit balance applies to Balance Inquiry transactions, ending benefit balance applies to the balance after the purchase transactions.).
- V. The Contractor shall ensure the maximum/full nutrition benefit is applied to the group of items in the transaction (e.g. 36 ounces of cereal, peanut butter and beans).
- W. The EBT Contractor's solution must also accommodate manufacturer and store coupons as well as military commissary Surcharges consistent with the WIC EBT Operating Rules and Technical Implementation Guide.
- X. Discounts and coupons shall be applied at the product level.
- Y. The Contractor shall assume all liability for any quantities or item prices approved that exceed the CSA authorized benefit quantity or maximum allowable price.

8.12.9 WIC Transaction Dispute Resolution

Dispute resolution addresses conditions where one or more parties to a WIC transaction have or may incur a financial or benefit loss. WIC transactions may be disputed by the WIC Cardholder, the WIC Vendor or other parties to the transaction.

- A. The Contractor shall support dispute resolution initiated by the WIC Cardholder, the WIC Vendor or other parties to the transaction.

8.12.10 WIC Balance Inquiry

The EBT Contractor must adhere to the requirements in the most recent WIC Technical Implementation Guide (TIG) regarding Balance Inquiry.

- A. After the validation process, a cardholder shall have the ability to conduct a Balance Inquiry transaction at a POS terminal to identify available benefit balances and print a valid shopping list.
- B. WIC Balance Inquiry must also be supported by IVR, a web portal provided by EBT Contractor, and one or more smart phone apps from either a third party or the EBT Contractor that conforms to an API/Web Service mirroring the structure of the Universal Interface benefits and APL information.

8.13 WIC Transaction Interchange Specifications

The EBT Contractor will be responsible for the authorization of cardholder-initiated WIC transactions. Messaging formats must comply with ANSI X9.93 Specifications for WIC and the Common Specification outlined in the FNS Technical Implementation Guide. The EBT Contractor shall comply with all updates to ANSI X9.93 Specifications for WIC at no additional cost to the NCS. The EBT Contractor's documentation of the X9.93 Financial Transaction Interchange specifications must be approved by the CSA's and FNS prior to use.

8.14 WIC Administrative Functionality

The EBT Contractor shall support the WIC Universal MIS-EBT Interface (WUMEI) for Local Agency operations (EBT Account set-up, card issuance, benefit issuance and updates). Local Agency staff should not require direct access to the Contractor's EBT system to perform any of their work. All Local Agency work functions under eWIC shall be through the WIC MIS.

Although it is expected that the majority of State WIC functions will also be performed through the WIC MIS, the Contractor shall provide administrative terminal access to the EBT System for the CSA staff for reporting and troubleshooting purposes. The Offeror should detail its approach to support the requirement to support the States' eWIC administrative terminal functionality.. 'The interface between the States' Management Information Systems and the EBT host system shall comply with the WIC Universal MIS-EBT Interface (WUMEI) specifications (dated June 2012 or most recent).'

8.14.1 WIC EBT Administrative Functionality

- A. The interface between the States' Management Information Systems and the EBT host system shall comply with the WUMEI specifications.
- B. Local Agency (LA) users shall be able to perform all their work functions through the WIC MIS under eWIC.
- C. State users shall be able to perform WIC Vendor management and APL maintenance through the WIC MIS.
- D. State users shall have access to the EBT administrative for reporting and problem research activities.

8.14.2 Administrative Terminal Functionality

- A. The administrative functionality must be capable of running on the State's existing workstations without the installation of any additional software (i.e., a browser-based web application).
- B. The EBT Contractor shall provide a browser based administrative application utilizing https or other approved communications protocol. All traffic between the workstation and the EBT host shall be encrypted using Transport Layer Security (TLS) or a comparable security protocol.
- C. The administrative terminal shall support responsive screen design and be equally usable on Internet Explorer 9 or higher, Chrome, Firefox, or Safari.

8.14.3 User Security Profiles

The EBT Contractor shall meet the requirements specified in Section 5.1.1 (User Profiles/Roles) of this RFP.

- A. The eWIC system shall allow the definition of user profiles based on the user's job requirements.
- B. The eWIC system user profiles shall be parameter driven.
- C. The eWIC system shall allow the CSA WIC Program's designated security personnel the capability to set up new users, change user passwords, and manage user profiles.

8.14.4 WIC Administrative Functions

Offerors shall describe their approach for providing WIC administrative functionality to State users in terms of navigation and data presentation. At a minimum, the transaction set that shall be supported through the EBT State-level administrative functionality shall be as described below.

- A. The eWIC system shall allow the appropriate State staff, determined by user profiles, to have access to eWIC system administrative functions.
- B. The eWIC system shall allow authorized users to search EBAs by name, the MIS family ID, PAN, State ID or case number, or EBT Account number, to access account, benefit, or transaction history.
- C. The eWIC system shall provide screen navigation from account screen to transaction history and card history for that account.
- D. The eWIC system shall provide a history of all account activity to include credits, debits, card changes (issuance, replacement, and card status changes), and PIN changes.
- E. The eWIC system shall allow authorized users to search for WIC Vendors by WIC Vendor name, WIC Vendor ID, to access transaction history. If not currently available, the eWIC system will provide a field that may provide such information in the future.
- F. Card Status Change: Appropriate State staff shall have the capability to deactivate participant cards.

- G. Reset PIN Fail Count: Appropriate State staff shall have the capability to reset the PIN Fail Count for cardholders.
- H. The eWIC system shall provide navigation between queries:
 - From summary to detail and back
- I. The eWIC system shall allow on-line access from a minimum of three years of historical data including but not limited to on-line participant account, APL, and WIC Vendor data. This can be provided through the eWIC admin system or through a data warehouse.
- J. The eWIC system shall allow authorized users to generate and access applicable reports including but not limited to the daily settlement report.
- K. The EBT Contractor shall execute data requests for off-line data and provide such data within five Business Days of the request unless data is readily available through other means such as a data warehouse or other storage and reporting system.
- L. The eWIC system shall allow the UPC/PLU list to be searchable and to be sorted and filtered by Category and Sub-Category.

8.15 Cardholder Customer Service

Cardholder customer services shall be provided through the IVR, live customer services representatives through a help desk, and a cardholder portal.

The Offeror may be requested to provide a demonstration of the cardholder portal functionality as part of their system design document. The NCS will review and approve the cardholder portal before the Contractor allows public access. The described approach for providing Browser access to the Web Portals will be defined by each State in Detail Design.

8.15.1 Cardholder Help Desk

- A. The eWIC Cardholder Help Desk shall provide toll free card holder access to customer services.
- B. The Cardholder Help Desk shall support English and Spanish callers in sufficient capacity.
- C. The toll-free number shall be transferred to the CSA WIC Program at the end of the Contract.

8.15.2 Integrated Voice Response (IVR) Customer Service System

- A. The initial contact with eWIC Cardholder Help Desk services shall be with the cardholder IVR.
- B. The IVR shall be configured to provide a choice between English and Spanish.
- C. The IVR shall allow the CSA WIC Program to provide introductory messaging (e.g., food recalls, emergency or disaster information, etc.).
- D. The IVR shall support reporting of lost, stolen or damaged cards.

- E. The IVR shall support balance inquiries.
- F. The IVR shall support PIN selection and changes.
- G. The IVR shall support provision of transaction history.

8.15.3 Cardholder Portal

- A. The eWIC system shall provide web-based cardholder access to WIC information (e.g., general information consisting of local and State offices locations and WIC Retailer locations).
- B. The cardholder portal shall provide access to the current benefit balance, real time data based on Local Time of the CSA.
- C. The cardholder portal shall provide access to transaction histories.
- D. The cardholder portal shall allow PIN changes with appropriate identification.
- E. The cardholder portal shall provide links to other sites as designated by the CSA WIC Program.
- F. Cardholder portal shall be available 24/7, 365 days a year, except for scheduled Downtime.
- G. Web site content shall be provided at a 6th grade reading level or lower.
- H. The cardholder portal shall provide access to customer service message center.
- I. The cardholder portal shall allow for the reporting of Lost, Stolen or Damaged cards.
- J. The Contractor shall provide Web based cardholder training or other relevant information and/or effective and economical uses for cardholder and Retailer web site links.
- K. The cardholder portal shall be in compliance with the approved Security Plan and State agency and federal data privacy requirements.
- L. The cardholder portal shall be implemented using a responsive design to support a variety of screen sizes including but not limited to mobile devices.
- M. At State option, the Contractor shall provide automated and/or ad hoc text messaging services. See State Specific Appendices for individual state details.

8.16 WIC Retailer (WIC Vendor) Customer Service

The EBT Contractor shall be required to work with the State to define and implement customer service requirements to support WIC Retailers (WIC Vendors). The EBT Contractor shall be required to meet the Retailer (WIC Vendor) technical support and customer service requirements specified in Section 8.18 WIC Retailer (WIC Vendor) Management. Stand beside WIC Vendors will need the ability to access transaction and settlement information. The Offeror should describe the site's functionality and access controls in their Technical Proposal.

- A. The Contractor must provide transaction inquiry and Retailer settlement history information directed through a secure, browser neutral, mobile device compatible web site to Retailers using stand-beside equipment 24/7, 365 days a year, except for scheduled Downtime.
- B. Web site content shall be provided at a 6th grade reading level or lower.
- C. Transaction information will be restricted for stand beside terminal Retailers to account settlement summary and transaction detail and history.

8.17 State and Clinic Staff Support

Unless otherwise negotiated by the State, the EBT Contractor shall provide State and clinic staff with assistance via a toll-free number that functions as described below.

- A. The EBT Contractor shall provide State and clinic staff with assistance via a toll-free number.
- B. If the EBT Contractor provides access through its participant number, State and local office personnel shall be provided with a password so that the participant IVR can be bypassed and staff will be provided with immediate and appropriate assistance from a live CSR.
- C. The EBT Contractor shall not place limits on the number of State and clinic staff members who have access to the CSR.
- D. Technical assistance for State and clinic staff shall be available 8 AM through 7 PM local time, Monday through Friday, excluding State and Federal holidays. Normal business hours shall be confirmed by the CSA WIC Program during the eWIC system design
- E. The EBT Contractor shall provide an option for providing technical assistance 8 AM through 7 PM local time on Saturdays, Sundays, and State and Federal holidays.
- F. The EBT Contractor shall provide an option for providing technical assistance beyond 7 PM local time any day of the week.
- G. A 24/7 contact number will be available for critical system outages and/or other critical issues in the eWIC system.
- H. State Staff will be provided a user help desk to report eWIC system bugs or other eWIC system issues.

8.17.1 Mobile Application Devices (Mobile Apps)

The EBT Contractor shall provide an open API to which third party smart phone mobile apps will be able to connect for balance inquiries. The required API, web service, and any connectivity support shall be provided as part of the contracted Services and not at an additional cost to either the State, cardholder, or mobile app provider.

- A. The EBT Contractor shall support an API that third-party smart phone apps can use to obtain data from the EBT host.
- B. EBT Contractor shall obtain approval from the State prior to allowing a third-party mobile app to obtain data from the EBT host.

- C. EBT Data that shall be provided to the mobile app shall include but not be limited to:
- D. Benefit balance information, including date of last use
- E. If required by states, transaction history informatio
- F. APL (this can be provided directly to the mobile app provider through a file).
- G. List of authorized WIC Vendors (this can be provided directly to the mobile app provider through a file).

8.18 WIC Retailer (WIC Vendor) Management

The EBT Contractor shall be required to work with the State to implement, per FNS operating rules, the technical, functional, hardware, and software requirements necessary to Transition and enable WIC Retailers (WIC Vendors) to participate in the WIC EBT system in an on-line, integrated electronic cash register (ECR)/POS environment.

If directed by the State, the Contractor shall be required to deploy and maintain EBT-only/WIC Stand-beside POS equipment and/or multi-function POS equipment for designated Retailers (WIC Vendors). In their technical Proposal, Offerors are instructed to thoroughly document the EBT-only/WIC Stand-beside POS equipment and/or multi-function POS equipment they are proposing, including but not limited to: manufacturer, make, and model; confirmation that the equipment proposed meets the requirements documented below; and, if applicable, additional features that although not necessarily required, would better support CSAs, WIC Retailers, and/or cardholders. In addition, the Contractor shall make continuously available for lease to authorized WIC Vendors, stand-beside POS solutions at the same cost submitted in response to section 13.12 NCS WIC Per-Unit Hardware Prices. To Transition and support Retailers (WIC Vendors) that choose to acquire their own equipment and third party processors, the EBT Contractor shall be required to provide interface specifications that would enable Retailers (WIC Vendors) and third party terminal drivers to interface with the EBT Contractor to process WIC EBT transactions. Offerors should describe their approach for enabling and managing Retailer (WIC Vendor) participation in the WIC EBT program.

8.18.1 WIC Vendor Participation

- A. The EBT Contractor shall provide all authorized WIC Vendors with the opportunity to participate in eWIC.
- B. The EBT Contractor shall obtain and maintain agreements with WIC Vendors using stand-beside equipment, their designated agents (such as a corporate office) and TPPs, as applicable.
- C. The agreement language shall be approved in advance by the CSA WIC Program and FNS.
- D. The agreements shall include requirements to abide by the FNS Standard Operating Rules for eWIC (and incorporate Section 4.2 into the agreements), the ANSI X9.93 Transaction Message and File Standards, and the FNS Technical Implementation Guidance for the X9.93 Standard.

- E. During eWIC Design, Development, and Transition Phases, the EBT Contractor shall provide weekly reports to the CSA WIC Program that details the WIC Vendors contacted, the WIC Vendors and TPPs with signed agreements, the WIC Vendors with hardware and software certified for eWIC (activated), the status of WIC Vendors that are not certified (not activated), including testing schedules, and those with successful production transactions (Balance Inquiry, purchase, and void). This report will be required more often than weekly if within one month of the shift to operations or if the eWIC processor is not meeting the WIC Vendor readiness requirements equipping/readying WIC Vendors representing 85% of redemptions in the given area.
- F. The weekly report shall include stand-beside terminals installed by the EBT Contractor and the schedule for installing the remaining stand beside terminals.
- G. During the eWIC Operations Phase and within five Business Days of receipt of notification of the WIC Vendor being authorized for WIC including receipt of Authorized WIC Vendor ID, the EBT Contractor shall mail or ship a WIC Vendor package to WIC Vendors using stand-beside equipment that includes its WIC Vendor agreement and other information necessary for the WIC Vendor to become eWIC enabled for the requesting CSA.
- H. The EBT Contractor must not assess transaction fees, set-up fees, usage fees or other fees to WIC Vendors during Transition and shift to operations for stand-beside devices.
- I. Interchange or transaction fees may not be applied to eWIC transactions.

8.18.2 Maintain Authorized WIC Vendor Information

- A. The eWIC system shall provide capabilities for maintaining required WIC Vendor data.
- B. The eWIC system shall use batch-based system interface to accept WIC Vendor information from the MIS. At a minimum, the file shall contain the mandatory data elements identified in the WUMEI.
- C. The eWIC system shall validate that the WIC Vendor ID does not already exist for new WIC Vendors being added.
- D. The eWIC system shall accept batch system interface updates to WIC Vendor information.
- E. The eWIC system shall validate that the WIC Vendor ID already exists.
- F. The EBT Contractor shall maintain financial information and routing information in its system for stand-beside, TPPs, and direct connect WIC Vendors only.
- G. The eWIC system shall maintain the confidentiality of WIC Vendor financial institution information and TPP routing information.

8.18.3 WIC Vendor Status

- A. The eWIC system shall accept in message or batch interface the new status of a WIC Vendor.
- B. The eWIC system shall identify that the WIC Vendor ID exists.

- C. The eWIC system shall update the status associated with the WIC Vendor to indicate the new status.
- D. The eWIC system shall deny transactions from a WIC Vendor if its status is "deactivated".
- E. The EBT Contractor shall update the status of the WIC Vendor as applicable, (e.g., once it is active in the eWIC system).

8.18.4 Stand-Beside POS Terminal Support/Stand-Beside Solution Support

- A. The EBT Contractor shall identify those WIC Vendors that may require one or more stand-beside POS terminals/ solutions and provide that list to the CSA WIC Program for approval.
- B. The EBT Contractor shall provide a stand-beside POS solution to WIC Vendors upon WIC Vendor request and approval by the CSA WIC Program.
- C. The stand-beside POS solution shall have a PIN pad consistent with current industry standards for hardware encryption as defined in ISO 9564 standard.
- D. The stand-beside POS solution shall be able to utilize the APL and other CSA WIC Program specifications that may apply
- E. If supported by the proposed POS device, the stand-beside POS solution shall have functionality to download the APL automatically daily, at least once every 48 hours, and have the ability to download the APL on demand.
- F. The stand-beside POS solution shall support a training mode.
- G. The stand-beside POS solution shall support both wired (Ethernet) broadband (Internet) and dial up connections.
- H. The stand-beside POS solution shall support the full eWIC transaction including Balance Inquiry, WIC purchase, WIC void and WIC reversal. Store and Forward is not required.
- I. The stand-beside POS solution shall have a price memory function
- J. The stand-beside POS solution shall support the entry of multiple discounts on a single transaction.
- K. The stand-beside POS solution shall allow fruits and vegetable PLUs to be mapped to a single generic code or at the CSA's option to a specific PLU.
- L. The stand-beside POS solution shall provide support for split tender CVB including calculating the remaining amount to be tendered for CVB items exceeding the EBA balance.
- M. The stand-beside POS solution shall have the capability to process up to 50 unique UPCs/PLUs in a single purchase.
- N. The stand-beside POS solution shall fully validate the purchase transaction locally by comparing items to the APL and EBA balance before transmitting the transaction to the eWIC system.

- O. The stand-beside POS solution shall reverse the transaction based on time out.
- P. The stand-beside POS solution shall provide eWIC receipts (customer and store) that meet FNS receipt requirements.
- Q. If supported by the proposed POS device, the stand-beside POS solution shall provide lane, clerk, and store totals reporting.
- R. The stand-beside POS solution shall support reconciliation with the eWIC system.
- S. The stand-beside POS solution shall include the necessary peripherals (scanner) and software to read UPCs and PLUs.
- T. The stand-beside POS stand-beside solution shall be tested and certified for eWIC in CSA prior to installation at WIC Vendor locations.
- U. The number of POS/card acceptance terminals provided to a WIC Vendor shall be determined by parameters set by the CSA WIC Program.
- V. The CSA will be responsible for the cost of stand-beside POS devices provided to WIC Vendors during transition. Following the completion of the transition phase, new WIC Vendors will be responsible for the cost of stand-beside POS devices unless the State determines that the WIC Vendor is required to support participant access to their benefits.
- W. The EBT Contractor shall maintain stand beside POS hardware and the WIC POS application.
- X. During the Transition phase, the EBT Contractor shall ship the POS terminal within five (5) Business Days and perform phone training/installation within fourteen (14) Business Days of receipt of the signed WIC Vendor agreement and all other required documentation, i.e., tax ID, check, bank numbers etc. provided the EBT Contractor is able to contact the WIC Vendor.
- Y. During the Transition phase, the EBT Contractor shall prioritize shipments and/or training/installations as dictated by the CSA (or live shopping start date).
- Z. The EBT Contractor may provide additional installation support via phone upon the WIC Vendor's request. Offerors shall note, it is typical to triage - initial customer service by phone level 2, and then a senior person attempts. If that doesn't resolve it, the EBT processor shall send someone out to troubleshoot.
- AA. The EBT Contractor shall provide additional training materials and phone training upon the WIC Vendor's request.
- BB. The EBT Contractor shall repair or replace a malfunctioning terminal within two Business Days from receipt of report from a WIC Vendor.
- CC. The EBT Contractor shall use quality assurance processes to ensure that all stand-beside solutions shipped have been fully tested, configured and include all approved device manuals and training materials.
- DD. The EBT Contractor shall attempt to retrieve terminals from unauthorized or deactivated WIC Vendors and from WIC Vendors that have elected to move to

- commercial, integrated systems. CSA will not be responsible for cost incurred for a terminal after deactivating a WIC Vendor.
- EE. The EBT Contractor shall provide to WIC Vendors using stand-beside POS terminals a toll-free line for training and to report solution malfunctions.
- FF. The EBT Contractor shall make available for sale or lease to authorized WIC Vendors only, stand- beside solutions including terminals with either dial-up or high-speed (internet) connections. This service is something WIC Vendors can optionally use during the Transition phase to obtain additional devices.
- GG. The EBT Contractor shall inform the CSA WIC Program of any reports of issues with scheduling or installing its stand-beside solution(s). The EBT Contractor shall provide a weekly status, or frequency determined by the CSA, of installations/trainings attempted, completed, not completed, and reason not completed (if applicable). The report should also address the number of attempts to install/train including dates for each attempt.

8.18.5 WIC Vendor Technical Support

- A. The EBT Contractor shall identify and provide a list to the CSA WIC Program those WIC Vendors with integrated electronic cash register (ECR) systems, and whether the existing systems are eWIC -ready or if enhancements, hardware, or other support is required. This shall be provided through a WIC Vendor Survey and WIC Vendor assessment list to be maintained in reporting documents. The initial WIC Vendor survey will be performed by the State.
- B. The list shall include WIC Vendor TPPs and whether their TPPs need to prepare for eWIC, are eWIC ready or are certified for eWIC in CSA.
- C. The EBT Contractor shall provide the technical interface specifications, pre-approved by FNS and necessary for the interface with the eWIC system, to WIC Vendors, their designated agents (e.g., corporate headquarters) and/or their TPPs, within 30 days of kickoff for publishing the Retailer integrated interface specifications.
- D. The EBT Contractor shall support the CSA WIC Program in testing WIC Vendor integrated ECRs and TPPs, as applicable, to enable system certification by the CSA WIC Program.
- E. The EBT Contractor shall provide certification test scripts to validate all ECR/POS functionality for CSA WIC Program review and approval.
- F. The EBT Contractor shall provide test cards to WIC Vendors, with the approval of the CSA WIC Program.

8.18.6 WIC Vendor Customer Service Support

- A. The eWIC system shall provide WIC Vendors using stand-beside devices with transaction, settlement and reconciliation support.

- B. The EBT Contractor shall provide a toll-free number for WIC Vendors using stand-beside devices to obtain information or support on transaction, settlement and reconciliation issues.
- C. WIC Vendors shall be allowed to initiate disputes through the WIC Vendor customer service toll-free number.
- D. The toll-free number shall support English and Spanish callers in sufficient capacity.
- E. The EBT Contractor shall provide a WIC Vendor web-portal to WIC Vendors with stand-beside POS devices that provides secure access to WIC Vendor transaction and settlement information, as contained in the auto-reconciliation file, ACH history, WIC Vendor contracts, and other information and links as agreed upon with the CSA WIC Program.

8.18.7 Compliance Buys

- A. The eWIC system shall support compliance activities conducted by the CSA WIC Program.
- B. The eWIC system shall support the set-up of compliance accounts by accepting the account and card data from the MIS and account type as compliance.
- C. The eWIC system shall support the issuance of cards to compliance accounts.
- D. The eWIC system shall allow benefits to be issued to compliance accounts.
- E. The EBT Contractor shall not differentiate the look of compliance cards with participant cards or how they may be used at the POS.
- F. The EBT Contractor shall process and settle transactions that occur in compliance account EBAs like normal accounts.
- G. When compliance EBAs or cards are displayed in the eWIC administrative terminal (user interface) they shall not be discernible as compliance accounts/cards and preferable should be able to be hidden from view based on user access.
- H. The eWIC system shall maintain an audit trail of all compliance activities.

8.18.8 WIC Vendor Fraud and Abuse

Any functionality or reporting that is part of the e-WIC system that is available to other CSA's shall be made available to the CSA.

8.18.9 Wireless POS and the Farmers Market Nutrition Program (FMNP)

- A. At CSA option, the EBT Contractor shall provide the above support, including the deployment of wireless POS devices, to certain WIC Vendors such as those participating in FMNP. Please see 13.12 (optional POS pricing) and 13.14 NCS WIC cost per case month pricing for FMNP.

- B. At CSA option, the Contractor shall process transactions from WIC Vendors authorized for the Farmers Market Nutrition Program (FMNP). For Farmers' Markets and/or FMNP, the following should be noted:
- C. FMNP benefits are issued to category 97, subcategory 000.
- D. Two generic FMNP UPC/PLUs (similar to the use of PLU 4469 in category 19) are used within category 97 for the redemption of FNMP benefits; one PLU is used to identify regular produce and the other PLU is used to identify organic produce.
- E. At CSA option, the Contractor shall support direct connection to the processor for Farmers Market app users to reduce processor costs.

At CSA option, the Contractor shall provide within its processing system the ability to limit the type of transaction the selected vendor type may process (e.g., Corporation, Farmers Market - CVB Only, Farmers Market - CVB and FMNP, etc.).

8.19 WIC Training Materials and Planning

At the election of the CSA, the EBT Contractor shall provide WIC program, clinic, participant and Retailer (WIC Vendor) training materials to WIC Vendors using stand-beside equipment specific to the WIC program. The Contractor shall provide appropriate written and digital training materials in the formats specified in RFP Sections that follow. Please also see section 8.29 WIC Documentation for additional detail.

- A. The EBT Contractor shall assist the CSA in the planning of training activities for UAT, and transition.
- B. The EBT Contractor shall provide a Training Plan addressing training of State staff, WIC Vendors, local agencies and participants.

8.19.1 WIC Participant Training Materials

Although the EBT Contractor shall not be responsible for direct WIC participant training, the EBT Contractor shall be required to work with the States to define their WIC training content. Training content shall include but is not limited to the below.

- A. The EBT Contractor shall be required to work with the States to define their WIC cardholder/participant training content.
- B. Training content shall include but is not limited to:
 - 1. WIC EBT transaction types including purchases and balance inquiries;
Printing a shopping list;
 - 2. Use of the EBT Card at the point-of-sale;
Use and safeguarding of the card and PIN;
Card replacement and PIN change methods and procedures;
 - 3. Guidance on reporting problems with the card or use and reporting a lost or -stolen EBT card;
 - 4. Use of the transaction receipt to track remaining WIC benefits;

5. Use of the cardholder website, URL and website functions including toll free number to call if the cardholder is having a problem accessing the website;
6. Customer service functions, including the toll-free Customer Service help desk number; and
7. Written and digital participant training materials may, as dictated by the CSA, be required in English and Spanish.
8. Training materials shall be available through the cardholder portal.
9. Training materials must not require greater than a 6th grade reading level and meet ADA accessibility criteria.

8.19.1.1 Cardholder Training

- A. The EBT Contractor shall support cardholder training by local clinic staff.
- B. The EBT Contractor shall assist the CSA in the development of a brochure concerning care of the card and PIN and eWIC card transactions at the POS. Support includes providing consultation on content and sample brochures used by other CSA's. The State will be responsible for designing, printing and distributing the brochures.
- C. The EBT Contractor shall assist the CSA in the development of a pocket-sized tips card with information on the use of the card and how to obtain assistance. Support includes providing consultation on content and sample brochures used by other CSA's. The State will be responsible for designing, printing and distributing the tips cards.

8.19.2 WIC Retailer (WIC Vendor) Training and Training Materials

- A. The EBT Contractor has the sole responsibility for WIC Vendor training materials as they relate to eWIC and use of the stand-beside terminal.
- B. The EBT Contractor shall support WIC Vendor training as defined in WIC Vendor Sections of these Functional Requirements.
- C. Merchant training shall be provided using written materials accompanied with EBT-only/stand-beside and/or multi-function POS terminals provided to Retailers (WIC Vendors) via mail or overnight delivery.
- D. If upon receipt of EBT-only/Stand-beside POS equipment, a Retailer (WIC Vendor) requests additional training or assistance, the EBT Contractor shall provide such assistance through the Retailer (WIC Vendor) customer service center or onsite training.
- E. For Retailers (WIC Vendors) with integrated systems, the EBT Contractor shall provide train the trainer training if requested by the Retailer (WIC Vendor).
- F. Retail store employees, including both EBT-only Retailers equipped with EBT-only/Stand-beside devices and Retailers with integrated systems, shall be trained in system operations as part of the Transition phase. Such training shall include the

provision of appropriate written and program specific materials. These materials shall be provided in hard copy and at the request of the Retailer in electronic format on-line or on CD.

G. WIC Retailer training materials shall include:

- a. The State's Authorized WIC Product List (as determined by each WIC program) including options for mapping of Price Look Up (PLU) codes for the implementation of the Cash Value Benefit (CVB) program;
- b. Processing WIC transactions;
- c. Retailer (WIC Vendor) Customer Service operations and functions including a toll-free number;
- d. Use of the Retailer (WIC Vendor) web portal, URL and website functions including toll free number to call if the Retailer is having a problem accessing the website;
- e. Use of the IVR;
- f. POS terminal operations and procedures for Retailers (WIC Vendors) receiving EBT-only/Stand-beside and/or multi-function POS terminals; and
- g. Retailer training materials shall be provided in English and Spanish and other languages as specified by the State in State-specific appendices and/or detail design.

8.19.3 State and Clinic Training and Training Materials

The EBT Contractor shall provide written State and clinic staff training and training materials to the State as needed or when requested by the State. The State and clinic staff training materials shall cover EBT system functionality as it applies to the job functions of State and clinic workers.

8.19.3.1 State-Level Training

- A. The EBT Contractor shall provide one training session to State-level users prior to the start of User Acceptance Testing.
- B. The EBT Contractor shall provide one training session to additional State-level users prior to the start of transition.
- C. Training shall include the administrative system functions along with onsite in person training with training materials. The State is responsible for providing the training site, computers, network access, projectors, and any other needed support equipment.
- D. Training shall include system administration and system security.
- E. Training shall include Reports and Reporting Functions.
- F. Training shall include reconciliation and settlement processes.

8.19.3.2 State-Level Training Materials

- A. The EBT Contractor shall provide training materials to support training. These may be separate documents or a combination of documents.
- B. The EBT Contractor shall provide an eWIC System User Guide (Administrative System Manual).
- C. The EBT Contractor shall provide a Reports Design Manual.
- D. The EBT Contractor shall provide a Reconciliation and Settlement Manual.
- E. The EBT Contractor shall provide a System Security Guide.

8.20 WIC Settlement and Reconciliation

To support the WIC EBT Program, the EBT Contractor shall be required to meet the Settlement and Reconciliation requirements specified in this RFP and shall be required to work with the State to define and implement processes to draw funds for the settlement of WIC transactions. Each State will designate their own procedures, time frames and fiscal agents for settlement purposes.

- A. At a minimum, the EBT Contractor must provide the NCS members with the capability to verify and approve or initiate the draw of State funds for settlement. Depending on the procedures and time frames developed between the State and the EBT Contractor, State payments to the EBT Contractor will be made either through the ACH or wire transfer for same day payment.
- B. The EBT Contractor shall provide the ability for CSAs to reduce future payments to WIC Vendors or debit WIC Vendor accounts for inventory claims, fines, penalties or other recoveries allowed by program regulations or under the WIC Vendor contract. This capability will allow CSA's to reduce future payments via their MIS rather than send refund checks to WIC Vendors.
- C. The EBT Contractor shall be responsible to provide the State an accurate total purchase price and reconciliation file for all purchases, taking into consideration when a single item purchase is split among 2 or more benefit issuance numbers. Reconciliation amount and purchase amount should always be equal regardless of how purchases might be split across benefit issuances. EBT Contractor will be responsible for accurately correcting for rounding errors when multiple benefit issuance numbers are used to purchase a single item (e.g., cereal).
- D. The EBT Contractor shall work with the State so that data can be provided in a format with minimal impact to the State's existing reconciliation processes.

8.20.1 Issuance Reconciliation

- A. The eWIC system shall verify that all message data benefit issuance/voids sent from the MIS are processed and posted to EBAs in the eWIC database.
- B. The eWIC system shall verify issuance by Category, Sub-Category, quantity, and Unit measure.

- C. The eWIC system shall verify issuance for both current and future months' benefits.
- D. The eWIC system shall return data to the MIS notifying the affected user of any detected anomalies in issuance reconciliation via alert and/or report.

8.20.2 WIC Benefit Data Files

- A. The eWIC system shall transmit a daily file that provides a detailed record of all benefit redemption activity.
- B. The eWIC system, at a minimum, shall include all WIC Vendor transactions in the daily file.
- C. The information transmitted shall be based on the eWIC system processing day or a time frame specified by the CSA WIC Program during system design.
- D. The information transmitted shall be a full historical, clearly labeled account (audit trail) of the transaction and the information (e.g., date, time, Category, Sub-Category, unit of measure, quantity, item description, benefit begin date, benefit end date, WIC Vendor number, WIC Vendor terminal, WIC Vendor peer group, originating clinic ID) that was current and used at the time of the transaction. These files are provided in FNS approved file format and are batch files that must be processed by MIS in order to display as described above.
- E. The eWIC system shall report reversals as two separate transactions, the original transaction and the subsequent reversal.
- F. Adjustments to benefits requested by the MIS and completed by the eWIC system shall be included in the WIC Daily Activity File.
- G. The eWIC system shall report transactions with discounts and coupons as specified in the Interface Control Document provided by the EBT Contractor in compliance with section 8.25 WIC Standards.
- H. The eWIC system shall report details on transactions using multiple benefit IDs or where redemption straddles the sub-category code and broadband category code for each item redeemed.
- I. The eWIC system shall transmit a daily file that provides a detailed record of WIC benefit changes. (WIC Daily Interface Reconciliation File)
- J. The eWIC system shall report the MIS -initiated Add or Update Benefit transactions (issuances, updates and voids) that were accepted and approved by the eWIC system.
- K. The information transmitted shall be based on the eWIC system processing day or a time frame specified by the CSA WIC Program during system design.

8.20.3 Account Reconciliation

- A. The eWIC system shall reconcile each EBA and all eWIC data on a daily basis.
- B. For each EBA, the eWIC system shall verify that the quantity of each Category/Sub-Category end of the processing day net position is equal to the benefits (units) at the

- beginning of the processing day plus the net sum of benefits credited and debited as contained in the transaction history detail for that processing day.
- C. For all CSA eWIC data, the eWIC system shall verify that the quantity of each Category/Sub-Category end of the processing day net position is equal to the quantity at the beginning of the processing day plus the net sum of benefits credited and debited as contained in the transaction history detail for that processing day.
 - D. The eWIC system shall reconcile the value of the Business Day transactions against the funds settled to each WIC Vendor, its designated agent and TPPs, as applicable.
 - E. The eWIC system shall validate that the sum of the amounts paid to WIC Vendors, agents and third-party processors, as applicable, is equal to the total payments calculated as due to these entities.
 - F. The EBT Contractor shall verify that the amount drawn from the settlement account is equal to the amount indicated in the reconciliation file. (This may be a manual process.)
 - G. The eWIC system shall provide audit reports, automated and on-demand, demonstrating the sum of activity equals payments made to the WIC Vendor, its agent and TPPs, as applicable, and in total.
 - H. The eWIC system shall notify appropriate CSA WIC users of any detected anomalies in daily reconciliation.
 - I. The eWIC system or service provider shall provide an alert or a report within three hours of when an anomaly is realized.
 - J. The EBT Contractor shall provide the CSA WIC Program with the corrective action to be taken.
 - K. The eWIC system shall provide appropriate tools to correct errors in the settlement process.

8.20.4 Auto-Reconciliation Files

- A. The eWIC system shall generate WIC auto-reconciliation files for WIC Vendors.
- B. The eWIC system shall create auto-reconciliation files on a processing day basis and shall include transactions submitted since the last WIC auto-reconciliation file.
- C. The auto-reconciliation file shall be provided in the format and contain the data that is specified in Section 11.2 of the TIG.
- D. The eWIC system shall make the reconciliation file available on a secure data retrieval site for download by WIC Vendors, their agents or third-party processors.
- E. The eWIC system may create auto-reconciliation files for WIC Vendors with stand-beside terminals or if a file is not provided then the EBT Contractor shall provide access to reporting through the stand-beside POS or WIC Vendor portal that will support the reconciliation of transactions.

8.20.5 Daily Settlement

- A. The information generated during system cutoff and balance processing shall be used by the EBT Contractor to generate the daily settlement files.
- B. The eWIC system shall initiate settlement to WIC Vendors, agents and third-party processors.
- C. The eWIC system shall reimburse WIC Vendors for the sale of approved food items purchased at either the requested food item price or NTE price, whichever is lower.
- D. The eWIC system shall initiate settlement to direct connect WIC Vendors, agents or TPPs on the next Business Day.
- E. The EBT Contractor shall own and reconcile a clearing account for daily settlement.
- F. The eWIC system shall calculate the amount due to each WIC Vendor, agent or TPP based on transactions approved to that entity within the settlement window.
- G. The eWIC system shall create an ACH transaction to move funds from the eWIC settlement account to the appropriate WIC Vendor, designated agent or TPP financial institution account.
- H. The eWIC system shall transmit ACH transactions to its bank on a daily basis to meet the performance standards for settlement.
- I. The eWIC system shall comply with FNS policy for unsettled funds (i.e., ACH rejects). The EBT Contractor shall attempt to pay unsettled funds first to the original payee and if unsuccessful, shall return funds to the CSA WIC Program.
- J. Payments transmitted to the financial institutions of WIC Vendors, their agents or their TPPs shall be reconciled to the settlement bank's report of payments submitted to the Federal Reserve for the CSA WIC Program.
- K. The settlement process shall conform to the National Automated Clearing House Association (NACHA) Operating Rules and Guidelines wherever possible.

8.20.6 Request ACH Payment

- A. The eWIC system shall only allow authorized CSA WIC Program users to initiate a request for an ACH payment.
- B. The eWIC system shall provide a daily report that provides all payments requested by the MIS users or initiated by the EBT Contractor that are outside of the normal settlement process.

8.20.7 Audits

- A. The EBT Contractor on an annual basis will provide the CSA a SOC 1 type 2 report in accordance with the American Institute of Certified Public Accountants, Statement on Standards for Attestation Engagements (SSAE) No. 18, Reporting on Controls at a Service Organization. The EBT Contractor will submit the Final Annual Report to the CSA 90 days after the close of the audit.

8.20.8 Form 1099

- A. The eWIC system shall generate and remit 1099's to participating WIC Stand Beside WIC Vendors and Third-Party Processors following the completion of each calendar year. It is the responsibility of the EBT Contractor to generate 1099 for the year. Optional pricing to be provided in case it is an IRS requirement for WIC.

8.21 WIC Reporting

The EBT Contractor shall be required to work with the State to define and implement comprehensive reporting capability for the WIC EBT Program. States shall be provided access to data held in EBT Contractor and other integrated systems through standard reports with the ability to create new, and/or customize existing reports. States may require modifications to WIC reporting requirements to meet the unique needs of a State's WIC Program. For example, WIC reports shall include data on benefit authorizations and redemptions by food category, subcategory, UPC and unit (ounces, pounds, etc.).

- A. The EBT Contractor shall be required to meet, as a minimum, the reporting requirements outlined in the WIC Functional Requirements Document for a Model WIC Information System with EBT (FRED-E), Version 2008 2.0, September 2008, or the most recent version of this document, as well as the WIC Regulations as published by the Federal Register in the Code of Federal Regulations, 7 CFR Part 246.
- B. The reporting system shall produce WIC information at the State, County, clinic and/or geo-admin levels as designated by the State.
- C. The reporting system shall provide the ability to analyze WIC information at a variety of time intervals such as but not limited to hourly, daily, 24-hour cycle, etc.
- D. At the discretion of the CSA, reports shall be required at a variety of frequencies including but not limited to monthly, weekly, daily, etc.
- E. Reports should be made available, at State option, on-line, and downloadable in PDF and CSV formats, and/or transmitted as a data file to the State. Files shall be consistent with the requirements of the Universal Interface specification dated June 2012 and subsequent updates.

8.21.1 General Report Requirements

- A. The eWIC system shall provide the following standard reports currently available to other CSA's served by the EBT Contractor. The CSA's request that any new reports developed for other WIC participants also be made available for use through the change request process.
- B. Standard queries and custom reports built for any other WIC CSA shall be made available to the CSA as a standard query through the change request process
- C. Standard reports shall be formatted to enable printing.

- D. At the discretion of the CSA, the reporting requirements may be satisfied in a variety of ways:
 - a. Through a standard report provided through an Administrative System.
 - b. Via a Data Warehouse in conjunction with an ad hoc reporting tool that has access to the necessary source data.
 - c. Through a daily email.
 - d. Through a standard data file.
 - e. Through a detailed data listing provided by an Administrative System.

- E. At the discretion of the CSA, reporting functionality shall include but not be limited to:
 - a. Full export capabilities in Microsoft Excel, HTML, or PDF
 - b. On screen sorting by column headings
 - c. Clickable drilldown into records (where applicable)
 - d. Flexible paging (ability to set the number of rows appearing on each page)
 - e. Moveable and hide-able columns
 - f. No limit on results set size (e.g., reporting engine is able to parse large reports and display results on a per page basis, etc.)
 - g. The ability to define advanced search criteria
 - h. Graphical results (e.g., charts) where appropriate
 - i. Dashboards for common operations (e.g., State participation, clinic participation, top performing WIC vendor stores, non performing WIC vendor stores, top purchased items, etc.)

8.21.2 Financial Reporting

The eWIC system shall provide the following standard reports.

- A. Daily settlement amount (may also be provided by email, as agreed upon with the CSA WIC Program). Contains date, dollar amount cleared (debits) dollar amount of credits, total daily funding amount required.
- B. Daily WIC Vendor activity summary report (summary of all WIC Vendor settlement activity on each calendar day. Includes database activities for areas such as adjustments, voids and reversals, which must agree with the daily activity file).
- C. Daily settlement and clearing report (total funds settled for the processing day; should balance to totals from daily terminal report).
- D. Daily system balance report (by category and subcategory).
- E. Daily adjustment audit transaction detail report (provides details on all adjustment transactions within each Business Day).

- F. Daily ACH activity report (identifies all stand-beside WIC Vendor, designated agent and TPP deposits for each Business Day).
- G. Monthly billing report used to support monthly invoice from the EBT Contractor (active cases, etc.).

8.21.3 Program Management Reports

The eWIC system shall provide standard program management reports including but not limited to:

- A. Daily administrative (user) activity report.
- B. Card and PIN Reports
- C. Daily card status report
- D. Monthly exceeded PIN attempts report.
- E. Fraud detection reports.
- F. EBAs with frequent card replacements (Excessive Card Replacement)
- G. WIC Vendors that manually enter the card PAN

8.21.4 Product Utilization and Food Cost Reports

- A. The eWIC system shall provide standard food analysis reports.
Note that the MIS provides a report that shows redemption data.
- B. Daily and monthly food products purchased by Category/Sub-Category, UPC and unit (ounces, pounds, etc.).

8.21.5 System Performance Reports

- A. The eWIC system and/or the EBT Contractor shall provide standard system performance reports as defined by each CSA.
- B. Monthly system response time report. The report will show the response time between the MIS and the EBT Contractor, and the EBT Contractor and WIC Vendors. Response time shall be measured on a daily average basis or other interval as defined by the CSA.
- C. Monthly eWIC system availability report provided through Program Manager. System availability shall be measured on a daily average basis or other interval as defined by the CSA.
- D. eWIC Services performance reports (provided through Program Manager on a monthly or on a CSA request basis) shall include but not be limited to:
 - a. Inaccurate transactions as defined by the CSA (e.g., financial transactions such as erroneously denied funds, overdraws, incorrect postings, etc.).

- b. User help desk, WIC Vendor, and Customer service performance levels as defined by the CSA (e.g., answer timeliness, abandon call rate, blocked/busy signals, etc.).
- c. PIN selection terminal replacement times
- d. Stand-beside POS deployment/replacement times
- E. Monthly transaction statistics report by day, statistics report by hour (i.e. message-based transactions) to determine peak processing times for the eWIC system. Provided by Program Manager.

8.22 WIC Change Management Process

In supporting the WIC Program, the EBT Contractor shall be required to comply with the Change Management process specified in this RFP.

- A. The EBT Contractor shall establish and follow a formal change management process to encompass remedial, enhancing and conforming changes.
- B. The EBT Contractor shall respond to system enhancement change requests with estimated hours and cost within four weeks of receiving request or a mutually agreed to timeframe.

8.23 Disaster Support

The EBT Contractor shall work with the States in the development of WIC-EBT disaster plans in accordance with any State or FNS requirements and is expected to support WIC-EBT in the event of a disaster. It is the goal of the CSAs to continue WIC EBT transaction processing and disbursement of prescriptions in the event of adverse situations related to systems and telecommunications failures and in disaster. The CSAs understand there is no disaster food program for the WIC Program. This section addresses major risk points and solutions derived to enable continuation of business with minimal interruption in disaster situations.

Please also see Section 8.29, WIC Documentation, and requirements addressing Continuation of Business Plan (Back-up and Contingency); as well as related requirements, Section 8.26 WIC Incident and Problem Management.

- A. In the event of an outage or disaster impacting the availability of the EBT Contractor's primary data processing site, the EBT Contractor must have a back-up site for failover and host processing, telecommunications and network Services. This change over to the alternative site shall be transparent to the WIC Participant, WIC Retailers, and the WIC State Office.
- B. The EBT Contractor must notify the WIC State Office within 15 minutes of the start time of an outage based on a mutually agreed to Communication Plan.
- C. If the outage is expected to exceed one (1) hour in duration and based on an evaluation of the problem and the time required to resolve, transaction processing shall be switched to the WIC EBT host back-up "hot site". Individual CSAs may require this switch to be automatic while others may require the switch be upon the WIC State Office's approval.

- D. The Contractor is responsible to communicate information to the WIC State Office, or if required by CSAs directly to affected stakeholders, in advance of the proposed failover (meaning the actual time the switch over may be technically executed) and assist the WIC State Office with any information or means available to provide notification to affected stakeholders, e.g., TPPs and networks as applicable with instructions for operations as a result of the switch. Notifications are to be preplanned and synchronized with the actual failover to the alternative site.
- E. The Contractor must support back-up site processing and alternative file and transaction routing for the following:
 - a. WIC EBT Back-up Hot site to the WIC State Office Eligibility System(s)
 - b. WIC EBT Back-up Hot site to State Eligibility System Back-up Hot Site(s)
 - c. WIC EBT System to State Eligibility System Back-up Hot Site(s)
 - d. Back-up connectivity and telecommunications support for routings listed above
- F. The EBT Contractor must notify the TPPs and Retailer community, if required by the CSAs, with a copy to the WIC State Office that an outage has occurred. Notification shall be made within 15 minutes of the start time of an outage.
- G. The EBT Contractor shall configure its support infrastructure to ensure that system recovery is coordinated with the WIC MIS processing to allow restoration of WIC EBT Services without interruption to the CSAs' WIC operational needs.
- H. The disaster back-up site and alternate communications routing must be tested annually. The Contractor must provide the WIC State Office with copies of these test results within 30 days of completion of the testing. The annual test must include the WIC State Office, incorporating the steps necessary to accommodate disaster back-up operations supporting the State Office, its WIC Vendors, and the participant population.
- I. If elected by the CSA, the EBT Contractor shall provide outage notifications via text messages to WIC Participants who have registered through the EBT Contractor portal and authorized text messaging. Notification shall be sent within 15 minutes of the start time of an outage. Please also see 13.14 NCS WIC Optional Pricing.

8.24 WIC System Security

In supporting the WIC Program, the EBT Contractor shall be required to comply with the system security requirements specified in this RFP including the below.

8.24.1 Access to System Functions

- A. The eWIC system shall provide controls to limit and manage user access to specific application functionality.
- B. Access shall be based on defined roles.
- C. The eWIC system shall provide the CSA WIC Program security administrator(s) with the ability to manage role-based user access.

- D. The eWIC system shall ensure that all users are established in the system with unique identification.
- E. The eWIC system shall ensure that user PINs or passwords are not displayed on terminals or monitors.
- F. The eWIC system shall ensure that the system and CSA WIC Program data are not available to unauthorized users.
- G. The eWIC system shall support system lockout after a threshold (determined by the CSA WIC Program) is reached for excessive invalid access attempts.
- H. The eWIC system shall allow inactivation of users no longer authorized by the CSA WIC Program.
- I. The eWIC system shall maintain an audit trail of user access to the eWIC system that includes:
 - a. Date and time
 - b. User name
 - c. eWIC system user ID
 - d. CSA WIC Program ID

8.24.2 Transaction Communications Security

- A. The eWIC system shall provide controls to ensure that eWIC transaction communications are secure.
- B. The eWIC system shall process transactions only from authorized terminals or PIN selection devices.
- C. The eWIC system shall process files only from the MIS, authorized WIC Vendors or their designated agents (e.g., corporate headquarters or TPPs).
- D. The eWIC system shall validate messages or files for completeness, file and field formats and control and authentication measures.
- E. The eWIC system, PIN selection devices and stand-beside terminals shall ensure that PINs are encrypted at the point of entry and never transmitted in the clear (i.e., encrypted at rest and in transit).
- F. The eWIC system shall not select or assign a PIN for a cardholder.
- G. The CSA eWIC PIN pad encryption keys shall not be shared with other WIC CSA's.
- H. The eWIC system shall support test encryption keys to enable testing prior to WIC Vendor or TPP certification.

8.24.3 System Data Security

- A. The eWIC system shall provide controls to ensure system and confidential information are not disclosed for unauthorized purposes.

- B. The eWIC system shall provide system and data access only to designated users and according to the users' profiles.
- C. The eWIC system and the EBT Contractor shall not divulge data to any person except as necessary to conduct eWIC according to defined functions.
- D. The EBT Contractor shall ensure that sensitive information is accounted for and securely stored before, during and after processing.
- E. The EBT Contractor shall provide for internal controls through separation of duties and/or dual control of functions.
- F. The EBT Contractor shall maintain adequate system documentation, software applications and operating procedures, and a System Security Plan subject to CSA standards, review and approval.
- G. The eWIC system shall provide mechanisms within applications that enforce access controls against system tampering and/or unauthorized changes.
- H. The EBT Contractor shall cooperate with the CSA WIC Program, which shall, on a yearly basis, conduct a test of the names of current employees against the names of individuals authorized for the CSA eWIC system access, and any changes in the roles and responsibilities of said individuals. An individual from the State will have rights to create new users, user types, roles, and privileges as well as the ability to view all State level users in the administrative terminal and their assigned status and profile.

8.24.4 Facilities Physical Security

- A. The EBT Contractor shall use physical security to limit access to facilities used to process cards or data or house sensitive data.
- B. Data sites shall be secured 24 hours a day, every day of the year.
- C. Employee access to the data site shall be controlled by an electronic access system.
- D. Employee access to departments within the data site shall be controlled by an electronic access system.
- E. Guests, including contractors, shall sign in and shall be assigned a temporary guest badge for identification.
- F. Guests, including Contractor service personnel, shall be escorted at all times.
- G. All storage media shall be kept in a secure access-controlled environment when not being utilized by computer operations.
- H. No storage media shall leave the data site without prior management authorization.
- I. Programming personnel, including contractors, shall be restricted from sensitive storage media unless prior management approval is obtained and access shall be granted on a need to know basis.
- J. Sensitive output shall be shredded prior to disposal.
- K. Data beyond the PIN may be secured using message encryption from the card terminal to the TPP by bilateral agreement.

- L. The eWIC system primary and backup processing sites shall be equipped with fire detection and suppression systems.

8.24.5 Card Security

- A. The eWIC card provider shall ensure the security of card stock in its possession.
- B. Cards shipped by the eWIC card provider shall be shipped using a method that can be tracked electronically by the CSA Program.

8.25 WIC Standards

In addition to standards specified in this RFP, the EBT Contractor shall be required to comply with the below standards.

- A. The eWIC system and messaging formats shall conform to the most recent approved version used in the industry of the American National Standards Institute (ANSI) X9.93 standards and future updates. The eWIC system shall conform to the ANSI x9.93-2014 Financial Transaction Message - EBT- Part 1: Messages (and future updates) as described in the Technical Implementation Guide (TIG).
- B. WIC Functional Requirements Document for a Model WIC Information System with EBT (FRED-E), Version 2008 2.0, September 2008, or the most recent version of this document.
- C. The eWIC system shall conform to the FNS Operating Rules for WIC EBT dated 9/30/2014 or a later version mutually agreed to between the State and the Contractor.
- D. The eWIC system shall conform to the 2018 FNS WIC EBT Technical Implementation Guide (TIG) future updates, or a later version mutually agreed to between the State and the Contractor.
- E. The eWIC system shall provide an interface documented by the EBT Contractor in an Interface Control Document and that is in production and has been accepted for use in other states and that is based upon the June 2012 version of the FNS WIC Universal MIS-EBT Interface, or a later version mutually agreed to between the State and the Contractor. The provided interface may deviate from a published version of the FNS WIC Universal MIS-EBT Interface provided that the deviation has been accepted by other states and FNS and is already incorporated into a production version. The specification will match the specifications used in other Contractor processed states.
- F. The eWIC system shall meet all applicable federal and State regulations, including WIC Regulations 7 CFR Part 246.
- G. The eWIC system and the EBT Contractor shall uphold the confidentiality of WIC participant information and WIC Vendor information to the extent required by §246.26 of the WIC Regulations (7 CFR Part 246).
- H. In the following order of precedence, the eWIC system shall process transactions in compliance with:
 - 1. 7 CFR Part 246 and FNS WIC memos and guidance;

2. FNS Operating Rules for WIC EBT; and,
 3. Prevailing industry technical and performance standards.
- I. The EBT Contractor shall provide, at no cost to the CSA WIC Program, any system software enhancements (e.g., reporting, select reports, functionality, etc.) or upgrades developed on behalf of other WIC CSA's. The State may at its option elect to implement these enhancements.

8.26 WIC Incident and Problem Management

In supporting the WIC Program, the EBT Contractor shall be required to comply with Project Planning and Phases - Core Requirements specified in section 11 of this RFP including section 11.7.2.3, Incident and Problem Notification and Recording and Reporting, as well as the below.

- A. When reporting incidents and/or problems, Impact Statements shall include sufficient detail (e.g., at an interface, network, and system component level) regarding the nature of an incident or problem. For example, impact statements and reports shall describe whether an issue exists between the MIS and EBT or TPP and EBT.
- B. Problem and/or incident notifications shall support CSA's efforts to notify staff, agencies, and participants of any incidents, issues, or problems including, but not limited to, system outages, customer service delays, non-compliance with performance standards or deliverable due dates.
- C. The EBT Contractor must notify the WIC State Office within 15 minutes of the start time of an outage based on a mutually agreed to Communication Plan.
- D. The EBT Contractor must notify the TPPs and Retailer community, if required by the CSAs, with a copy to the WIC State Office that an outage has occurred. Notification shall be made within 15 minutes of the start time of an outage.
- E. If elected by the CSA, the EBT Contractor shall provide outage notifications via text messages to WIC Participants who have registered through the EBT Contractor portal and authorized text messaging. Notification shall be sent within 15 minutes of the start time of an outage. Please also see 13.14 NCS WIC Optional Pricing.

8.27 Testing

- A. The EBT Contractor shall provide system and life cycle testing Services for the duration of the Contract.
- B. The EBT Contractor shall provide life cycle testing Services for the duration of the Contract. Specifically, as dictated by the CSA, the EBT Contractor shall participate in or provide:
 1. Connectivity Testing
 2. Interface Testing
 3. User Acceptance Testing (Federal Acceptance Testing)
 4. Performance Testing.

5. IVR Testing and/or Participant and WIC Vendor Web Portal Testing, as applicable (Optional Depending on Services Selected)
 6. Contingency Testing
 7. Security Testing, to be conducted to CSA security standards.
- C. The EBT Contractor shall provide the CSA WIC Program with access to a test environment for the duration of the system life cycle. If requested by CSA, the EBT Contractor shall provide a separate environment for WIC Vendor certifications. The EBT Contractor and the CSA Program will mutually agree on a delivery date for the test environment; the deliverable will be included in the approved project schedule.

8.28 WIC System Operations

The EBT Contractor shall meet the system performance, transaction history, business continuation, and corrective action requirements as outlined below. Please also see section 12 Performance Standards for other applicable standards and reporting expectations. Offerors are reminded that in addition to this section, Offerors are contractually obligated to meet the service level agreements and will be held to the penalties documented in section 12.

In their response, Offerors shall also provide unplanned outage statistics for their current WIC customer base (i.e., WIC agencies that are operational and currently under contract with the Offeror). Statistics should include but not be limited to: customer name or please use 'anonymous' if confidential; unplanned outage time for the prior two calendar years; unplanned outage minutes by calendar month; and, reason for the unplanned outage.

8.28.1 System Performance

- A. The eWIC system shall meet performance standards for the delivery of eWIC Services.
- B. The eWIC system shall process all message-based system interface messages from the MIS within 1/2 second from receipt of message from the MIS.
- C. Scheduled Downtime shall be scheduled during early morning hours, i.e., during a time mutually agreed upon by the CSA and the EBT Contractor as part of project initiation.
- D. Scheduled Downtime shall not exceed four (4) hours per month unless other timeframes are agreed upon with the CSA WIC Program. The EBT Contractor will notify the State for any scheduled Downtime that is expected to exceed four (4) hours and receive approval for the extended time prior to proceeding with the scheduled Downtime.
- E. No more than 2 inaccurate transactions per every 10,000 eWIC transactions processed by the eWIC system shall result in an adjustment resulting from eWIC system error.
- F. The eWIC system shall be available 99.9% of scheduled uptime, 24 hours per day, 7 days per week.
- G. The eWIC system shall initiate a response to a transaction request within two (2) seconds from the time such request is received by the eWIC system, 98% of the time

- on a monthly basis. This does not include data transmission time between the eWIC system and a TPP. Scheduled Downtime shall be excluded.
- H. The eWIC system shall meet the timeframe for ACH settlement window 99% of time, measured on a monthly basis.
 - I. The eWIC system shall notify the CSA WIC Program of settlement or reconciliation discrepancies within 12 hours of recognition.
 - J. The EBT Contractor shall verify that the latest UPC/PLU file is received from the MIS system daily. In the event the UPC/PLU file has not been pulled from the MIS system on a given day, the Contractor shall notify the CSA immediately.
 - K. The eWIC system shall be available to accept account set-up messages/files 24 hours per day, 7 days per week.
 - L. The eWIC system shall be available to accept benefit issuance messages/files 24 hours per day, 7 days per week.
 - M. The eWIC system shall be available to card issuance messages/files 24 hours per day, 7 days per week.
 - N. The eWIC system shall ensure benefits are available on availability date and time (12:01 AM) 100% of the time.
 - O. The EBT Contractor shall investigate and respond to a WIC Program or WIC Vendor initiated dispute within 10 processing days of the notification of a dispute.
 - P. The EBT Contractor shall resolve disputes between the EBT Contractor and the WIC Vendor within 45 days of the dispute being submitted by the WIC Vendor.
 - Q. The eWIC IVR shall have an average answer time of less than 15 seconds, measured on a monthly basis.
 - R. The EBT Contractor shall ensure that 95% of all cardholder and WIC Vendor IVR calls are answered within 4 rings (25 seconds) measured over a two-month period.
 - S. The participant call center shall have an abandoned call rate of less than 5% after 30 seconds, measured on a monthly basis.
 - T. The EBT Contractor shall ensure that no more than 10% of calls to its user and help desks shall be met with a busy signal, measured on a monthly basis.
 - U. The WIC Vendor website and cardholder website shall have an uptime of 99.9%, not including maintenance (scheduled Downtime), measured over a one-month period.
 - V. The EBT Contractor shall ensure that 98% of all stand-beside terminals are installed and operational within ten Business Days for new WIC Vendors during operations of receipt of WIC Vendor agreement. (Measured during steady State operations on a 90-day rolling period.)
 - W. The EBT Contractor shall ship via overnight express replacement POS equipment within two Business Days of a request for replacement. (98% of the time measured within a 30-day rolling period.)

- X. The EBT Contractor shall ship replacement PIN selection terminals, if a CSA opts for this feature, within two Business Days of request for replacement. (99% measured on a monthly basis.)
- Y. The EBT Contractor shall use its best efforts and industry standard tools to prevent software provided to or used by the WIC Program from containing viruses, backdoors, or bombs.

8.28.2 Maintain Transaction History

- A. The CSA WIC Program shall be able to access eWIC data and transaction history from the eWIC system.
- B. The eWIC system shall maintain a minimum of 3 years of data online for real time access by authorized system users, after which data will be archived.
- C. The eWIC system shall maintain a minimum of four federal fiscal years of archived data. Archived data shall be maintained for an additional four federal fiscal years.
- D. Records shall be maintained for three full fiscal years following the close of the State Fiscal Year (SFY is July-June) during which the Contract terminates.

8.28.3 Business Continuation

- A. The eWIC system shall have provisions for back up processing and telecommunications.
- B. The EBT Contractor shall maintain a remote hot site with equivalent processing capability.
- C. The eWIC system shall fail over to the hot site within one hour, or a time frame agreed upon between the CSA WIC Program and the EBT Contractor assessed at the time the issue is identified.
- D. The eWIC system shall have provisions for 24x7 system monitoring and problem correction.
- E. The EBT Contractor shall work with the CSA WIC Program and any other organization designated by the CSA WIC Program to facilitate an orderly Transition of Services at the end of their Contract Term.
- F. The EBT Contractor shall work in a professional manner with the WIC Program's next Contractor to execute a smooth and timely Transition at the end of their Contract Term.
- G. The EBT Contractor shall coordinate with the next Contractor on migration of customer service functions on the night of database Conversion.
- H. The EBT Contractor shall provide the CSA WIC Program the right to serve as a mediator between the incumbent and successor Contractors, Subcontractors, WIC Vendors and TPPs. The CSA WIC Program will have the right of final decision in disagreements between the incumbent EBT Contractor and the successor EBT Contractor.

- I. The EBT Contractor shall allow for fallback to its eWIC system in case of database Conversion or other failure when converting to the new system. Fallback can only occur if no transactions have occurred on the new system.
- J. The EBT Contractor shall perform any and all necessary database cleanup, to be completed six months prior to the end of the Contract Term and shall ensure data is appropriately maintained to support Transition to the successor EBT Contractor.
- K. The EBT Contractor shall perform a final reconciliation of the eWIC system within one month of the Transition to the successor EBT Contractor. In addition, the EBT Contractor shall inform the CSA WIC Program of any errors, discrepancies and outstanding disputes.
- L. The EBT Contractor shall support the transfer of PINs associated with existing eWIC cards to the successor EBT Contractor at the conclusion of its Contract.

8.28.4 Deficiencies/Corrective Actions

- A. Performance deficiencies in any performance standard, identified in this RFP, regardless of whether the deficiency was caused by the EBT Contractor or one of its Subcontractors shall be subject to remedy through liquidated damages provisions. If the deficiency is noted by the EBT Contractor, the EBT Contractor shall notify the State WIC Program.
- B. The CSA WIC Program will notify the EBT Contractor of any deficiency in meeting one (1) or more of the defined performance standards. It may be necessary for the e-WIC Contractor to correct a deficiency immediately through a remedial change. For all other deficiencies, the CSA WIC Program will request a corrective action plan and will set a due date for submission of the plan. If the CSA WIC Program does not receive the plan by its due date and no extension has been granted, the CSA WIC Program may invoke liquidated damages remedies per the schedules set forth in this RFP.
- C. If the CSA WIC Program receives the plan by the due date, it will work with the e-WIC Contractor to mutually agree on the final corrective action plan and a schedule to correct the deficiency. The CSA WIC Program may invoke liquidated damages remedies if the EBT Contractor does not meet the schedule and no extension has been granted.
- D. The CSA WIC Program will notify the EBT Contractor when it is satisfied that the problem has been corrected. If the CSA WIC Program determines that the deficiency has not been corrected according to the schedule specified in the corrective action plan, the State WIC Programs may invoke liquidated damages remedies until such time the deficiency is remedied. The following are the liquidated damages remedies that shall be applied to EBT Contractor payments if the above requirements are not met:
- E. First month - in the first month in which a corrective action plan is late or a deficiency is not corrected for a substantial reason within the timeframe specified in the corrective action plan, the CSA WIC Program may assess liquidated damages payment of fifteen percent (15%) of the total payment owed to the EBT Contractor by the CSA WIC Program.

- F. Second consecutive month - the CSA WIC Program may assess liquidated damages payment of thirty percent (30%) of total payments owed to the EBT Contractor by the CSA WIC Programs.
- G. Third and additional consecutive months - the CSA WIC Program may assess liquidated damages payment of forty five percent (45%) of total payments owed to the EBT Contractor by the CSA WIC Program.
- H. Payments may be held-back until the CSA WIC Program is reasonably assured that the EBT Contractor has fully complied with the performance standards and deliverables. Upon such assurance that the deficiency has been remedied, the CSA WIC Program shall promptly pay the EBT Contractor all outstanding payment amounts previously held-back.
- I. The EBT Contractor shall provide the ability for CSAs to reduce future payments to the EBT Contractor for fines, penalties and other damages allowed by the Contract.

8.29 WIC Documentation

The EBT Contractor shall deliver comprehensive documentation covering all project facets and system functionality. Please see below requirements table, and table that follows for expected timeframes.

- A. The EBT Contractor shall succinctly define its plans for implementation/transition, training, testing and ongoing operations by providing written deliverables for the CSA WIC Program review, revision and approval. Deliverables may also be subject to FNS review and approval. The documents listed in this section may be met by one or more individual documents that collectively meet the requirements outlined in this section.
- B. Project Management Plan
The EBT Contractor will develop a comprehensive project management plan that describes how it intends to manage the project and illustrates how their plan will serve to accomplish the work and meet the eWIC project timeline.
The project management plan will include a detailed description of the project management approach including the following sections:
 - a. Integration management (as it pertains to the CSA MIS and the e-WIC system)
 - b. Time management
 - c. Scope management
 - d. Configuration management
 - e. Change control
 - f. Cost management
 - g. Quality management including written deliverables
 - h. Human resource management

- i. Communications management, including the approach to communication with the CSA (including WIC State and local agency/clinic staff), the MIS Contractor, the QA Contractor, USDA FNS representatives and WIC Vendors.
- j. Complaint and dispute resolution
- k. Risk management including Risk Log management
- l. Status reporting including status report template
- m. Deliverable review process and acceptance criteria

C. Project Schedule

A draft Project Schedule in PDF and MS Project 2007 (or later version) is due 30 Days after each State's Contract start date. The timeframes for all tasks will be followed to avoid project delays. The Project Schedule will identify resources assigned to tasks. All deliverables identified within the EBT Contractor's approved Project Schedule are subject to CSA review and approval. The Project Schedule will be reviewed during the initiation meeting where comments and related CSA Program tasks will be identified. A draft Project Schedule is due prior to the initiation meetings to provide context and an opportunity for early discussions of dates. The Project Schedule tasks will be updated after each deliverable document is finalized to ensure the Project Schedule reflects all project planned activities. EBT Contractors will provide a draft Project Schedule that includes the identification of CSA tasks. A final version of the project schedule is due 90 Days after each State's Contract start date.

D. Implementation Plan

The Implementation Plan will include but not be limited to the EBT Contractor's approach to:

- a. Deliverables, milestones and go/no go decisions.
- b. Establishing interfaces with the CSA MIS and funding systems.
- c. Identifying local agency/clinic, WIC Vendor, category/subcategory, UPC and/or family demographic data to be transferred prior to the shift to operations.
- d. Coordinating with MIS Contractors.
- e. Implementing card production and distribution.
- f. Implementing web portals.
- g. Implementing participant and WIC Vendor customer services as required for the technical solution.
- h. Coordinating with USDA FNS.
- i. Establishing Administrative Terminal application connectivity.
- j. Coordinating State and clinic equipment installation and training.
- k. Coordinate Transition and Statewide shift to operations activities.

- E. WIC Vendor Enablement and Certification Plan
The WIC Vendor Enablement and Certification Plan will include but not be limited to the EBT Contractor's approach to:
 - a. Identifying which WIC Vendors are prepared for eWIC.
 - b. Identifying which WIC Vendors require additional support for eWIC.
 - c. Identifying what type of support is required for each applicable WIC Vendor.
 - d. Tracking WIC Vendor enablement.
 - e. Supporting the CSA in the testing and certification process.
 - f. Certification and plan for testing for integrated WIC Vendors

- F. WIC Vendor Survey and WIC Vendor Assessment (State to provide initial completed survey)
 - a. The EBT Contractor will develop and execute a WIC Vendor survey to assess the status of all WIC Vendors for integration or the need for a stand-beside terminal.
 - b. The EBT Contractor will report the results of the survey and analysis of WIC Vendors regarding how each will be enabled for e-WIC. Frequency of reports will be at the discretion of the CSA.

- G. System Design Documents
 - a. This documentation will, at a minimum, provide a functional overview, functional requirements, controls, procedures, workflow and security of the eWIC system.
 - b. The purpose of the document is to describe what has to be implemented and not how it will be implemented. Information will be logically numbered so that they can be traced to test scripts.
 - c. System design documentation will also describe the architecture and technical design of the EBT Contractor's eWIC system.
 - d. The document will provide an architectural overview, a detailed description of the system architecture, a description of the system design, system qualities, dependencies and standards.
 - e. The document will include a data flow diagram, data dictionary, data models, and identify which universal interfaces will be used.
 - f. The information could be presented in one document or multiple documents.

- H. eWIC - the MIS Interface Specifications Document
 - a. The EBT Contractor will provide an eWIC-MIS Interface Specification document that contains sufficient detail so that the MIS Contractor will have the specifications necessary to exchange files with the eWIC system.

- b. Specifications will conform to the most recent WIC Universal MIS-EBT Interface.

- I. Integrated WIC Vendor Interface Specifications and Integrated WIC Vendor Test Scripts
 - a. The EBT Contractor will provide Integrated WIC Vendor Interface Specifications that will contain sufficient detail so that Value Added Resellers (VARs) and WIC Vendors with integrated electronic cash register (IECR) systems will have the requirements necessary to modify their systems and exchange files and transactions through their TPP with the eWIC system.

- J. Stand-Beside WIC Vendor Agreements (Agreement between the WIC Vendor and the EBT Contractor)
 - a. The EBT Contractor will provide copies of the WIC Stand-Beside WIC Vendor Agreements for approval by the CSA and USDA FNS.
 - b. The agreement will meet applicable requirements contained in Federal regulations at 7 CFR Part 246.12 and the guidelines of the USDA FNS Operating Rules WIC EBT.

- K. Third Party Processor Agreements
 - a. The EBT Contractor will provide copies of the Third-Party Processor Agreements for approval by the CSA and USDA FNS.
 - b. The agreement will meet applicable requirements contained in Federal regulations at 7 CFR Part 246.12 and the guidelines of the USDA FNS Operating Rules WIC EBT.

- L. Continuation of Business Plan (Back-up and Contingency)
 - a. The EBT Contractor will provide a Business Continuity Plan.
 - b. The Business Continuity Plan will include an evaluation of the types of service interruptions that may impact the eWIC system's operations and therefore require the use of a back-up and recovery process. For each potential interruption type, the EBT Contractor will, at a minimum, detail the steps to be taken to recover from the interruption.
 - c. The plan will account for the CSA's annual testing requirements with results provided to the CSA.
 - d. In addition, the EBT Contractor will outline the resources committed (i.e., people, systems, networks and operation sites) and indicate whether the continuity plan has been tested under real or simulated conditions.
 - e. The plan will include how and when notifications of service interruptions will be provided to the CSA and WIC Vendors and how and when the EBT Contractor will support participant notifications.
 - f. If the Contractor is providing WIC EBT Services to multiple states, the Disaster Recovery Plan must address the timing and order of recovery of the CSAs' WIC EBT systems as compared to the other entities being processed.

- M. Cardholder and WIC Vendor Integrated Voice Response (IVR) Scripts. Scripts shall be customized for CSAs but will follow the Contractor's normal WIC call flows used in current WIC projects. The EBT Contractor will provide the scripts, prompts and work flow that will be used in the IVR.
- N. Training Plan and Training Materials
- a. The EBT Contractor will develop a Training Plan that will address CSA staff and WIC Vendors.
 - b. The EBT Contractor will not be responsible for training local agency staff and participants but may be asked to provide consultation to the CSA regarding training of these groups. The EBT Contractor will develop training materials that address the training requirements of the CSA staff and WIC Vendors.
 - c. Training materials will meet USDA FNS standards, including those described in the USDA FNS Operating Rules WIC EBT. Training materials, including electronic and hardcopy materials, will become the property of the CSA.
 - d. Training materials will be updated throughout the Contract as needed to reflect changes in the eWIC system or Services.
 - e. Core State training materials are provided at no additional cost.
- O. Test Plan
- a. The EBT Contractor shall provide an overall test plan, and for monitoring a test matrix, that outlines the activities, schedule and procedures associated with the tests associated with the project.
 - b. Tests at a minimum will include System Life Cycle, Interface, and User Acceptance Testing as well as outline the test purpose, methodology, environment, approval rating system, and the minimum requirements that need to be met in order to gain approval to initiate the transition.
- P. Test Scripts
- a. Upon Contract execution, the Contractor will provide a sample test script for formatting approval.
 - b. For each UAT event, the Contractor will use the approved formatting to provide test scripts that cover each requirement for new functionality as well as any modified functionality.
 - c. Test scripts must be delivered two weeks prior to the start of UAT and are subject to review and approval.
 - d. The Contractor will also deliver a comprehensive requirements traceability matrix detailed each requirement and identifying the associated test script.

Q. Test Reports

- a. The EBT Contractor will document test results in system test reports. The reports will include any corrective actions or plans to remedy system errors or deficiencies identified during the test.
- b. Corrective actions to remedy system errors identified during testing will be completed and re-tested prior to system implementation.

R. System Security Plan

- a. The EBT Contractor will develop a plan for the implementation and maintenance of a comprehensive security program in conformance with the CSA State's security policies, and the USDA FNS Handbook 901.
- b. The Security Plan will describe the administrative, physical, technical and systems controls to be implemented for the eWIC system, and how the EBT Contractor will address deficiencies or security breaches if they are identified during the course of the Contract.
- c. The security plan will be updated as needed to reflect changes in system security requirements.
- d. In addition to describing the planned controls to meet the security requirements, the Security Plan will provide for the ongoing certification and examination of the EBT Contractor's operations and control system.
- e. General areas that will be covered within the Security Plan include:
 - i. Physical site security
 - ii. System data security
 - iii. System application security
 - iv. Cooperation in inspections and audits
 - v. Periodic risk analyses
 - vi. Contingency
- f. The EBT Contractor will adhere to all CSA and Federal statutes related to data privacy and the rights of data subjects. Health Insurance Portability and Accountability Act (HIPAA) regulations are not applicable to eWIC; however, standard transaction field lengths required by HIPAA for the potential exchange of data between WIC and other programs might be. The Contractor shall be aware of HIPAA standards when designing their security plan.
- g. Security Plan acceptance is contingent upon State and USDA FNS approvals.

S. Operations and Interface Procedures Manual

- a. The EBT Contractor will provide a Systems Operations and Interface Procedures Manual. This manual will include:

- i. Message-based transmissions
 - ii. Batch files and the times of transmission
 - iii. File receipt and error messages
 - iv. Administrative terminal configuration
 - v. Problem resolution and escalation procedures
 - vi. Batch maintenance record formats
- b. The problem resolution and escalation procedures will define the process by which the CSA will report system and operational problems to the EBT Contractor and the process by which problems will be resolved and the resolution reported back to the CSA.
 - c. The procedures will include a priority scheme for identifying the relevant severity of the problem and the expected timeframes for resolution based upon the designated severity.
 - d. At a minimum, the EBT Contractor will begin work on resolving severe problems (problems which impact the CSA or its WIC Vendors' ability to conduct business) immediately upon notification and will provide frequent updates until the problem is resolved.
 - e. On moderate problems (problems that impact some functionality but do not impact the ability to conduct business), the EBT Contractor will resolve within two (2) weeks and provide periodic updates until the problem is resolved.
 - f. On minor problems (minor bugs that do not impact major functions or the ability to conduct business) the EBT Contractor will resolve the problem within a reasonable timeframe and will provide weekly updates until the problem is resolved.

T. Administrative Functions Manual

- a. The EBT Contractor will provide an Administrative Functions Manual developed in cooperation with the CSA that will provide guidance and procedures for CSA staff on administrative functions.

U. Settlement and Reconciliation Manual

- a. The EBT Contractor will provide a Settlement and Reconciliation Manual that provides the procedures required for the CSA to perform a daily reconciliation of the EBT Contractor's eWIC system to align with the requirements of Federal regulations and as specified in these requirements.
- b. The manual will identify the specific settlement and reconciliation reports including formats and data elements.

V. Reports Design Manual

- a. The EBT Contractor will provide the CSA with a Reports Manual that details all reporting requirements, methods and reporting schedules.
- b. The Reports Manual will include report descriptions and objectives, a definition of the data elements, the algorithms used to calculate values and report formats.
- c. The EBT Contractor will update and maintain the Reports Manual for the duration of the Contract to reflect any changes in functionality, reports or reporting requirements.
- d. The Reports manual will also provide a data dictionary for the eWIC System and ad hoc interface (if applicable).

W. Weekly Status Reports [From Contract Inception to Completion of Statewide Implementation or agreed upon timeframe].

- a. Weekly Status Reports (Through Statewide transition): Throughout the duration of the eWIC implementation project (from initiation through State-wide transition), the EBT Contractor will provide a recurring status report.
- b. The status report will be a weekly report unless the CSA requests reports on a less frequent basis.
- c. The EBT Contractor will develop and submit a template for a status report to be provided for review at the project initiation meeting.
- d. The content of the status report will include activities completed within the reporting period, upcoming activities for the next reporting period, identification of critical action items (including person assigned), issues, risks or roadblocks, status of clinic enablement, status of WIC Vendor enablement and certification, the status of project deliverables, and an updated Project Schedule.
- e. The Project Schedule is expected to be the primary focus of project management and communication and will be updated regularly during each reporting period.
- f. The status report will be submitted to the CSA at least two Business Days prior to the scheduled recurring status call.
- g. The status reports will provide a description of all project activities within the reporting period, including but not limited to:
 - i. Tasks accomplished
 - 1. Implementation activities and tasks
 - ii. One list of all WIC Vendors showing key information and the status of:
 - 1. WIC Vendor name, corporate owner (if applicable), WIC Vendor ID, system information, county, and rollout region if applicable
 - 2. Stand beside enablement: WIC Vendor/ TPP agreements, stand beside equipment enablement, stand beside training
 - 3. Integrated enablement: certification levels required and VAR identified (if applicable)

- iii. Deliverables submitted (statistics during the Transition phase such as cards issued/terminals installed)
- iv. Revised Project Schedule
- v. Progress on Enhancement/Change Requests (as applicable)
- vi. Outstanding Tasks/Deliverables
- vii. Outstanding problems, issues and changes
- viii. Status and report on progress or resolution
- ix. State employee initiating change request
- x. Party responsible for resolving problem or initiating change
- xi. Rank problems, issues and changes according to urgency
- xii. Recommend solutions to problems and issues
- xiii. Next Steps

X. Regular Status Meetings:

- a. Throughout the duration of the e-WIC project (from initiation through State-wide shift to operations or agreed upon timeframe), the EBT Contractor will host and facilitate a recurring status call.
- b. During implementation, the call will be a weekly call unless the CSA requests status calls on a less frequent basis.
- c. The EBT Contractor's Project Manager and other key Contractor staff, as deemed necessary by the CSA's e-WIC Project Manager, will attend the meeting along with State management stakeholders, QA Contractor and USDA FNS. The content of this call will consist of updates on project activities including:
 - i. Phase milestones and deliverable status, dates and probability of meeting approved dates
 - ii. Interface specification and development
 - iii. WIC Vendor enablement and certification
 - iv. Clinic enablement, testing, training
 - v. Security assessment
 - vi. Transition to operations
 - vii. A review of the projects' Project Schedule and the status of the approved Project Schedule
 - viii. A review of issues and risks
 - ix. Planning for upcoming activities
- d. The EBT Contractor will provide an agenda for the status meeting no later than two (2) Business Days prior to the call.

- e. The EBT Contractor will provide meeting notes for each status call no later than close of business the next Business Day following the call.
- Y. Monthly Status Reports During Steady State System Operations
- Once Transition begins, the EBT Contractor will submit a monthly status report. The report may be provided in a tracking log format. Similar to the recurring implementation status reports, the monthly status report will provide a description of all operational activities, including but not limited to:
- a. Tasks accomplished
 - b. Deliverables submitted
 - c. WIC Vendor status (e.g., activated, deactivated, requiring agreements, terminals deployed)
 - d. Enhancements/Change Requests:
 - i. Revised Project Schedule (as applicable)
 - ii. Progress on enhancements/change requests (as applicable)
 - iii. Outstanding tasks/deliverables
 - iv. Outstanding problems, issues and changes
 - v. Status and report on progress or resolution
 - vi. Person initiating change request
 - vii. Party responsible for resolving problem or initiating change
 - viii. Rank problems, issues and changes according to urgency
 - ix. Recommend solutions to problems and issues
 - e. Next Steps
- Z. End-of-Contract Transition Plan (to be delivered prior to the last year of the Contract)
- a. The EBT Contractor will submit an outgoing End-of-Contract Transition Plan that will include a resource staffing plan, issue tracking log, knowledge transfer plan and a draft Project Schedule, detailing the activities, milestones and deliverables necessary to successfully Transition eWIC data and operational knowledge to the successor EBT Contractor.
 - b. The End-of-Contract Transition Plan can be requested by the CSA's eWIC Project Manager as early as 13 months prior to Contract end, but not less than four (4) months prior to Contract end. The End-of-Contract Transition Plan will be submitted to the CSA in writing within one (1) month of a written request to allow for the review and approval by the CSA.

AA. Transition Plan

- a. The Contractor shall prepare a Transition Plan that clearly details the steps the Contractor will take in transitioning eWIC Services from the incumbent EBT Contractor. These activities include:
 - i. Migration of transaction acquirers (TPP's) and Retailers (including having Retailer contracts signed), Point of Sale (POS) device deployment and installation at Retailer locations (if applicable), and PIN pad installation;
 - ii. Retailer/Acquirer/TPP Conversion;
 - iii. EBT Database Conversion;
 - iv. Transaction History Conversion;
 - v. Migration of changes to the existing system as identified within this RFP and the Offeror's Proposal if the incumbent Contractor is awarded the new contract.
- b. A draft of this plan will be submitted as part of the technical Proposal. An additional draft is due 30 Days after each State's Contract start date; a final draft is due 90 Days after each State's Contract start date. This plan shall include:
 - i. The process for migrating transaction acquirers (TPP's) and Retailers (including having Retailer contracts signed),
 - ii. Point of Sale (POS) device deployment and installation at Retailer locations (if applicable), and
 - iii. PIN pad installation
 - iv. Integrated WIC Vendors
 - v. WIC Vendors with stand-beside equipment
- c. Conversion of history from the incumbent Contractor to the successor Contractor's system. Including:
 - i. EBT-Only Retailer Conversion
 - ii. Retailer/Acquirer/TPP/ Conversion
 - iii. EBT Database Conversion
 - iv. Transaction History Conversion
- d. Conversion of the account, cardholder, and benefit data from the incumbent Contractor to the successor Contractor's system.
- e. Checklist of activities that will take place during the Transition process, including who is responsible for the activity.
- f. Process for verifying the completeness and accuracy of the data Conversion.
- g. Go/No-go checkpoints during the Conversion process using a decision matrix described in Section 11.5.1.3.1.

BB. Transition Checklist

- a. The successor Contractor must provide the CSA with a complete schedule for the planned activities and provide a “batch” job checklist for the night of database Conversion.
- b. . The checklist must include the jobs required that will print record and benefit quantity totals to be transferred to the “new” host processors’ database.'
- c. As potential delays to this schedule are identified, the EBT Contractor must provide a written statement to the CSA to identify the potential delay and provide an impact statement describing the potential impacts to the project caused by the delay.
- d. The EBT Contractor shall deliver documents in electronic format to the State.
- e. The EBT Contractor shall maintain electronic copies of documents and document updates for access by the CSA WIC Program. The EBT Contractor will send e-files via email for CSAs to place in their existing SharePoint site, or if requested by the CSA, EBT Contractor’ staff will be provided access to SharePoint and be expected to post and maintain documents.
- f. The EBT Contractor shall post updated manuals for the CSA WIC Program prior to system modifications into production environment and shall provide release notes pertaining to system changes. All documents will be defined as property of the CSA.
- g. In the event that the successor EBT Contractor identifies the potential for a delay in the completion schedule for any deliverable under this Contract believed to be caused by the CSA or by the CSA’s incumbent EBT Contractor; the successor EBT Contractor must notify the CSA as soon as they are aware or otherwise notified by any other means, that the potential for delay exists to address any corrective action that can be taken to avoid further delays.
- h. The CSA, at its sole discretion will consider permitting the successor EBT Contractor a reasonable extension of the completion dates for that particular deliverable once the CSA and the successor EBT Contractor have reviewed the impact.
- i. The successor EBT Contractor must provide the CSA with an impact statement describing just cause for the delay to any deliverable during the Transition and Conversion phases of the project.

8.29.1 WIC Documentation Due Dates

Outlined in the subsections below are the required documents, and their required due dates in calendar days, that the Offeror will be responsible to provide.

A. Project Management Plan

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

B. Project Schedule

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

C. Implementation Plan

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

D. WIC Vendor Enablement and Certification Plan

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

E. WIC Vendor Survey and WIC Vendor Assessment (State to provide initial completed survey)

- a. Frequency of reports will be at the discretion of the CSA.

F. System Design Documents

- a. Draft is due 120 Days after each State's Contract start date; final is due 180 Days after each State's Contract start date; update quarterly after successful Conversion.

G. eWIC - the MIS Interface Specifications Document

- a. Draft is due 120 Days after each State's Contract start date; final is due 180 Days after each State's Contract start date.

H. Integrated WIC Vendor Interface Specifications and Integrated WIC Vendor Test Scripts

- a. Draft is due 120 Days after each State's Contract start date; final is due 180 Days after each State's Contract start date.

I. Stand-Beside WIC Vendor Agreements (Agreement between the WIC Vendor and the EBT Contractor)

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

J. Third Party Processor Agreements

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

K. Continuation of Business Plan (Back-up and Contingency)

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

L. Cardholder and WIC Vendor Integrated Voice Response (IVR) Scripts.

- a. Draft is due 180 Days after each State's Contract start date; final is due 210 Days after each State's Contract start date.
- M. Training Plan and Training Materials
- a. Draft is due 180 Days after each State's Contract start date; final is due 210 Days after each State's Contract start date.
- N. Test Plan
- a. Draft is due 120 Days after each State's Contract start date; final is due 180 Days after each State's Contract start date.
- O. Test Scripts
- a. Draft is due 180 Days after each State's Contract start date; final is due 210 Days after each State's Contract start date.
- P. Test Reports
- a. 7 Days following the completion of each test.
- Q. System Security Plan
- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.
- R. Operations and Interface Procedures Manual
- a. Draft is due 210 Days after each State's Contract start date; final is due 60 Days after each State's successful Conversion.
- S. Administrative Functions Manual
- a. Draft is due 210 Days after each State's Contract start date; final is due 60 Days after each State's successful Conversion.
- T. Settlement and Reconciliation Manual
- a. Draft is due 210 Days after each State's Contract start date; final is due 60 Days after each State's successful Conversion.
- U. Reports Design Manual
- a. Draft is due 210 Days after each State's Contract start date; final is due 60 Days after each State's successful Conversion.

- b. The EBT Contractor will update and maintain the Reports Manual for the duration of the Contract to reflect any changes in functionality, reports or reporting requirements.

V. Weekly Status Reports

- a. From Contract Inception to Completion of Statewide Implementation or agreed upon timeframe. The status report will be submitted to the CSA at least two Business Days prior to the scheduled recurring status call.
- b. The EBT Contractor will develop and submit a template for a status report to be provided for review at the project initiation meeting.

W. Regular Status Meetings

- a. Throughout the duration of the e-WIC project (from initiation through State-wide shift to operations or agreed upon timeframe), the EBT Contractor will host and facilitate a recurring status call.
- b. During implementation, the call will be a weekly call unless the CSA requests status calls on a less frequent basis.
- c. The EBT Contractor will provide an agenda for the status meeting no later than two (2) Business Days prior to the call.
- d. The EBT Contractor will provide meeting notes for each status call no later than close of business the next Business Day following the call.

X. Monthly Status Reports During Steady State System Operations

- a. Once Transition begins, the EBT Contractor will submit a monthly status report.

Y. End-of-Contract Transition Plan

- a. The End- of-Contract Transition Plan can be requested by the CSA's eWIC Project Manager as early as 13 months prior to Contract end, but not less than four (4) months prior to Contract end.
- b. The End-of-Contract Transition Plan will be submitted to the CSA's in writing within one (1) month of a written request to allow for the review and approval by the CSA.
- c. The End- of-Contract Transition Plan must be delivered prior to the last year of the Contract.

Z. Transition Plan

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

AA. Transition Checklist

- a. Draft is due 30 Days after each State's Contract start date; final is due 90 Days after each State's Contract start date.

BB. Potential Delays

- a. Within 3 days of the delay being identified.

CC. Manuals and Release Notes

- a. 5 days prior to release.

DD. Potential Delays (caused by CSA)

- a. Within 3 days of the delay being identified.

8.30 Internet Shopping

As of the writing of this RFP, New York State is currently participating in an FNS pilot to test and evaluate the acceptance of SNAP and Cash EBT benefits to pay for online food purchases. The remaining States in the WIC NCS currently do not participate in this pilot but wish to position themselves to take advantage of online shopping functionality and allow authorized online Retailers to accept WIC benefits. As part of the technical Proposal, the Contractor shall propose the functionality that would be made available to each State if they choose to exercise this option.

8.31 Summer EBT for Children (SEBTC)

As of the writing of this RFP, no WIC NCS currently participate in the Summer EBT for Children (SEBTC) program. SEBTC provides additional benefits to households who qualify for Summer Food Service Programs. The vendor shall describe in their Proposal how the issuance of the SEBTC benefits could be issued, recorded and tracked onto a WIC EBT card, separate or otherwise, using the WIC EBT system. As SEBTC is an Optional Service, it may be required by the CSA at any time during the Contract Period. Offerors shall not include pricing for SEBTC in their offer as CSAs will, if desired, request via the change order process.

9. Retailer Management, Cardholder and Retailer Customer Service, and Training, and NYS Specific

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section and subpart item herein, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

This section of the RFP contains specifications for the Cash and SNAP EBT Retailer Management, Cardholder and Retailer Customer Service, and Training Services required by the NCS and/or individual CSAs.

9.1 Retailer Management

9.1.1 Retailer Management –Core Requirements

9.1.1.1 Recruitment and Participation

USDA-FNS Regulations require that all firms authorized by USDA-FNS to participate in the Supplemental Nutrition Assistance Program (SNAP) have the opportunity to participate in the EBT program. Most FNS Regulations pertaining to Retailer EBT program will be found under 7 CFR 274.3, and EBT technical and system requirements are generally found under 7 CFR 274.8

The Contractor is responsible for managing Retailer participation in the NCS EBT programs. The Contractor's primary roles and responsibilities include:

- A. Providing each FNS authorized firm with the opportunity to participate in the EBT System;
- B. Ensuring, to the extent possible, that the States' EBT Systems are interoperable with other States' EBT Systems as defined in 7 CFR §274.8(b)(10); this includes non-electronic EBT transactions completed utilizing Manual Vouchers;
- C. Support oversight of Third-Party Processors;
- D. Signing either EBT-Only Retailer agreements or Third-Party Processor agreements for all participating commercial and Non-Traditional Retailers (e.g. Farmers, Meal Services, and Route Vendors). The Contractor must enter into an agreement with the Retailer in accordance with 7 CFR274.3(c). The NCS must approve the terms of the agreements prior to being signed by Retailers and Third-Party Processors;
- E. Reviewing and ensuring that all agreements between Third Party Processors or their designees (ISO's) and Retailers meet at the same basic standards and terms (as defined/approved by the NCS for EBT-Only agreements);
- F. Assuring that the participating Retailers understand their responsibilities regarding the QUEST® Operating Rules and operations of the EBT System;
- G. Developing technical information and recruitment materials to assist in the deployment of EBT terminals to these food Retailers;
- H. Ensuring all Retailers are provided with clear and objective information regarding their EBT equipment options;
- I. Timely installing, maintaining and supporting Contractor provided EBT-only POS equipment in accordance with FNS policy for Retailer participation as defined in 7 CFR274.3 and the 2014 Farm Bill; and
- J. Providing Retailer Customer Service for authorizing manual transactions, resolving issues/problems with Contractor supplied EBT-only POS equipment, and helping resolve Settlement dispute questions and issues.

9.1.1.2 Retailer and Third-Party Processor Agreements

For those Retailers who have signed agreements for EBT-only terminals or Third Party Processors, the Contractor must enter into agreements:

- A. To deploy and drive EBT-only POS terminals pursuant to this RFP, FNS policy and the 2014 Farm Bill;
- B. To act as a Third-Party Processor to Retailers;
- C. For those Retailers who choose to use or modify their existing equipment and either acquire the services of a Third-Party Processor or serve as their own Third-Party Processor, the agreement must provide access to the EBT System; and
- D. Such agreements will be between the Contractor and Retailers or Processors/Acquirers directly; the NCS will not be a party to these agreements. The agreements will describe the terms and conditions regarding the arrangements for use of the POS equipment and the operating procedures and rules. An executed copy of the completed agreement shall be retained by the Contractor. Copies of these agreements must be provided to the CSA upon request within five Business Days.

Language in the agreements must meet the FNS regulatory requirements at 7 CFR 274.3(d) and include, but is not limited to the following:

- A. Compliance with the SNAP regulations;
- B. Signature by FNS owner of record for the location;
- C. Compliance with the Quest® Operating Rules as administered by NACHA;
- D. Compliance with Technical Standards of ANSI X9.58-2013 (or most current version);
- E. No charging of Cardholders for SNAP transactions;
- F. No charging for authorization and Settlement processing by the Contractor for EBT transactions;
- G. No charging of Cardholders for Cash transactions, with or without purchase;
- H. Only FNS- Authorized Retailers perform SNAP transactions;
- I. EBT-related records for audit purposes;
- J. Retailer bank account numbers;
- K. Unique Terminal ID's;
- L. Retailer and Third-Party Processor agreement language (this includes language in agreements between Contractor and third party, third party and Retailer, and third-party designees, including ISO's & equipment leasing companies) must be reviewed and approved by the NCS and USDA-FNS; and
- M. The Contractor must keep agreements on file for the term of the agreement, such that the agreement for any Retailer may be reviewed upon State or USDA FNS request.

9.1.1.3 Retailer EBT Data Exchange (REDE) Data Files

The Contractor must use the FNS Retailer EBT Data Exchange (REDE) system to obtain and maintain a Retailer database of FNS certified Retailers participating in the

EBT program. REDE processing includes standard (regularly scheduled) nightly and monthly operations and ad hoc operations. The standard monthly operations are performed (on the first Saturday of the Calendar month) and create the full State and National Retailer data files. The National Retailer data update files are used to update the REDE database.

The Contractor must receive and process REDE file updates daily to ensure that all newly authorized and re-instated Retailers are enabled to conduct SNAP transactions upon communication of authorization from FNS. Re-instated Retailers that will have their EBT-only equipment must have the ability to access EBT within 48 hours of the REDE file update.

Conversely, the Contractor must suspend or de-authorize the SNAP transaction processing privileges of a Retailer within 48 hours of notification by FNS that the Retailer is de-authorized/suspended. Only currently Authorized Retailers should have the ability to access the EBT System.

Every SNAP EBT transaction (whether electronic or manual) must be checked against the national REDE file to ensure that only FNS Authorized Retailers participate and to preclude transactions against invalid authorization numbers from occurring. Contractor is liable for any/all such invalid transactions that result from failure to use/check transactions against the most current National REDE file.

The database must ensure accurate REDE detail data pertaining to each Retailer is captured and must contain "up-to-date" information about Retailer bank accounts and store cutover times for ACH purposes.

Propose a method to transmit the REDE file, as described above, at no additional cost to the State agreeing to receive this file.

9.1.1.4 POS Terminal Technical Standards

Terminals deployed by the Contractor must meet the operational requirements of the EBT System and support the full EBT transaction set. All terminals deployed by the Contractor must comply with ANSI X9.58-2013 (or most current version) message formats and the QUEST Operating Rules. All terminals deployed by the Contractor must display visual verification of the transaction message before positive action is taken by the Cardholder to validate the message for authorization and Settlement. The States encourage the Contractor to propose Digital Point-of-Sale solutions designed to benefit Retailers and EBT customers with timely in-store sales and product information to employees.

In addition, all terminals deployed must visually display the error message rejecting the transaction. The error messages must include, but are not limited to, the following:

- A. Insufficient Funds;

- B. Incorrect PIN;
- C. Inactive card;
- D. Invalid Card (Mag Stripe);
- E. Regardless of whether current terminals are kept or replaced during the Transition phase to the *new* Contractor, or when replacing terminals through attrition, the Contractor must provide equivalent POS terminals used by EBT-Only Retailers in the NCS.

9.1.1.5 EBT-Only Retailer Deployment Requirements

SNAP EBT-Only Retailers are those Retailers authorized by FNS to process SNAP benefit transactions and who are authorized by the Agricultural Act of 2014 to receive an EBT-only terminal. Section 4002 of the Agricultural Act of 2014 requires Retailers to pay for EBT equipment, supplies, implementation, and related services (“EBT equipment and services”) to participate in SNAP. Except as noted below, newly-Authorized Retailers must arrange for lease or purchase of EBT equipment and services themselves in order to participate in SNAP.

Retailers who are in one of the exempt groups defined in the March 21, 2014, FNS Implementing Memorandum for the Agricultural Act of 2014, continue to be eligible for no-cost equipment until such time as final regulations addressing Retailer equipment cost changes are promulgated. Exempt groups include eligible farmers’ markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services. The Contractor shall use the daily State REDE file to identify which specific Retailers are exempt.

EBT-only terminals must be deployed with the required telecommunications, according to the Federal regulations 7 CFR 274.3, Section 4002 of the Agricultural Act of 2014, and NCS waivers.

9.1.1.5.1 EBT-Only Equipment Support Services

The Contractor must provide the following Services for the EBT-only wired and/or wireless POS terminals it deploys:

- A. Installation fee and basic service fee reimbursement for any/all EBT only Retailers requiring a separate telephone line (see EBT Retailer Policies);
- B. Newly authorized EBT Only Retailers shall have access to the EBT System within two weeks after receipt of the FNS authorization notice as per 7 CFR 274.3.
- C. Repair or replacement Services on faulty POS terminal equipment within 48 hours of the request for service;
- D. Supplies or supply reimbursement;

- E. Manual Voucher supplies and instructions for electronic Retailers for use in the event there is system down time;
- F. Retailer training for all Contractor deployed EBT-only terminals;
- G. The Contractor must provide a toll free "800" telephone number, available 24/7, for reporting terminal malfunctions, and for all functions/Services described under (Retailer Customer Service Help Desk Functional Requirements) and (EBT-Only Retailer Customer Service Support).

9.1.1.5.2 EBT Only Equipment Security

[Offerors are not required to provide a response to this section 9.1.1.5.2 in their Technical Proposal]

For the purposes of addressing program integrity regarding EBT-only deployment, Contractor's should prevent the relocation and/or replicating of EBT-only equipment used for fraudulent purposes. This should include prevention of the relocation of terminals in violation of the program and to monitor and report such incidents to the CSA.

9.1.1.5.3 Retailer Test Cards

[Offerors are not required to provide a response to this section 9.1.1.5.3 in their Technical Proposal]

If requested by and in cooperation with the CSA, the Contractor must utilize the EBT test cards issued by the State for the purpose of testing new Retailers or new POS equipment being deployed.

9.1.1.5.4 Manual Paper Vouchers

The Contractor must support the use of Manual Vouchers for SNAP transactions from EBT-Only Retailers as authorized by FNS Regulations and specified in section 4.2.1.3.7 SNAP Manual Authorizations of this RFP.

9.1.1.6 Third Party Processors

In support of Retailers who deploy their own terminals the Contractor must provide Retailers with interface specifications which would enable Retailer and third party Terminal Drivers/Acquirers to interface directly with the Contractor for processing EBT transactions within 30 calendar days from the State's Contract start date. The Contractor will not withhold certification for Retailers and third parties that enter into direct connect arrangements with the Contractor. For the purpose of transitioning/converting to a new EBT Contractor, the CSA requires that all certifications for Retailers and third parties are completed no less than 30 days prior to completing the database Conversion.

The Contractor is responsible for certifying and decertifying Third Party Processors including developing and implementing certification requirements and procedures. Certification requirements and procedures should include standard operating procedures that require TPPs (or their ISO's) to validate Retailer authorization numbers and the associated store location on record at FNS prior to EBT activation. The States must approve the Contractor's certification requirements and procedures, and may require the Contractor to modify such requirements and procedures whenever the States deem it necessary, States and/or USDA FNS may perform follow up reviews as well. If a TPP engages in clear violation of applicable rules governing the EBT System as outlined in this RFP, the EBT Contractor will be required to obtain concurrence with the State or States before taking adverse actions. In addition, at the request of the State or States in which the TPP operates, the Contractor may be required to decertify the TPP for violation of such rules.

9.1.1.7 EBT Retailer Policies

The NCS will offer all USDA/FNS Authorized Retailers the opportunity to participate in the NCS EBT program consistent with USDA-FNS Regulations. The NCS Retailer Policies for participation include:

- A. **Retailer and TPP Agreements** - The Contractor must sign agreements with USDA/FNS Authorized Retailers and TPP as per 7 CFR 273. Draft Retailer agreements are due 30 calendar days after each State's Contract start date and final agreements are due 90 calendar days after each State's Contract start date. For Retailers routing transactions through Third Party Acquirers to the EBT Processor, the Contractor will require a Retailer agreement addendum to be signed under the existing Retailer-TPP agreement (the agreement language is subject to NCS and USDA FNS approval). Such agreements and addenda will reference the EBT Retailers Policies and Procedures Manual to be developed in conjunction with the NCS, ensuring accountability and compliance with USDA/FNS Regulations;
- B. **National Inter-operability** - The Contractor must provide all Processors and EBT-Only Retailers, including Retailers who process Manual Vouchers, the capacity for national SNAP and Cash inter-operability. The Contractor must support national Interoperability for SNAP and Cash access to include loading all NCS BIN's on the EBT system;
- C. **EBT-Only POS deployment** – The Contractor must provide a direct connect EBT-only option at all times. USDA/FNS exempt Authorized Retailers will be required to sign agreements to deploy this option, at no cost to either the Retailer or the CSA for equipment supplies or training. Additional POS equipment that any certified Retailers may wish installed may be leased or purchased by the Retailer from the Contractor for the cost of the additional equipment only;

At CSA option, the Contractor shall provide support, including the deployment of wireless POS devices, to certain exempt SNAP Retailers. The Contractor shall support FNS standards and requirements for the support of exempt Retailers for the

duration of the Contract. The CSA may determine which exempt Retailers are eligible for the deployment of the wireless POS devices. See State Appendices.

- D. **Farmers' markets/roadside stands** – FNS licensed farmers' markets, roadside stands and other Non-Traditional Retailers will participate in the same manner as traditional Retailers. If phone and electrical service is available to the Non-Traditional Retailer location the Retailer will qualify for receipt of EBT-only POS equipment to support On-Line Transaction processing at no cost to the Retailer for supplies, equipment or training. Otherwise, licensed Non-Traditional Retailers will be provided Manual Voucher access. The Contractor must work with the industry and the NCS to evaluate and demonstrate alternative access methods. In their proposals, Offerors should describe how their solution will enable participation from farmers' markets, roadside stands and other Non-Traditional Retailers, thereby increasing access to affordable and community-based activities consistent with EO 190.
- E. **EBT Only Terminals Cash Access Policy** - The NCS is committed to providing Recipients with non-discriminatory access to their benefits. EBT Cardholders must be provided with Cash access at EBT-only terminals in accordance with access offered to other types of cardholders (debit cardholders).

9.1.1.8 FNS Authorized Exempt Retailers Support

The Contractor shall provide the following Services for all Non-Traditional Retailers with EBT Contractor-deployed POS equipment:

- A. Training on EBT-only POS terminals and their use;
- B. Routine maintenance;
- C. Repair or replacement Services on faulty POS terminal equipment within 48 hours of service request or ship a replacement terminal via overnight express within one Business Day of receiving a service request;
- D. Supplies or supply reimbursement and
- E. Retailer training materials for all deployed terminals.

The EBT Contractor shall make available a toll free telephone number to report terminal malfunctions and to receive training on equipment and utilization. The EBT Contractor shall use reasonable efforts to replace problem terminals by delivery through express mail. If a replacement terminal is shipped to the Retailer, the Retailer must have the option to call the EBT Contractor through Retailer Customer Service to obtain assistance with the replacement terminal set-up process.

The Contractor must ensure that the EBT System blocks the use of the EBT card from performing SNAP transactions at FNS-authorized restaurants, regardless of the restaurant's location, unless the CSA authorized Case has been designated as restaurant-eligible by the CSA that has been approved by FNS to run a restaurant meals program for the elderly, disabled and homeless. This means that for NCS members without a restaurant program, all SNAP transactions originating from a Retailer with an FNS store type code of RE (Restaurant) must be rejected by the host authorization system or at the Transaction Switch. The rejected transaction must be reported to the Cardholder on the transaction POS receipt indicated as an invalid or rejected SNAP transaction.

9.1.2 Retailer Management - Optional Requirements

9.1.2.1 Administrative Equipment

Offerors must propose costs for the following administrative optional equipment, including service, installation and maintenance costs of this equipment, using the Pricing Schedules found in this RFP:

- A. Card Reading Wedge; and
- B. Handheld Wireless POS terminals.

9.1.2.2 Funds Transfer Support for Certain Facilities

The following Optional requirements apply only to Group Homes, drug and alcohol treatment centers, and Domestic Violence shelters.

9.1.2.2.1 Funds Transfer Support

The Contractor must provide, at State option, an alternative method of SNAP benefit delivery through EBT for Group Home, drug and alcohol treatment centers, and Domestic Violence shelters. Only FNS-authorized facilities will be set up under this process. It is expected that these facilities will be established as EBT-Only Retailers and sign Retailer agreements. There will be no actual plastic card and no "swiping" at a POS device in this solution, therefore no hardware needs to be deployed.

The following is a description of the requirements:

9.1.2.2.1.1 Account Set-up

The Contractor must establish an account for each facility. The State will provide data for initial account set-up via on-line or batch transmission.

Facilities will be assigned a unique State facility identification number (This will be analogous to the client or Case identification number for normal EBT

Cardholders.) A “card number” will be created in the customary manner for the State, or as determined during system design. The State will assign a unique “pseudo” Case number for each facility account. (These will be numbers that cannot be duplicated in the State’s normal production environment.) The unique facility number, card number, and/or Case number are intended to supply the necessary data to complete a normal EBT Account structure. Consequently, normal EBT administrative system inquiry may be used to display facility account and transaction information.

Following transmission of the account set-up data, the card status will be set to “inactive” to ensure that a successful POS transaction cannot be completed with a keyed-in card number. This will be accomplished either by a State transaction request or by the Contractor’s system, as determined in the detail design phase.

9.1.2.2.1.2 Account Maintenance

The proposed system should allow the State to provide and maintain facility account demographic information, such as facility name and address.

9.1.2.2.1.3 Benefit Update

Each month a facility payment file will be created by the State and transmitted via the CSA’s connection to the Contractor system. The Contractor must accept this file and process it in the same manner that client benefit files are processed. The payment file will be in the same format as the State’s benefit files but will have a unique transaction type that will identify it as a facility file.

Each file will contain one (or more) payment record(s) for each facility. The payment records will be a composite of all the benefits for the Recipients resident in the facility, as calculated by the State system. The file may also contain adjustment records to ensure appropriate pro-rating of benefits, in accordance with Recipient attendance as calculated by the CSA.

Individual client SNAP benefits for the period of facility residency will not be sent to the Contractor to ensure there is no duplication of assistance.

The Contractor’s response files must be returned to the CSA in the same manner as for standard benefit processing.

9.1.2.2.1.4 Posting and Transaction Processing

Facility payment records will include an availability date assigned by the CSA, and may be posted and activated in the same manner as individual client benefits. The SNAP benefit amounts must also be included in the issuance total reported in the AMA batch file. Once payments become activated, the

Contractor must immediately initiate a debit to the account and a credit to an ACH transaction file for the amount of the payment. The debit transaction must result in a record similar to other settling debit transactions so that it can be viewed through the administrative screen, and include the facility's FNS authorization number, so that it can be detected using the Retailer search function. That night these records must be included with the Contractor' daily ACH transactions and must result in movement of the funds to each facility's bank account the next day. To accomplish this, the facility's bank account information, which was provided as part of the Retailer agreement, must be included in the ACH record. The Contractor must draw funds to cover SNAP benefits using the normal USDA funding mechanism. The Contractor must also include these transactions in the benefit redemption summary file transmitted to the FNS STARS system, and in the ALERT file. The methods for linking the facility's FNS authorization number and banking information will be determined in the Detail Design phase.

9.1.2.3 POS Terminal GPS

The NCS desires that the Offeror's EBT-only POS devices deployed to farmers' markets and direct marketing farmers have the capability to transmit GPS location information to the EBT system, at State option. The Offeror should describe whether they have the ability to provide this service in their Proposal. This service is desired, not mandated.

9.1.3 Retailer Management - Performance Standards

[Offerors are not required to provide a response to this section 9.1.3 in their Technical Proposal]

Refer to Section 12, Performance Standards.

9.1.4 Funds Transfer Support – Optional Performance Standards

[Offerors are not required to provide a response to this section 9.1.4 in their Technical Proposal]

Facility funds transfer processing *performance standards* will be the same as for normal account and file activity. Refer to the Performance Standards, Section 12 in this RFP.

9.2 Cardholder and Retailer Customer Service – Core Requirements

The Offeror must provide Cardholder and Retailer Customer Service via a toll-free number accessible 24 hours per day, seven days per week. Access to Cardholder and Retailer Customer Service must also be supported via public payphones. Customer Service must also be available to NCS representatives and State/Local District staff. The Customer Service call center must provide personalized responses to caller questions in both English and Spanish, and other languages as specified in State Appendices. The NCS members expect to be able to

maintain their existing toll-free customer service help desk numbers, most of which are printed on the back of existing cards. In addition, the States must retain ownership of any toll-free numbers at the end of the Contract as a result of this RFP. The Offeror must ensure Retailer and Cardholder Customer Service is compliant with the Americans for Disabilities Act (ADA). All Cardholder and Retailer Customer Services must be performed within the United States.

At a minimum, performance standards must meet the requirements described in this RFP. In its Proposal, the Offeror may propose additional standards for Cardholder and Retailer access to customer service that measure performance. In their Proposals, Offerors should describe how their approach Customer Service approach provides Cardholders information in a culturally competent manner, consistent with EO 190.

9.2.1 Customer Service Staffing Capacity Plan

In the Technical Proposal, propose a Customer Service Staffing Capacity Plan that demonstrates the capability to achieve the performance standards set forth in this RFP. Statistical reporting representing historical calls for each NCS member are provided for each State in the State Appendices section of this RFP. Any decrease in staffing from the original Technical Proposal that was submitted must be approved by the CSA prior to implementation. The NCS members expect that any fluctuations to the daily call volumes, and caseload volumes requiring additional CSR staff throughout the term of the Contract will be implemented.

9.2.2 Interactive Voice Response Unit (IVR)/Automated Response Unit (ARU)

The Contractor must employ the use of an Interactive Voice Response Unit (IVR)/Automated Voice Response Unit (ARU). However, if the IVR/ARU is not functioning, Customer Service Representatives must be available to provide assistance for callers experiencing difficulty. The NCS requires that both English and Spanish, and other languages as specified in State Appendices, be supported by the IVR/ARU. In the event the Host EBT System is not able to process EBT transactions, the Contractor shall add a State-approved, pre-recorded message to the Cardholder and Retailer IVR/ARU within thirty (30) minutes of identification of an outage. The pre-recorded message added in the event the Host EBT System is not able to process EBT transactions shall be played in the language selected by the caller.

The Contractor must provide EBT IVR/ARU and Customer Service scripts. The scripts must provide detailed, step-by-step instructions on the actual tests and functions that will be provided/supported by the IVR/ARU and Customer Service. Each NCS member reserves the right to review and approve/reject the transaction flow and content of all IVR/ARU messages and scripts, prompts, and Customer Service scripts. The Contractor must submit a draft of the EBT IVR/ARU and Customer Service scripts 90 calendar days after each State's Contract start date and the final scripts 210 calendar days after each State's Contract start date. From time to time the CSA will require the Contractor to place emergency or benefit program IVR/ARU broadcast messages. The Contractor will be required to expedite this request within a reasonable amount of time, and at no additional cost to the CSA without causing any delays to test and place any broadcast messages on the production IVR/ARU system. The Contractor must not change

IVR/ARU messages or menu functions without prior approval of the CSA. The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the IVR/ARU which would represent an effective and economical application of this technology. Describe the access controls to ensure security of Cardholder and Retailer account information.

9.2.3 Cardholder and Retailer Web Portal Access

The Contractor must provide EBT transaction inquiry and Retailer Settlement History information directed through a secure web site to Cardholders and Retailers. The Contractor must provide Cardholders' and Retailers separate inquiry tools/functions. Cardholder web site inquiry and maintenance function must provide access, but not limited to the following:

- A. Account(s) balance and transaction information;
- B. Account(s) activity;
- C. PIN changes.
- D. Customer Service message center; and
- E. Reporting Lost, Stolen or Damaged cards.

The NCS requires that both English and Spanish, and other languages as specified in State Appendices, be supported by the Client Portal. Additional information detailing what IVR/ARU and Client Portal functions are currently supported and Services provided for each individual State can be found in each State Appendices.

Cardholder account information on the web portal must allow the Cardholder to request a two-month statement of account history, including deposits, by program to be mailed to the last known address, in accord with CSA Cardholder demographic information, within two Business Days.

Transaction information will be restricted for Retailers to account Settlement transaction and history. This secured web site will be accessible to designated State and Federal (USDA FNS & OIG) staff. This web site must also contain all cash access sites, as required by the CSA in this RFP.

Describe the site's functionality and access controls in the Technical Proposal. The NCS will review and approve the web site before the Contractor allows public access. The site must provide internet links to the other agency web sites, state specific web sites, and Federal agency sites that provide general state and EBT information. General information may consist of Local and State offices locations, SNAP Retailer locations, and Retailers that provide Cash access via POS and ATM devices. The Offeror is encouraged to provide Web based Cardholder training or other relevant information and/or effective and economical uses for Cardholder and Retailer web site links. The described approach for providing Browser access will be defined by each State in detail design.

9.2.4 Mobile Application Devices (Mobile Apps)

With the rapid use of mobile and online technology in today's world, the NCS intends to leverage as much of this technology as possible. The Contractor shall, at no cost to the Cardholders or the NCS states, provide mobile device applications for Cardholders and/or support an existing NCS State mobile application if one currently exists (see State Appendices). The Contractor mobile device applications must have the same functionality as the Cardholder Website, for example, must include at a minimum, SNAP and Cash Account balance inquires, pending SNAP and Cash deposits, PIN changes, and card cancellation and replacements. Additionally, the mobile device applications must be able to use mobile device global positioning system (GPS) data to locate nearby Food and Nutrition Service (FNS) Authorized Retailers and farmers' markets that accept EBT, and Cash access locations. Also, the Contractor must provide functionality that will allow Cardholders to sign up for text and/or e-mail alerts. At a minimum, the Contractor must offer alerts when a Cardholder's benefits become available and when an event occurs that impacts Cardholder access to benefits.

The NCS requires that both English and Spanish, and other languages as specified in State Appendices, be supported by any contractor mobile app.

Fully describe in the Proposal how the Offeror will assist clients that want to use a mobile device to access EBT Account information and services, thereby ensuring accessible and affordable health services in every community consistent with EO 190.

9.2.5 Cardholder and Retailer Customer Service Representative (CSR) Access and Support

Cardholders and Retailers experiencing difficulty obtaining services using automated functions must be able to reach a live CSR for assistance without undue delay.

9.2.6 Retailer Customer Service - Core Requirements

9.2.6.1 Retailer Customer Service Help Desk

The Contractor must ensure through technical design, resource allocation, and staffing that each Retailer call is answered in accordance to the performance standards described in this RFP. Describe, if possible, a toll-free number access methodology that will not require the NCS states to convert their current Retailer CSR number in this EBT procurement. The NCS members prefer to maintain their assigned toll-free numbers in the next procurement. In addition, the individual state will retain ownership of their toll free number at the end of the Contract as a result of this RFP.

9.2.6.2 Retailer Customer Service Help Desk Functional Requirements

For EBT-Only Retailers, those Retailers who utilize Third Party Processors, and directly connected Retailers, the Contractor must provide Customer Service/Help Desk support that meets the minimum following requirements:

- A. Toll-free access 24 hours per day seven days a week operated and staffed in a standard industry manner without charge or fee to the Retailer;
- B. Accessible to all Retailers;
- C. Used exclusively for Retailer support;
- D. Support by an Automated Response Unit and Customer Service Representatives;
- E. Provides for Manual Voucher approval, clearing, and information on Manual Vouchers for purchases and returns;
- F. Information about EBT and available commercial POS services;
- G. Settlement information and Reconciliation procedures; and
- H. Support on system Adjustments and resolution of out-of-balance conditions.

9.2.6.3 EBT-Only Retailer Customer Service Support

In addition to the Services outline above, the Offeror must provide the following support for all Contractor deployed wired and wireless POS for EBT-Only Retailers via Customer Service:

- A. Support, training, and problem resolution on EBT-only POS equipment;
- B. Equipment maintenance, POS terminal supplies, repair assistance, and equipment replacement, if needed;
- C. Retailer EBT signage and posters;
- D. General information regarding EBT policies and procedures; and
- E. The Offeror is encouraged to recommend any other transactions and/or uses for Customer Service support that would represent an effective and economical application of this technology. Describe the access control to ensure the security of all Retailer account and Settlement information.

9.2.7 Cardholder Customer Service - Core Requirements

The Contractor shall provide English and Spanish speaking CSRs, and interpreter Services for other languages as specified in State Appendices, to resolve Cardholder issues that cannot be resolved by the IVR/ARU, including requests for Adjustments. The Contractor must provide sufficient CSR capacity to meet the contractual service standards for Cardholder calls referred to a CSR. CSRs providing the full range of Cardholder Customer Service functions shall be available 24 hours per day; seven days a week. The Contractor is encouraged to provide Web based Cardholder training or other relevant information and/or effective and economical uses for Cardholder and Retailer web site links.

If the capacity of CSR calls exceeds the hourly contractual service standard, the Contractor must be prepared to allocate sufficient CSR staffing to meet exceeded call

capacities within the NCS. The Contractor must ensure that capacity planning does not represent allocating additional CSR staffing managing calls from other NCS members. Any changes to the monthly CSR capacity plan must be reported to each NCS member.

The Cardholder IVR/ARU and/or Customer Service Center must support the following functional requirements. See Section 12 for a definition of the required Performance Standards.

9.2.7.1 Speech Interactive Voice Response (SIVR)

Cardholder Customer Services and functions must be supported using Speech Interactive Voice Response (SIVR). Callers selecting to speak with a live CSR during the IVR/ARU process must be supported. The NCS require that both English and Spanish, and for other languages as specified in State Appendices, be supported and provided by the CSR SIVR.

The Offeror is encouraged to recommend any additional transactions, functions and/or uses, as described above, for the SIVR which would represent an effective and economical application of this technology.

9.2.7.2 Reporting Lost/Stolen/Damaged/Non-Receipt and Unauthorized Use of a Card

Cardholders are required to call the EBT Customer Service Help Desk to report a lost, stolen, damaged, and non-receipt of a card, a non-functioning card, or unauthorized use of a card 24 hours per day seven days per week. The Contractor must deactivate the card immediately. The Contractor must verify the Cardholder's identity, as specified in the State Appendices, before disabling the card and providing the caller information about card replacement procedures. Such information resulting in a reported lost, stolen, damaged, non-receipt or unauthorized use of a card must be reported and described as a card status change on the Administrative System.

9.2.7.3 IVR/ARU PIN Selection/Change

The Contractor is required to provide IVR/ARU PIN selection/change. Propose a secure automated PIN selection process that requires only one call to be made by a Cardholder. PIN change/request transactions must be reported to the State on the Administrative System. The one call, automated PIN selection function will require positive verification of the Cardholder's identity as specified in the State Appendices and finalized during the detailed design phase of the project. For security reasons the CSR must never be directly involved in the PIN selection process but must provide support for callers having trouble with any automated PIN selection process.

9.2.7.4 Current Balance Inquiry [Offerors are not required to provide a response to this section 9.2.7.4 in their Technical Proposal]

Cardholders must be given the current on-line real time balance of their account(s) upon Cardholder verification if required by the CSA (see State Appendices).

9.2.7.5 Transaction History

[Offerors are not required to provide a response to this section 9.2.7.5 in their Technical Proposal]

Cardholder transaction history must provide information about the last 10 transactions, including deposits, by benefit program, e.g. transaction number, amount, date.

9.2.7.6 Account History

[Offerors are not required to provide a response to this section 9.2.7.6 in their Technical Proposal]

Cardholder account history must allow the caller to request a two month statement of account history, including deposits, by program to be mailed within two Business Days to the Cardholder's address on record, in accordance with CSA Cardholder demographic information.

9.2.7.7 Benefit Availability Date

[Offerors are not required to provide a response to this section 9.2.7.7 in their Technical Proposal]

Cardholders selecting this option must be able to select from two options:

- A. Last benefit posting date; and
- B. Regular monthly (recurring) benefit posting dates based on each NCS members staggered SNAP and Cash schedules.

9.2.7.8 Claims Processing via CSR

The Contractor must provide CSR's to resolve Cardholder issues that cannot be resolved by the IVR/ARU, including requests for Claims or Adjustments. The Offeror must provide sufficient CSR capacity to meet the contractual service standards for Cardholder calls referred to a CSR who experience transaction processing problems, for example, if a Cardholder Account is debited inaccurately and the Cardholder elects to have the transaction(s) investigated.

9.2.7.9 TTY Support

The Contractor must provide the capability for supporting TTY (Teletypewriter) to Cardholders with hearing disabilities. NCS members that presently support this capability have designed relay switching from their local phone service carriers to the CSR and will want to continue providing this service to the hearing impaired.

9.2.7.10 Local/State Staff Help Desk Support

The Help Desk must support State staff calling with questions related to Cardholder issues that cannot be resolved by means of administrative system functions and inquiry. The Contractor must provide State Help Desk support via its Cardholder Customer Service number. State and Local office personnel must be provided with an automated process in order to bypass the IVR/ARU flow and provide immediate access to a Help Desk representative.

9.2.7.11 Interactive Voice Response Unit (IVR)/Automated Response Unit (ARU) Support Utilizing the Unique Portion of the Card or the Full Card Number

[Offerors are not required to provide a response to this section 9.2.7.11 in their Technical Proposal]

Each NCS member supports its own BIN and PAN format. The Contractor must offer the ability of the system to accept the State unique portion (up to 13 digits) when the IVR/ARU is called for support, or the full PAN, as determined during detailed design.

9.2.7.12 Monitoring CSR and IVR/ARU Calls

The Contractor shall clearly describe its monitoring capabilities for both live CSR and IVR/ARU calls to ensure quality customer service, including how designated CSA staff may access live CSR calls without Contractor assistance if so desired by the CSA, for monitoring purposes (unlimited, 24 hours a day/ 365 days a year). The Contractor shall provide live call monitoring by the state of Retailer Call Center CSRs with CSR supervisors via remote access at least monthly, or more frequently as requested by the State.

9.2.7.13 Support for Client Portal Website

The Contractor shall provide CSR support for clients having trouble accessing or using the Client Portal Website.

9.2.8 Training - Core Requirements

The Contractor has the sole responsibility for Retailer training, including the production and distribution of all materials. All new or updated training materials produced by the

Contractor are subject to approval by the CSA(s). The CSA will retain ownership of all training materials produced by the Contractor. Training materials must be updated throughout the life of the Contract to reflect changes to the system design, State or Federal policies and procedures, and programs that may be added to the EBT System. FNS EBT regulations on training can be found under 7 CFR 274.3(e) (7).

The Contractor must provide all materials, including, but not limited to, drafts and final versions of materials, including scripts and plans, both in hard copy and electronic media in the format(s) and software specified by the NCS.

9.2.8.1 EBT-Only Retailer Training

The Contractor must provide Retailer training for EBT-Only Retailers including training materials, a User Manual, a Retailer Fact Card, and support a toll free help desk number, as described in this RFP. The Contractor must provide in-person Retailer training upon Retailer request. Training must cover both the SNAP and Cash programs. Retailer training must be provided at the time of equipment installation, or for non-electronic Retailers, training must be provided at the time Manual Vouchers and instructions are being provided.

9.2.8.2 Retailer Printed Materials

FNS Federal Regulation 274.3(e)(7) requires that Retailers be provided training in system operation prior to implementation. Such training must include the provision of appropriate written and program specific materials. All printed materials must be provided in English and Spanish. Training materials must be provided in hard copy for distribution to Retailers, as well as in electronic media in a format as designated by each State. The Contractor must develop, produce, and distribute the following printed training materials for Retailers:

9.2.8.2.1 EBT-Only Retailer Manual

This manual is to be distributed to Retailers using EBT-only equipment. The manual must include, at a minimum, the following information:

- A. Merchant Help Desk toll-free number;
- B. Use of IVR/ARU;
- C. Manual Voucher processing procedures for electronic Retailers;
- D. POS equipment introduction and assembly;
- E. Supplies specifications, how to order, reimbursement formula, frequency and method;
- F. Clerk transactions;
- G. Off-line SNAP benefit Manual Voucher transactions;
- H. Supervisor transactions;
- I. Store balancing;
- J. Totals reporting;
- K. Maintenance and troubleshooting; and

- L. Testing of equipment.
- M. A draft EBT-Only Retailer Manual must be submitted 180 calendar days prior to each state Conversion. The final EBT-Only Retailer Manual will be submitted by the Contractor 90 calendar prior to completing each state Conversion.

9.2.8.2.2 Retailer Fact Card

This material is to be provided to all Retailers for use as a quick reference guide. The Fact Card must be printed on one side and be small enough to post next to a cash register. At a minimum, the Fact Card must contain the following information:

- A. Terminal sign on/sign off procedures;
- B. Balance inquiry;
- C. SNAP purchase;
- D. Cash Transaction purchase and Cash back availability;
- E. SNAP benefit returns;
- F. Manual transaction voucher authorization and clearing process; and
- G. Merchant Help Desk toll-free number.

9.2.9 Customer Service Performance Standards

[Offerors are not required to provide a response to this section 9.2.9 in their Technical Proposal]

Refer to Section 12, Performance Standards.

9.3 Cardholder and Retailer Customer Service, Training, and State/Local District Training - Optional Requirements

9.3.1 Cardholder and Retailer Customer Service Interpreter Options

[Offerors are not required to provide a response to this section 9.3.1 in their Technical Proposal]

States may request that the IVR/ARU and/or CSR's support languages in addition to English and Spanish, as specified in State Appendices. The Offeror's Pricing Section must include a price for providing this level of service, and any cost to translate IVR Scripts.

9.3.2 IVR/ARU Card Replacement

Cardholders are required to call the EBT Customer Service Help Desk to report a lost, stolen, damaged, and non-receipt of a card, a non-functioning card, or unauthorized use of a card 24 hours per day seven days per week. At the option of each NCS member, the Offeror will be required to propose a secure and auditable process for supporting callers to select an option via the IVR/ARU to request a mailed card replacement. The process will require an automated method that provides the caller with this option once

the card has been disabled or reported by the Cardholder as described in this section. The State will define the specific parameters required to support this process during detail design. The Offeror must propose pricing for providing this service within any number of IVR environments supported across the NCS.

9.3.3 NCS and Cardholder Training

An individual NCS member may require the Offeror to be responsible for providing EBT training materials for staff or cardholders. These training materials may include scripts and plans, brochures, wallet cards, posters, and videos, both in hard copy and electronic media in the format(s) and software specified by the NCS/CSA(s).

The Offeror must propose pricing for providing periodic training material changes. The pricing must include any costs to the CSA without requiring entire redesign changes to the training materials.

All training materials produced by the Contractor for State, Local District, and cardholder training, are subject to approval by the CSA. The States will retain ownership of all training materials produced by the Contractor. Training materials must be updated throughout the life of the Contract to reflect changes to the system design, State or Federal policies and procedures, and programs that may be added to the EBT System. Specific client training material guidelines can be found under 7 CFR 274.2(e).

At the option of each responsible State agency, the Contractor will also be responsible for:

- A. Providing train-the-trainer instruction for State core training staff;
- B. Providing administrative terminal training; and
- C. Design and develop training materials on electronic media.

The Contractor must provide all materials, including, but not limited to, drafts and final versions of training materials, scripts and plans, both in hard copy and electronic media in the format(s) and software specified by the NCS. The NCS must approve all materials, scripts, plans, updates and changes.

9.3.3.1 Cardholder Printed Materials

Cardholder printed materials must be written in easy to understand language – at a fifth grade reading level and in compliance with SNAP Regulations.

Cardholder printed training materials must be provided in brochure and wallet sized card format. The material must be prepared in both English and Spanish, and other languages as specified in State Appendices. The production of training materials is an ongoing task throughout the term of the contract.

If mailed card issuance is included by any NCS member in their contract, the Contractor must provide printed training material to cardholders who receive their card in the mail.

The Contractor must design, develop, produce, and distribute the following printed training materials:

9.3.3.2 Cardholder Training Brochure

The brochure must include, at a minimum, the following information:

- A. Use of the EBT Card at the Point-of-Sale, including an explanation of all benefit transactions that can be processed at POS terminals;
- B. Use of the EBT Card at the Point-of-Sale, including the description of a key-entered transaction, and the presence of the card to process the transaction;
- C. Use of the EBT card at Point-of-Sale, including explanation of SNAP trafficking violations, the use of a SNAP credit as a violation, the purchase of ineligible items as a violation, and associated penalties;
- D. Use of the EBT Card at ATM's including an explanation of all benefit transactions that can be processed at ATMs;
- E. Use of transaction receipt to track balances;
- F. EBT card usage and security of the card and PIN;
- G. Transaction Fees and Surcharges and how to avoid them;
- H. Manual SNAP voucher transaction procedures;
- I. Customer Service IVR toll-free number and hours of availability;
- J. Account aging and benefit Expungement;
- K. How and where to use the EBT card;
- L. How to file a Claim for account Adjustment;
- M. Use of the 24 x 7 Customer Service IVR/ARU, including a prominent display of the toll-free number, for;
- N. Balance inquiries;
- O. Information on a Cardholders last 10 transactions and obtaining account histories;
- P. Card replacements and PIN changes;
- Q. Reporting a lost, stolen, damaged or not received card;
- R. Reporting unauthorized use of the card;
- S. Filing an Adjustment Claim;
- T. PIN assignment, selection and use;

- U. Benefit availability, including last deposit information;
- V. Non-discrimination statement per 7 CFR274.2 (e) (5);
- W. Fair Hearing Rights;
- X. Describe internet access to and the use of the Cardholder account web site, including the web page internet address. Material descriptions must include, at a minimum, directions for contacting the EBT help line for assistance with user ID and password problems, description on the use and navigating the various screens used to display EBT Account details, and describing the registration and log-on procedures for the site; and
- Y. Other State Specific information.

The price provided in the pricing section of this RFP must be for producing the Cardholder training brochure in English, Spanish, and other languages as specified in State Appendices. Offerors must also provide the one-time cost to translate these materials into another language.

9.3.3.2.1 Informational Inserts for Non-Financial Cards

At state option, the Contractor may be required to print and place informational inserts into the mailing envelopes along with the non-financial cards described in Section 4.6. Informational inserts must be provided in a letter format to which the card will be affixed and tri-fold insert format. Informational inserts must be printed double sided in black and white print. The NCS State will provide the text for these inserts.

The price provided in the pricing section of this RFP must be for producing the informational inserts in English. Offerors must also provide the one-time cost to translate these materials into another language.

9.3.3.3 State/Local District Training Materials – Optional Requirements

As needed or when requested by the State, the Contractor shall provide written training materials for CSA EBT staff and Local or County office staff and eligibility workers. The CSA and Local staff training materials shall cover EBT and/or card system functionality as it applies to the job functions of State and Local workers. The materials must be provided to each State in the NCS in camera-ready hard copy versions and electronic format on CD ROM using Microsoft Office Suite products, or other format as requested by the CSA. The EBT Contractor shall be required to maintain the training materials and make revisions whenever the EBT and/or card system functionality is modified. In addition, updates and revisions of the training materials must be provided in a timely manner to the CSA whenever the Contractor modifies the functionality of the EBT and/or card system. The Offeror is encouraged to recommend for consideration any approach that may provide on-line training and/or on-line access to training materials and updates. Where applicable, State

and Local District staff training material must incorporate the information provided within any of the system manuals or procedures.

9.4 Mass Mailings – Optional Requirements

The Offeror must propose pricing to communicate information by conducting mass mailing to NCS EBT Cardholders and Retailers. The pricing must include all activities associated with the printing of notices, mailings, folding materials, stuffing envelopes, addressing envelopes, ZIP pre-sort offerings etc. The Contractor must also submit separate pricing per page that includes the cost of printing notices in addition to pricing without printing notices to be mailed.

The Contractor must take advantage of all available postal rate schedules, including as appropriate ZIP pre-sort, bar coding, ZIP plus 4, and any other relevant postal price offering which may include Third Party presort facilities. The CSA will make monthly payments based on the number of mailers produced during the month at the proposed rate. Daily reporting from the Contractor must detail the postage rate utilized. The CSA requires copies of postage receipts from the postal service for each shipment of mailers to accompany each month's billing voucher for postage. Postage will be reimbursable and is not subject to any markup.

Offerors must also provide the one-time cost to translate the mailing into another language (other than English and Spanish). The mailings will require the Contractor to report the volume of mailings within the State and the volume of mail returned as undeliverable. Offerors should submit pricing based on their proposed mailing process.

9.4.1 Printing/Mailing Notices

The Contractor must employ state-of-the-art equipment and software to ensure the processing of notices is performed efficiently and effectively. Processing notices primarily entails printing and mailing of daily, weekly, monthly, quarterly or annual notices in the formats required by the CSA. The CSA may use any combination via an electronic means to deliver an electronic notice file, for example flat file data or pdf format. Processing notices also includes the developing of new notices as required by the CSA. Paper Notices may only represent generic information and may contain variable data inserted throughout the document and/or standardized inserts. Notices can be a single page, multiple pages and various sets of documents to be generated per notice. Wherever possible, double sided printing is required to minimize the quantity of paper used for printing notices. At a minimum the Contractor must perform the following tasks for printing and mailing notices.

- A. Receive data files from the CSA and sort all the records in zip code plus four (+4) order, to attain bar code discounts for use in the printing of notices. CSA notice types, frequency and file medium will be defined during detail design discussion.
- B. Identify the production cycle, for example, daily, weekly, monthly quarterly or yearly.
- C. Verify the data contained on each file is readable, is not a duplicate of a previous file and is of reasonable size to manage the notice printing volumes.

- D. Identify and use the appropriate document template for the notices provided by the CSA.
- E. Print notices by inserting the data contained in the state input file onto the document template within the designated areas on the notice as required by the CSA.
- F. Check/verify the alignment and quality of the data on the notices.
- G. Complete notice production logs with documentation as required by the CSA and provide sufficient detail to support expenditure reporting requirements.
- H. Prepare mailing notices in a double window envelop or as required by the CSA and include any inserts requested by the CSA.
- I. Affix bar coded address information in accordance with U.S. Postal Service specifications.
- J. Reprints: should the need for a re-print be required, the Contractor must record a page number on each notice page for identification purposes. For example, notices mutilated in processing, notice quality below the standard etc. The Contractor must reprint any mutilated or below standard notices at no additional cost to the CSA.
- K. The Contractor must review the printing of notices to ensure a quality notice is produced throughout the production cycle.
- L. The Contractor must maintain sufficient controls to ensure that every notice is fully processed including any inserts required with the notices.
- M. The Contractor must limit public or Contractor personnel access to the notice production area.
- N. The Contractor must maintain sufficient supplies of blank paper stock, envelopes, and all the required printing supplies to ensure a two-month supply is kept on hand at all times.
- O. Within three Business Days from the receipt of the request from the CSA, the Contractor must provide the CSA a draft sample/copy of each notice requested for printing and mailing. For those requests which require the Contractor to receive a data file from the CSA and insert data elements throughout the notices, the Contractor must meet the timeframe noted herein to develop the written notice and the Contractor must submit a draft of the completed notice with data within four Business Days of the receipt of the data file from the CSA. The Contractor must meet the CSA's start date for actual notice generation unless the CSA agrees to modify that date. The CSA agrees to limit the number of new notices requested to be developed to seven or less in any given business week (Monday through Friday).
- P. The Contractor must receive electronic notice data files from the CSA on the same day that the files are sent to the Contractor. The Contractor must print and mail all notices requested by the CSA as follows:
 - 1. Daily Notices – on the same day the data files are transmitted from the CSA.
 - 2. Weekly Notices – within two Business Days of the receipt of the data files from the CSA.

3. Monthly, Quarterly, and Annual Notices – within five Business Days of the receipt of the data files from the CSA.
 4. Sampling – Prior to merging any notice inserts and mailing, the Contractor must perform a sampling of the printed notices to ensure the following information is captured correctly:
 - a. the accuracy of the information;
 - b. the alignment of the data; and
 - c. the print quality.
- Q. The Contractor is responsible for programming support to ensure the notices are printed to meet the required standards.
- R. The Contractor must mail notices using the timeframes noted in subsection “P” above and use the zip code plus four sorts to obtain barcode discounts while ensuring the notice quality standards are met. The envelopes used by the Contractor must be double window and must be such that the return address is clearly displayed to ensure that undeliverable notices are returned to the correct address. For each production cycle, the Contractor must maintain a log that details, at a minimum, the date data files received, the date notices were printed, the number of items printed, and the date the notices were mailed.

9.5 Cardholder and Retailer Customer Service, *New York State Specific Requirement*

9.5.1 New York City Message System

The Offeror must provide a New York City message system which must include case specific fixed messages, variable text messages for a case worker/client personalized message and broadcast messaging to Cardholders. Voice, text, and broadcast spoken messages must be supported at the Customer Service IVR/ARU system, Client Portal and Mobile Applications, in addition to a CSR response informing the caller of any additional messages waiting to be heard.

The Offeror must provide notification to NYC Cardholders with a message indicator when a purchase/inquiry/credit transaction is completed to call a toll-free number for receiving their messages. This feature must be available at all EBT-only POS devices in New York State, and at commercial terminals which have been certified to handle the message system indicator. In the event other EBT POS terminals are unable to print messages in support of the message delivery system, the Contractor must provide an alternate delivery of messages.

Signage must advise NYC Cardholders to call the Customer Service IVR/ARU toll-free number to access the message system at Retailer locations where messages cannot be printed on POS receipts.

The Offeror must accept and process a daily NYC message file transmitted with daily benefit authorizations. Cases flagged in receipt of a message will be flagged for that day.

The Offeror must identify message indicators (flags) on the Cardholder benefit authorizations and reference the message file to produce the printed Cardholder fixed message.

Messages will be printed in English and Spanish. A Cardholder can have more than one message. After a message is accessed and accounted for on any reporting requirement, it will be purged from the message file. Messages will be purged no earlier than 11:59 p.m. of the day the Cardholder accesses it, allowing a Cardholder to call back to rehear/write down the message.

The Offeror must produce a monthly summary report of the message delivery capability of all EBT locations. The report must provide thorough statistics on the terminals that print variable text messages, fixed messages, broadcast messages, and those locations that have no message capability. The report must also provide the number of messages delivered to Cardholders via the IVR/ARU, Client Portal and Mobile App. Reports will be provided in the manner required by the State as described in the State Appendices.

9.5.2 New York State Real Time Web Service

Propose a real-time web service that adheres to all technical specifications for security and encryption of data. Describe the retrieval of SNAP and Cash Account balances in addition to real time transaction information. The real-time web service will be provided by the State utilizing Web Services communication as described in *Section 4.2.1.2.8* of this RFP. Specific details for this interaction will be determined by the State during the detail design phase.

9.5.3 New York State Card Production Postage

Card Production is an Optional Service that at this time OTDA will not be utilizing. However, if OTDA elects to purchase these services OTDA will pay postage costs directly to the United States Postal Service for the Contractor to provide clients with cards. The envelopes provided by the contractor will contain indicia provided by OTDA. The number of pieces containing the OTDA indicia will be used to determine the deductions to be made from the OTDA CAPS account.

The Contractor will ensure that the OTDA will receive a written “monthly postage report” by the 5th day of each month for the life of the Agreement resulting from this RFP. The report will be in a format agreed to by the OTDA and will contain an accounting of that previous month’s postage usage and the OTDA Contract Manager will conduct a review and reconcile. Any discrepancies in this report will be the responsibility of the Contractor. OTDA will continually monitor postage and as necessary, add funds to the CAPS account.

10. Cash Access Services – Core Requirements

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section and subpart item in this Section, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

- A. **Technical Proposal:** Propose Cash Access Plans that ensure statewide Cardholder access to Cash withdrawals as defined in the Core Requirements described below. For each Core Requirement, describe proposed methods for meeting the specified requirements. Include the draft Cash Access Plan in the Technical Proposal and describe the strategies and methodologies that will be employed to ensure compliance with the requirements. Additional Cash access requirement descriptions may be contained and further described in each individual State Appendix.
- B. Describe prior experience, duration, and success utilizing each proposed method in delivering the level of Cash access described in each core and option requirement.
- C. The Contractor must provide national Interoperability for Cash access. The QUEST® Operating Rules or appropriate network operating rules shall govern the processing of cash transactions.
- D. The Contractor must ensure that adequate QUEST® or other applicable network signage is displayed at each Cash access location.
- E. The Contractor's Cash access approach must encourage a maximum number of bank Automated Teller Machines (ATMs), non-bank ATMs, Point-of-Sale (POS) and Point of Banking (POB) Cash access locations. The CSA also reserves the right to require installation of EBT-only equipment at locations such as banks, utility companies and housing authorities to provide Cash access. The Contractor is encouraged to utilize the United States Postal Service as a POS provider for Cash access. In addition, the Contractor shall propose a method for reporting the POS terminal, and ATM identification number and location associated with any EBT Cash transaction.
- F. The Contractor must have controls in place to ensure that POS Cash-back transactions from Contractor provided EBT-only terminals for Cash assistance households occurs only at entities that have valid agreements with the Contractor. The Contractor must have controls in place to ensure that the location of terminals permitting Cash access to EBT Cash Accounts, including ATMs, Contractor-deployed EBT-only POS terminals, and commercially deployed POS equipment are in compliance with each CSA's policy concerning EBT Cash access. The Contractor shall have the flexibility to deny Cash access at specific Retailers as specified and approved by the CSA. It is the intention of the NCS to continue to maintain and improve all Cash access levels for the term of the contract. To preserve the integrity of the EBT program, the NCS reserves the right to

prevent Cash access to Federal Temporary Assistance to Needy Families (TANF) benefits in certain types of prohibited locations (*refer to Section 4.2.2.5*).

- G. Propose a method for maintaining a database of Retailers that provide cash back on cash purchases made at Point-of-Sale (POS) terminals. Cash access reporting is defined in Appendix Q – EBT Reporting Requirements.
- H. The Contractor must provide Surcharge free ATM transactions to EBT Cash Recipients at ATM's owned and operated by the Contractor. This requirement extends to Subcontractors, if the Subcontractor(s) receives more than 5% of the CSA's Contract billing value.
- I. Cash access Services must include no less than annual reviews by the Contractor to ensure Cash access core requirements are maintained at all times. From time to time the CSA will review the Contractor's plan to provide adequate Cash access and the Contractor will work with each CSA to implement any corrective action to identify additional sites with an emphasis to locate Surcharge free locations.
- J. The CSA may elect to conduct monitoring/review processes of its own to ensure the Contractor is in compliance with the Cash access core requirements. The Contractor must cooperate with the CSA in all aspects of the CSA's monitoring of Cash access locations, including providing necessary information and taking corrective action to address deficiencies as identified by CSA reviews.
- K. If a CSA independently secures its own network of Cash access points, the Contractor must enroll that network without an enrollment charge being assessed against the network or its members.
- L. Surcharged ATM Cash transactions may not incur usage Transaction Fees (interchange and Switch fees) that will be billable to the State or to the Cardholder.
- M. During the system Conversion period, the Contractor must provide weekly reports, as part of the weekly status report, to the CSA detailing the number of Retailers for which the Contractor has signed agreements, the number of Retailers providing full or partial cash access, and the percent of Retailers with signed agreements in relationship to the total number of Retailers. Following the Conversion period, the Contractor must continue providing these reports on a quarterly basis.
- N. The Contractor must provide a written Cash Access Plan outlining the activities, dependencies, and timelines associated with ensuring that compliance with the Cash access core requirements are maintained at all times. The first draft of the Cash Access Plan is due within 30 calendar days from the start of each State's Contract start date.
- O. The final Cash Access plan is due 90 calendar days from the start of each State's Contract start date.

- P. The Contractor must provide a minimum of 95% compliance with Cash access requirements 14 calendar days prior to Conversion. The Contractor must achieve 100% compliance with the Cash access requirements within 30 days after Conversion and for the life of the Contract resulting from this RFP.

10.1 Cash Access - Optional Requirement - Cash Access Network

The Offeror must provide ATM Cash access points through a signed agreement with a network or a combination of commercial networks providing Cash access. The Cash access network must also provide access to POS, POB and Contractor-deployed EBT-only POS equipment.

10.2 Cash Access Services – Core Reports/Files/Inquiries

See the EBT Reporting Requirements Appendix Q for a complete listing and detail descriptions of the required core reports/files/inquiries. Specific details and data elements for all reports/files/inquiries will be determined by the CSA during the detail design phase.

10.3 Cash Access Services - Performance Standards

[Offerors are not required to provide a response to this section 10.3 in their Technical Proposal]

Refer to Section 12, Performance Standards.

11. Project Planning and Phases - Core Requirements

Technical Proposal Instructions:

In its Technical Proposal, the Offeror should provide a narrative description to each numbered Section and subpart item herein, unless specifically excluded, which may include explanatory charts, schedules, plans or information necessary to demonstrate the Offeror's understanding of, and the Offeror's solution to meet, the requirement(s)/specification(s) in the applicable numbered Section and subpart item.

Deliverable Expectation Documents (DED) and Approval Process for Deliverables

The NCS or CSA shall determine whether a deliverable is subject to the Deliverable Expectation Document (DED) process described as follows:

DED Creation Process: The NCS or CSA and the Contractor shall mutually create a written DED which shall include the approval criteria, the approval review period, and the method and duration of Acceptance Testing pertaining to a DED deliverable. The NCS or CSA shall have final responsibility for determining such criteria, and it shall use reasonable judgment

when making such determinations. The NCS or CSA and the Contractor shall indicate its written approval of a DED, prior to commencement of work on the DED deliverable.

Deliverable Approval Process: The Contractor shall submit to the NCS or CSA a certificate of completion with regard to each deliverable subject to a DED. Subsequently, the NCS or CSA shall conduct Acceptance Testing to determine whether the deliverable substantially meets the DED approval criteria for such deliverable. The NCS or CSA, shall, no later than the end of the approval period set forth in the DED, issue either an approval certification or notice of deficiency pertaining to the deliverable.

Upon receipt of a notice of deficiency, the Contractor shall immediately make best efforts to correct the described defects and resubmit the deliverable to the NCS or CSA by the due date set forth in the notice. The NCS or CSA shall review the corrected deliverable, and such process shall be repeated until the deliverable is approved by the NCS or CSA.

11.1 Project Phases

This section of the RFP contains specifications for the Cash and SNAP EBT project phases (see also, Section 8 which provides WIC specific requirements which incorporates requirements in this Section 11 by reference).

The NCS envisions the EBT project consisting of five generally sequential (although there may be some overlap) phases. These phases are:

- A. Design;
- B. Development;
- C. Transition/Conversion;
- D. Operations; and
- E. Disposition (Sunset).

The NCS requires the Contractor to provide management project oversight throughout each of the five phases.

Throughout this RFP and in Appendix K, timeframes are provided for many of the events and deliverables associated with each of the phases. These are estimated dates. As such, Offerors may determine, using previous experience, that the project plan may be improved using different timeframes. Offerors must note the earliest of the NCS members' current EBT contracts will end by December of 2022, so the new EBT Contractor must support a fully operational system that delivers EBT benefits to Recipients as required by the new contracts by the established Transition dates for each NCS member. The Offeror should use the Question and Answer period to raise any concerns or ask questions regarding the project plan timeframes.

During the design, development and Conversion phases, the Contractor must prepare weekly status reports and attend weekly CSA EBT status meetings. The status reports must be

presented at the weekly status meetings and must provide progress information on all completed, ongoing, and planned project activities.

Status reports must summarize any outstanding project issues or obstacles and detail any proposed deviations from planned activities, schedules, or staffing.

Prior to the operations phase, individual States will schedule their meetings with Contractor staff as needed to plan, monitor, and oversee state-specific issues and activities. Appropriate Contractor staff must attend these meetings.

Status report and meeting requirements after a successful Conversion will be determined during contract negotiations.

11.2 Required Project Plans

The Contractor shall provide the following plans during the various project phases listed above:

- A. NCS Project Work Plan (discussed below);
- B. State Project Work Plan (discussed below);
- C. Business Continuation and Recovery Plan (discussed in section 7.1);
- D. System Security Plan (discussed in section 6.2);
- E. Testing Plan;
- F. Transition/Conversion Plan;
- G. Third Party Acquirer and POS Certification Plan (discussed in sections 11.5.1.1 and 11.5.1.2);
- H. Change Management Plan;
- I. Disaster Services Plan (discussed in section 7.2);
- J. Customer Service Staffing Capacity Plan (discussed in section 9.2); and
- K. Cash Access Plan (discussed in section 10).

Documents must be provided in Microsoft Office format. The Project Work Plan must be in Microsoft Project. A listing of all required deliverables is contained in Appendix K.

11.2.1 NCS Project Work Plan

The Contractor must define the anticipated timelines and estimated completion dates for the project deliverables within each phase in the NCS Project Work Plan.

The final NCS Work Plan must be based, in relevant part, on the draft NCS Project Work Plans submitted in this RFP. The plan must include, at a minimum, a schedule of all tasks and deliverables required throughout the NCS; identify the individual tasks and deliverables by project phase, as defined below; identify all critical path and dependencies, and delineate the responsibilities of the Contractor, the State and Federal agencies.

Because of the many possible factors impacting any one of the phases, the NCS does not intend to prescribe any set period of time for each of the respective phases.

However, the selected Offeror must complete the Transition and all required activities to provide a fully operational EBT System that meets the specifications included in this RFP no later than the target date for each Conversion determined during each State's contract negotiations. All events and deliverables listed in Appendix K, Deliverables and Events Timeline, must be included in the NCS Work Plan. Offerors may add additional activities as deemed necessary.

Submit a draft NCS Project Work Plan in the Technical Proposal. A final document is due 30 calendar days after the first CSA's Contract start date. The NCS will review and comment on the work plan and provide final approval or request revisions thereto.

Within the Technical Proposal, provide the following:

A draft NCS Project Work Plan that includes:

- A. a schedule of tasks and deliverables required throughout the NCS EBT project;
- B. all individual tasks and deliverables delineated by project phase;
- C. all critical path and dependency tasks;
- D. a scheduled reporting on project progress at the task level; and identify tasks by responsible party (contractor, Subcontractor, State agency, and Federal agency);
- E. an explanation of the Offeror's resource commitment to support concurrent State efforts and the capacity to assume the work;
- F. an explanation of how the Offeror will monitor project progress against the project schedule for all tasks and activities;
- G. Identification of "risks," including an explanation of how the Offeror will flexibly assign additional resources, as necessary, for timely completion of project milestones and deliverables; and
- H. A description, with emphasis on past and current successes in similar projects, the methodologies, tools and processes it will employ to mitigate, minimize and resolve unanticipated risks to task completion and project success.

11.2.2 State Project Work Plans

The Individual State Project Work Plans are detailed CSA specific breakouts of the NCS Project Work Plan. When finalized, each State Project Work Plan will include activities and events required on the Contractor system and the State system. The Contractor and each CSA member State must coordinate the specific tasks that must take place in order to ensure a successful Transition/Conversion. Each CSA member will work with the Contractor to include state activities that must take place prior to Conversion/transition.

Draft Individual State Project Work Plans should be submitted in the Technical Section of the Offeror's Proposal. At a minimum, the Draft Individual State Work Plans must include:

- A. those tasks and deliverables related to Core Services;
- B. those Optional Services identified for selection in each State's Appendix,
- C. Optional State Services selected by the CSA; and
- D. all events and deliverables listed in Appendix K.

After each State's Contract start date, revised drafts of the individual State Project Work Plans must be submitted to the CSA 30 calendar days after the CSA's Contract start date. Final plans for each CSA must be approved 90 calendar days prior to the State's Conversion date. The revised drafts and final Individual State Project Work Plans must also include selected Optional and State Specific Services included in the CSA's Contract.

11.3 Design Phase

The project design is based on the design specifications and functional requirements specified in this RFP and as specified during detail design. The Design Phase will commence with the Contract effective date for first CSA Contract to become effective. During the Design Phase the Contractor will be responsible for preparation of the project deliverables listed below. The NCS may require a DED for deliverables connected with this Phase.

11.3.1 Functional Design Document

This document provides a descriptive overview of the system at a functional level for each NCS member. It must describe the operating environment, processes, workflow, and services requirements. The document must also include a General System Flow Diagram(s). This must be a pictorial overview diagram of the system, identifying overall logic flow, functions, and configuration, including processing flows of major system components, and inputs and outputs for each NCS member. The details described in the overview will be considered part of the Functional Design Document. **Provide a draft Functional Design Document in the Technical Proposal.** No later than 30 days after each State's Contract start date, the Contractor must submit an updated draft of the individual State Functional Design Documents. A final document is due 90 calendar days after each State's Contract start date. If updates are required, the Contractor must resubmit the revised Functional Design Document as needed by the State. The update documents must be provided with MS Word tracked changes permitting the CSA to review any changes or deletions to the information.

11.3.2 Detailed System Design Document

The Detailed System Design Document provides detailed descriptions of the total system configuration including, hardware, functionality, data elements, file layouts, process flows, interfaces, reporting, transaction processing, the Administrative System, Settlement and Reconciliation, customer service, cardholder account maintenance, card/PIN issuance and training, and security. **Provide a draft in the Technical Proposal.** The Contractor must submit an updated draft of this document 120 calendar days after the State's Contract start date and a final draft no later than 180 calendar

days after each State's Contract start date. The detailed design document must be updated quarterly thereafter. Design document acceptance is contingent upon Federal and State review and approval. A change control process will be established by the NCS to approve system modifications.

11.4 Development Phase

The Development Phase will commence upon approval of the functional and detailed system design documents. During this phase of the project, the Contractor must program, configure, and test the NCS EBT System and Services according to the system and Services specifications defined and agreed upon during the Design Phase. The Contractor must identify and incorporate into the testing process those automated tools and testing techniques that can provide more thorough testing and a more efficient use of resources. Some States may choose to combine the functional demonstration and the System Acceptance Test. The Contractor must complete system testing, as well as provide the final approved training materials during the Development Phase.

Within the Technical Proposal, discuss the support of NCS testing requirements.

11.4.1 Quality Assurance Plan

The Contractor must have an implemented Quality Assurance (QA) Program for EBT software and program requirements. Submit all corporate Quality Assurance Plans, Policies and Procedures pertaining to testing of EBT software and EBT processes with the Technical Proposal.

Contractor policies and procedures must include, at a minimum:

- A. Policies describing quality assurance methodologies for all phases of development and ongoing system and program development;
- B. Description of corporate contacts and responsibilities of quality assurance staff; and
- C. Organization flow diagram of the company Quality Assurance process pertaining to EBT.

11.4.2 Life Cycle Test Plan

In conjunction with the NCS, the Contractor must adhere to a System Life Cycle Test Plan. The NCS requires that any changes made, whether it is by or to the Contractor's system or by or to a State's system, be properly tested prior to being introduced into a production environment. The testing requirements and process must be reflected in a plan that includes, at a minimum, the tests identified in the System Testing section below for each of the project's five phases. The plan must address the extent of integration testing that is to occur with each State to ensure that all systems properly interface with each other and operate as designed. The plan must include the full range of testing appropriate to each State's system design before moving forward with database Conversion. Capacity testing will be required with each state plan to insure the Contractor's system can support statewide and NCS-wide workloads. The Offeror must

ensure, and the System Life Cycle Test Plan must demonstrate that all testing will be completed no less than 45 calendar days prior to database Conversion.

The draft System Life Cycle Test Plan must be submitted no later than 120 calendar days after each State's Contract start date and a final 180 calendar days after each State's Contract start date.

11.4.3 System Testing

The Contractor must provide state access to the Contractor's test system by each NCS member to support state testing of the full range of EBT functionalities. The Contractor must provide administrative terminal and POS terminal access to the test system and an interface with state test systems, including connectivity between each State's test data base(s) and the Contractor test system. Test platform access must be provided to the State(s) at least 180 calendar days after each state's Contract start date. The Contractor must supply each NCS member with POS terminals, PIN selection devices, and other equipment and materials necessary to test the full scope of EBT Services provided to that state 24/7. The Contractor must provide access to the test system throughout the term of the State contract. Include in the Technical Proposal a discussion of the support of NCS testing requirements.

The Contractor must provide access to their test platforms in the following manners:

States must be provided the ability to transmit test files to the Contractor in order to validate software and system changes.

The Contractor must, in turn, implement the ability to return test files to the States. These files must be identical in format to the files that would be returned to the States in the production environment. In addition, from time to time, the Contractor will respond to requests to provide specialty test files as needed for developmental projects in the same manner as the production environment for purposes of testing.

The Contractor must provide the States the ability to monitor, in real time, the activities, as they pertain to an individual State, of the Contractor's test platforms.

The online access must be provided 24hours/7days to the EBT Administrative system.

The Contractor must inform Key Personnel in the affected State(s) when the test platforms will be or are down for whatever reason.

The Contractor must provide the State with the ability to test real time transactions that require Gateway and Point-of-Sale (POS) transmissions. During the implementation phase and for six months following cutover, a minimum of 40 hours weekly must be provided for POS availability, unless otherwise requested by the State. The POS availability will be within standard business operating hours, except as requested by a State for specific test activities. During the balance of the Contract Term, POS availability must be provided as requested by the State. Such requests will be made in

advance and may require 40 hour-per-week availability and depending on the nature of the testing required POS availability must be provided 24/7.

The Contractor must coordinate testing times between the State and the necessary endpoints (including Gateway processes) to ensure real time transaction/transmission availability.

Testing of real time host-to-host or client-to-host processing of files and or records between the State and the Contractor will be required on the test platform.

If requested by the State, the Contractor must coordinate with the State all phases of testing between State user groups and the Contractor's test platform.

If requested by the State, the Contractor must support State specific testing including but not limited to direct interface testing with State systems and/or modification made to EBT for the State.

The Contractor must ensure all POS equipment is fully factory tested before deployment.

The Contractor must provide a test environment that replicates the production environment. This environment must include the EBT Administrative System as well as daily processing routines.

11.4.4 System Test Scripts

System testing must be performed on all components and functional areas of the NCS EBT System and Services before delivery to each NCS member for formal User Acceptance Testing (UAT). The Contractor must provide a draft of System Test Scripts detailing step-by-step instructions for the system functions and Services to be tested no later than 180 calendar days after each State's Contract start date, and a final set 210 calendar days after each State's Contract start date. Test scripts must also describe the desired system outcomes and are contingent upon State and Federal approval.

State and Federal agencies will participate in the specified User Acceptance Testing and must participate with the Contractor in assessing test results. System testing must be completed to the satisfaction of the State and Federal agencies at least 30 calendar days prior to commencement of the implementation phase.

11.4.4.1 Functional Demonstration

The functional demonstration must provide State, Local, and Federal representatives the opportunity to review planned EBT System operations. The functional demonstration must also include Business Continuation and Recovery testing. The Contractor must prepare a report of the demonstration results including any system modifications that were identified. The functional demonstration may occur as early as possible but must occur no later than 240 calendar days after each State's Contract start date to insure the design is proceeding according to the expectations

of both the NCS and the Contractor. At the State's request, a functional demonstration(s) may be required with each newly developed functionality. States may choose to combine the functional demonstration with the User Acceptance Test.

11.4.4.2 User Acceptance Test

The User Acceptance Test provides both State and Federal representatives the opportunity to test the system functionality and ensure compliance with the system design requirements in accordance with USDA CFR 274.1(f)(2). This test must consist minimally of tests of functional design requirements including, but not limited to: security, recovery, system controls, Interoperability, federal interfaces (AMA, STARS, and ALERT), Settlement (including multiple days), benefit aging processes, ATM/POS transaction processing, IVR/ARU and Customer Service functions, administrative system functionality, reporting, account set-up and maintenance, Adjustment testing, and will include "what if" testing. In addition, as part of the User Acceptance Testing, the Contractor must demonstrate the methods and processes for performing all daily Reconciliation between the State and Contractor. During the formal test script portion of the Acceptance Test, testing participants will follow detailed test scripts developed by the Contractor and reviewed and approved by the NCS and FNS. The test scripts must cover all facets of the system's operations and test all of the system processing options and environmental conditions (e.g., POS hardware and communications failure and entry of erroneous data).

The ad hoc or "what if" portion of the Acceptance Test must provide the States and Federal representatives the opportunity to include various transaction sets and sequences that were not included in the test scripts and to challenge the system's operations and design.

To the extent possible the UAT environment must mirror production. At least 30 days prior to the formal UAT, the Contractor must provide a draft UAT Plan that describes the week's agenda; test hardware that will be available and how it will interface with the Contractor's test platform; the roles of various Contractor staff participants as far as UAT management, quality assurance, Reconciliation and reports review, and hardware/interface problem resolution; the process for recording test problems, ranking their severity and tracking their resolution; sample problem report and what-if forms; and other pertinent UAT information. The final UAT Plan must be provided at least 10 days prior to the start of the UAT.

At a minimum the test environment must consist of at least two test team workstations with an administrative terminal and POS terminal at each. In addition, another State's test system, test cards and POS terminals (including one restaurant terminal) must be made available to test Interoperability in both directions. Other required components include a multilane store POS configuration, an ATM simulator and the ability to print screenshots from both workstations for documentation purposes. All POS terminals must use dial-up communications and connect to the Contractor system through their production Gateway or its test platform. The UAT

test environment must be self-contained, so that no other Contractor testing can be performed simultaneously during the UAT.

The test environment, to the extent practical, must begin with a clean test database. Documentation of the starting database contents must be provided on day one of the test.

At State option, and in accordance with USDA CFR 274.1(f)(2) the User Acceptance Test start date must be at least 210 calendar days after each State's contract start date, but no later than 45 days prior to database Conversion.

11.4.4.3 Network Performance Test

This test must be conducted on the EBT System's communications Network to ensure that the Network is capable of handling the anticipated transaction volume within the required response time and error threshold specified in this RFP, the USDA/FNS EBT regulations, and the QUEST® Operating Rules.

The Network Performance Test start date must be at no later than 180 calendar days after each State's Contract start date.

11.4.4.4 Performance (Stress) Test

This test must be conducted to ensure that there is sufficient capacity within the Contractor's EBT System to accommodate the projected transaction volumes. Test results from the stress test must be used by the Contractor to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration.

The Contractor may, as an option, choose to use current production data to develop a system capacity model for the anticipated transaction volumes. Any data modeling must be approved by the State. If the Contractor is anticipating the use of this option, the Contractor must provide a detailed description in the System Life Cycle Test Plan data to be used, how the modeling will be performed, a comparison of the modeling method to be used with use of live production data, and how test results will be documented and reported to the State.

The Performance Stress Test start date must be no later than 180 calendar days after each State's Contract start date.

11.4.4.5 Interface Test

This test must be conducted between the Contractor's system and each of the eligibility systems within the NCS to ensure that all files transferred from the State eligibility systems to the EBT host and from the EBT host to the State eligibility systems are properly received, accepted, and processed. This testing must also

include administrative system software functionality, date advancing capability, standard batch file protocols such as FTP, and information exchange capabilities, independent of operating systems, such as SOAP (Simple Object Access Protocol), or any others required by the CSA's hardware platform.

The Interface Test start date must be no later than 180 calendar days after each State's Contract start date.

11.4.4.6 Speech Integrated Voice Response (SIVR) and Interactive Voice Response (IVR)/Automated Response Unit (ARU) Tests

CSA selected SIVR and IVR/ARU functions must be tested to ensure the system properly accepts, processes, and accurately and securely transfers both Retailer and cardholder calls per the system requirements and services specifications as defined in the Customer Service subsection for cardholders, Retailer/merchant, cardholder training and SIVR and IVR/ARU of the RFP.

The SIVR and IVR/ARU Test start dates must be 210 days after each State's Contract start date.

11.4.4.7 Transition/Conversion Test

The Contractor must demonstrate the process of converting from the current EBT System and Services to the new EBT System and Services through comprehensive testing of the Conversion process. The Transition test must validate Conversion results, and the ability to perform test transactions against the converted database. The Transition test must include at least three simulated Conversions of production data. Additional simulated Conversions will be required by the CSA if the third simulation is not completely successful. Additionally, the Transition test must be used to obtain timings for Conversion and validation of operational Conversion checklist items as detailed below. The Contractor must validate, at a minimum the following Operational Conversion Checklist:

- A. All cardholder transaction types (e.g., SNAP POS and Cash POS/ATM/POB transactions), State specific functionalities (such as the NYC Message System), and Administrative System functionality;
- B. Conversion of all necessary cardholder accounts and associated data;
- C. Conversion of all active benefit records;
- D. Conversion of all necessary card records;
- E. Performing test transactions against the converted database in the test system;
- F. Testing to validate that PINs have been converted successfully;
- G. Accepting transfer of sufficient transaction history from the current EBT Contractor, as defined by the CSA;

- H. Conversion of online transaction history onto the new system, as specified by the CSA;
- I. Building checkpoints and Reconciliation procedures into the Conversion process to ensure that Conversion is being completed in a timely manner, and that no benefits or records are dropped.
- J. Reporting key Conversion totals concerning what the current Contractor sent and what is posted by the new Contractor, including exception reports. These totals and exception reports must include, at a minimum, cards, PINs, case, accounts, benefits, and dollars;
- K. Having a contingency fallback plan in the event that the Conversion cannot be completed in a timely manner due to problems;
- L. Uniquely identifying converted benefits and maintaining their unique identity, including last used time stamp and original available date, or other appropriate aging/Expungement criteria;
- M. Maintaining the issued date of all converted cards including Alternate Payees and Representatives;
- N. Maintaining the issued date of all converted PINs including Alternate Payees and Representatives;
- O. Maintaining the account creation date of all converted cardholders including Alternate Payees and Representatives; and
- P. Maintaining cardholder demographic data.

The final Transition test must begin 180 calendar days after each State's Contract start date and must be completed 210 calendar days after each State's Contract start date.

11.4.4.8 Live Demonstration

[Offerors are not required to provide a response to this section 11.4.4.8 in their Technical Proposal]

The NCS may require a live demonstration of the host platform prior to the go-live date of the system. Individual States may opt out of the live demonstration during contract negotiation. The live demonstration requires the Contractor to test EBT transaction capabilities from the originating transaction point through the verification, authorization, Settlement, and the movement of funds processes. If required, the live demonstration must occur prior to the State's Conversion date.

11.4.4.9 Test Reports

The Contractor must provide reports describing the results of each performed test, as well as any additional re-testing required to satisfy the test objectives. The test

reports must describe the intended scope and results from the tests, and any system modifications that are identified as necessary to resolve system errors and correct deficiencies found during the testing. The Contractor must submit interim test reports no later than seven calendar days following the completion of the respective test being performed. Regression testing results must be included in the final system test reports. Final System Test Reports must be provided no later than 30 calendar days after a State's successful Conversion.

11.5 Transition/Conversion

Upon award of the contract, the *new* EBT Contractor shall work with the CSA and any other organizations designated by the CSA to ensure an orderly Transition Phase and responsibilities under the Contract to ensure the continuity of those Services required by the CSA. The Contractor will be expected to work in an organized method with the CSA's current EBT Contractor for the purpose of effecting a smooth and timely Transition from the CSA's current EBT Contractor to the succeeding Contractor's EBT production system and any other Services designed to comply with the requirements described in the RFP.

During the Transition Phase the *new Contractor* must support a formalized system to identify and report the following problems and/or issues not limited to;

- A. Personnel responsible for problem resolution;
- B. Estimate timeframes for resolution;
- C. Monitor the status of all reported problems;
- D. Provide a clear and detail written description to cure and resolve any reported problems;
- E. Implement and clearly describe (as necessary) any escalation procedures approved by the CSA, and;
- F. Maintain a written formal record of the final outcome to mitigate any future problems or issues during the Transition Phase.

In the event that the new EBT Contractor identifies the potential for a delay in the completion schedule for any deliverable under this Contract believed to be caused by the CSA or by the CSA's current EBT Contractor; the new EBT Contractor must notify the CSA as soon as they are aware or otherwise notified by any other means, that the potential for delay exists to address any corrective action that can be taken to avoid further delays. The CSA, at its sole discretion will consider permitting the new EBT Contractor a reasonable extension of the completion dates for that particular deliverable once the CSA and the new EBT Contractor have reviewed the impact. The new EBT Contractor must provide the CSA with an impact statement describing just cause for the delay to any deliverable during the Transition and Conversion phases of the project.

The Transition Phase consists of the activities required to convert the EBT processing for each NCS member from the current Contractor to the new Contractor. It is anticipated that some of the Transition activities, specifically the EBT-Only Retailer and Retailer Acquirer/TPP Conversion, will begin prior to the end of the Development Phase. However, it is expected that

none of the database Conversion activities will occur until the development activities have been completed, and specifically the Transition Testing has been completed and a written acceptance of the process has been received from the CSA or as specified in each State contract. The activities taking place during the Transition will follow the process defined in the approved Transition Plan.

The activities within the Transition consist of the following:

- A. Migration of Transaction Acquirers (TPP's) and Retailers (including having Retailer contracts signed), Point-of-Sale (POS) device deployment and installation at Retailer locations (if applicable), and PIN Pad installation;
- B. EBT-Only Merchant Conversion;
- C. Retailer/Acquirer/TPP Conversion;
- D. EBT Database Conversion;
- E. Transaction History Conversion;
- F. Migration of changes to the existing system as identified within this RFP and the Offeror's Proposal if the current Contractor is awarded the *new* contract.
- G. At the discretion of each individual CSA User Acceptance Testing (UAT) may be required at the CSA level either prior to or during the Federal UAT Test.
- H. The Contractor must convert and/or upgrade to comply with all instructions and formats for file transmissions required by USDA, FNS, ALERT EBT Submission File Specifications, version 2.0.

The NCS requires that the *new* Contractor have an arrangement that provides for the operation of both the "old" and "new" transaction Gateway Switches simultaneously during the system Transition Period. As such, until database Conversion, the system configuration must ensure that Retailers/Acquirers routed to either the new Switch or the old Switch, is properly routed to the old authorizing host. If all Retailers/Acquirers have not been rerouted to the new Gateway prior to Conversion, the *new* Contractor must have an adequate arrangement with the old Contractor to ensure that such entities can process their transactions through to the correct authorizing host.

Any system outage required to accommodate the Conversion must occur during a timeframe when impacts to the Retailer/merchant and cardholder community are minimized. Each NCS member expects Conversion to occur at a time during the month when transaction processing is lowest and during non-peak hours. The Contractor must analyze monthly transaction volumes and select a date and time when the least number of Retailers and cardholders would be affected. Likewise, the Contractor must work with each CSA to minimize the Transition's impact on the CSA's daily EBT operations, such as file processing and transfers and/or daily record transmissions.

11.5.1 Transition/Conversion Plan

The Transition/Conversion Plan must detail steps and procedures that will assist the NCS, cardholders, Acquirers/TPPS, and Retailers/merchants in a smooth and logical Transition to a new system operating platform and the Contractor's EBT Services. Should a Conversion be required, the *new Contractor* shall Transition the cardholder/client and Retailer databases from the current Contractor's EBT platform/host

to the succeeding Contractor's EBT platform/host. The ensuing EBT Contractor must prepare a Transition and Conversion Plan that complies with the [FNS Electronic Benefits Transfer \(EBT\) System Transition Guide, Version 2.0, June 6, 2005](#) or the most recent version issued by FNS. This requires Transition without disruption of Services to, Acquirers/TPP's, Retailers/merchants and access to or redemption of benefits by cardholders (except during the actual down time during database Conversion). The Transition/Conversion Plan must contain specific sections that detail the steps for each of the activities involving at a minimum – EBT-Only Retailer Conversion; Retailer/Acquirer/TPP Conversion; EBT Database Conversion; Transaction History Conversion or Migration of Changes (if current Contractor is awarded the new contract).

At a minimum, the Transition/Conversion Plan must include:

- A. Description of each member of the project to be assigned to the CSA;
- B. Identification of Subcontractors employed to perform any component of the work required by the contract, as well as copies of Subcontractor agreements;
- C. The degree of coordination expected between the prospective incoming Processor's project manager and the CSA;
- D. The decision-making authority of the project manager on issues related to the EBT project;
- E. Demonstration that the prospective incoming Processor's management structure can ensure adequate oversight and provide executive direction for its project manager;
- F. Identification of the corporate officer(s) to be contacted should major problems arise during the performance of the Contract and their timeframe for responding to the CSA;
- G. Description of the lines of authority and communications that will exist within the prospective incoming Processor's project team;
- H. Detailed timeline for coordination and completion of the system Conversion and Services transition;
- I. Description of the anticipated Conversion methodologies and processes.
- J. Description of the processes that will be used to validate the accuracy of data and completeness of the Conversion;
- K. Description of the processes and methodologies that will best serve the interests of each NCS member and other stakeholders to ensure a seamless Transition for each Conversion activity (EBT-Only, Retailer/Acquirer/TPP, EBT Database, Transaction History, and/or migration of changes). The description for each activity must describe the inherent risks involved and how those risks will be projected, controlled, and mitigated;
- L. Description of the methods for hardware and software deployment to State and local offices including Administrative Functionality and card issuance devices;
- M. Description of suggested methods for training cardholders, State and Local District personnel;

- N. Cardholder notification of database Conversion outage if the CSA elects to support any notification;
- O. EBT card replacement and reissuance if the CSA elects to change their cards;
- P. The recommended Transition for EBT database Conversion;
- Q. Description of data exchange with the State;
- R. Description of the Transition of communication links with the State;
- S. Description of the process descriptions required for Conversion to the new system operating platform; and
- T. If applicable, a description of the migration of changes to the existing system as defined in this RFP should be contained in Offeror's Technical Proposal, and subsequent contract.
- U. Identification of the various notifications that are planned for EBT-Only Retailers (minimum of two notifications) and a description of the proposed purpose/content.
- V. Description of the Gateway interfaces between the two Contractors before and after system cutover to ensure that EBT-Only Retailers can properly connect during the extended POS swap out period.
- W. Identification of notification/content to commercially processing Retailers, their TPPs and Acquirers, and if/how they expect FNS to participate in the process.
- X. Description of the cutover of all toll-free lines from old to *new* Contractor during outage.
- Y. Plans for special messaging on all toll-free lines during outage at no cost to the CSA.
- Z. Process for handling reports of lost/stolen cards during outage and how that will be split between the old and *new* Contractors.
- AA. Requirements, if any, for the Contractor to invoke the \$50.00 stand-in process during the Conversion Downtime (optional by State).
- BB. Process for handling/converting pending Manual Voucher holds, Adjustments and future dated benefits.
- CC. Contingency plan to schedule an alternate weekend should there be a no-go decision during Conversion.

The Offeror must describe in the Transition/Conversion Plan the anticipated methodology for transitioning the database between the existing EBT System and the new Contractor's EBT System, including migration of client, Retailer, and provider databases, to include account aging information, Expungement dates, Recipient card and demographic data, benefit data, transmission of daily files and records from and to the CSA, and the routing of cardholder transactions to the correct database. The Contractor must support the use of existing EBT cards throughout the Conversion process and EBT cards must not be reissued as part of the Conversion process. Additional State information is outlined in the State Appendices of this RFP.

The Contractor is required to submit an NCS-wide Transition plan as part of the Technical Proposal. In addition, for each State, the Offeror should submit a draft Transition/Conversion plan in the Technical Proposal. The Contractor must submit an updated draft 30 calendar days after a State's contract start date, and a final plan 90 calendar days after each State's Contract start date.

11.5.1.1 EBT - Only Retailer Conversion

The Transition requires the transfer of support of EBT-Only Retailers from the existing EBT System to the Contractor's system. The Transition effort must include both traditional and Non-Traditional Retailers supported by both POS and manual transaction processing. The NCS requires that 100% of the existing EBT-Only Retailers be transitioned to the Contractor's system/supplied with new EBT POS equipment as needed at least two weeks prior to the cardholder database Conversion for the respective area. During the Transition of these Retailers, cardholders must not be negatively impacted in their ability to redeem benefits and the normal business operations of these Retailers must not be negatively impacted. The Contractor must ensure that EBT-Only Retailers can process continuously through either the old Contractor's or *new* Contractor's Gateway to the correct host until Transition is complete.

If the Contractor determines that new EBT-only POS equipment will be deployed as part of the Retailer transition, Retailer personnel must be adequately trained on the use of the new equipment at the time of installation, and use of the equipment must begin immediately upon training and installation of the equipment.

The EBT-Only Retailer Conversion section of the Transition/Conversion Plan must describe, at a minimum, but is not limited to the following:

- A. Methods for recruitment and Conversion of Retailers for SNAP and Cash benefit access;
- B. Description of support Services/customer service that will be provided to all EBT-Only Retailers;
- C. Automated Clearing House (ACH) information and transaction history;
- D. Methods used for training EBT-Only Retailers, including materials;
- E. Method for POS terminal deployment; and
- F. Description of the type of POS equipment that will be deployed.

11.5.1.2 Retailers /Acquirers/TPP Conversion

The Retailer/Acquirer/TPP Conversion section of the Transition/Conversion Plan must include, at a minimum:

- A. Methods for recruitment, Conversion, and certification of Retailer/Acquirers/Third Party Processors (TPPs) for SNAP and Cash benefit access;
- B. Support Services/customer service that will be provided to all Retailers;

- C. Retailer notification of database Conversion outage must be supported, no less than two notifications must be provided;
- D. Automated Clearing House (ACH) information and transaction history;
- E. Retailer/Acquirer/TPP agreements;
- F. Retailer/Acquirer/TPP Certification/Recertification Standards and process;
- G. The ability for Retailer/Acquirers to process continuously through either Gateway to the correct host until Transition is complete;
- H. Method for POS terminal deployment;
- I. Description of the type of POS equipment that will be deployed;
- J. Plans for onsite equipment testing;
- K. Methods used by to train Retailers/Acquirers, including materials;
- L. Methods used by TPPs to train Retailers/Acquirers, including materials;
- M. Process for providing supplies, as well as the supply reimbursement formula, frequency, and method of reimbursement;
- N. Process for payment to Retailers for telephone line reimbursement (in accordance with existing NCS Retailer Participation Guidelines) including frequency and method of reimbursement; and
- O. Process for handling Retailer Adjustments based on client Claims; States and FNS will review the language in letters/correspondence to Retailers informing them that a Claim has been made and will review and approve all required information/documentation that will be required of Retailers, as well as timelines to which Retailers will be held.

11.5.1.3 EBT Database Conversion

The minimum requirements of each NCS member to accomplish cardholder database Conversion must include:

Supporting a formalized system to report problems and an effective capability to identify problems, identify personnel responsible for problem resolution, estimate timeframes for resolution, monitor status of all problems, invoke (as necessary) escalation procedures, and maintain a formal record of the final outcome.

Performing comprehensive testing of the Conversion process, including performing a full range of test transactions against the converted database.

At least three or more, at State option, simulated Conversions of the production database. Results from the simulated production Conversions will be used to validate the timing for the Conversions, to test a Conversion checklist for inclusion of all required activities, and to validate Conversion balancing and Reconciliation procedures.

The CSA's and the Contractor's (incumbent and new) must have completed the majority of the Transition activities *before the last month prior* to the database Conversion. The *new* Contractor must provide the CSA with a complete schedule for the planned activities and provide a "batch" job checklist for the night of database Conversion. The checklist must include the jobs required that will print record and

dollar totals to be transferred to the “new” host Processors’ database. For example, the following activities must be reported to the CSA in advance of the database Conversion:

- A. SNAP Voucher Settlement process for those approved by the previous Contractor that needs to be settled by the *new* Contractor;
- B. SNAP Voucher authorization procedures, limits, and liabilities during Downtime;
- C. EBT Retailer and cardholder help line messages during Downtime period;
- D. Conversion schedule for conference calls, on an hourly basis, between the incumbent and the *new* Contractor and its Processors or sub-contractors, in addition to CSA personnel, and USDA-FNS representatives;
- E. Cut-off activities – SNAP vouchers, administrative terminal changes, CSA security profile changes, CSA issuance files, Expungement activities, etc.;
- F. Second merchant notice, 15 days before the scheduled outage;
- G. Final trial runs.

Following the Conversion of the production database, test transactions must be performed to validate that PINs have been converted successfully and that cardholder benefits can be accessed through the EBT infrastructure. In addition, the Contractor must complete a full Reconciliation and must assume responsibility for EBT host processing immediately after Conversion.

The Contractor must work with the State to develop adequate methods of validating the Conversion to the Production database.

The EBT Database Conversion of the Transition/Conversion Plan must include, at a minimum, the following:

- A. Plans and methodology for converting the cardholder and benefit database, including all necessary account and demographic data from the existing EBT System to the new Contractor’s EBT System;
- B. A description of how the Offeror will handle card-stating and replacements reported to Customer Service during the Conversion “Downtime”;
- C. Data exchange with the State;
- D. Transition of communication links with the State.

11.5.1.3.1 Go/No-Go Decision Matrix

The Contractor must propose a go/no-go decision matrix. The matrix should include logical decision points that will occur throughout the night of the actual database Conversion period. The matrix should identify risks the CSA and the Contractor are willing to accept. Maximum delay times must also be identified in the matrix. At a minimum the matrix must contain the following details;

Condition	Discussion	Go/No-Go
History files do not transfer completely or not at all.	History files can be sent at a later date.	Go
File transmission from old to new Processor fails	Determine the time it will take to resend the files and the cause of the failure.	If the cause of the failure was transitory then resend the files if the delay is within agreed to parameters. If a resend is likely to fail, the CSA should give a <i>no-go</i> decision.
Voucher authorization records do not transfer	Voucher authorizations can be resolved at a later date.	Go
New Processor error file from load shows many unexpected errors and rejections	Determine the cause and estimate time for correction.	Base decision on previously identified parameters.
Reconciliation of active demographic records fails.	If the new Processor shows more cases than the old Processor, determine if the counts were recorded with the same methodology (e.g. do both host systems count authorized records the same way). If the methodologies agree then determine if the new Processor received records other than from the old Processor (e.g. test cases or a file loaded earlier). If there are fewer records, determine if the load had errors that caused records to be rejected. Determine if the transmission of files completed normally.	If the cause for the discrepancy cannot be discovered but the benefits reconcile, the CSA should still consider a <i>no-go</i> decision. If there are large inconsistencies and the difference in benefits reaches the previously identified parameters, a <i>no-go</i> decision should be made. If the differences are negligible then the CSA should give a <i>go</i> decision.

Condition	Discussion	Go/No-Go
Database Conversion takes longer than projected time (based on trial runs) for completion.	If time is exceeded, a determination of the new duration should be estimated and the cause for delay found. Other jobs can be suspended until the main databases are operational and the system can begin authorizing transactions.	If the identified parameters are exceeded, a no-go decision should be made unless the CSA is ahead of schedule already.
New Processor shows fewer benefit dollars than old Processor.	Parameters for discrepancy and liabilities should be determined in advance.	If discrepancy exceeds the allowable error for the State a <i>no-go</i> decision is required.
New Processor shows more benefit dollars than old Processor.	This is an unusual condition and should be examined closely regardless of the amount. The new Processor should check to make sure its reports are not counting benefits twice. Parameters for discrepancy and liability should be determined in advance.	If cause for discrepancy cannot be determined and the parameters are exceeded, then a <i>no-go</i> decision should be made.

11.5.1.3.2 Continued Use of Existing EBT Cards

The NCS does not intend to replace current EBT cards that have been issued to cardholders prior to transition. The Contractor must have the ability to operate without the replacement of the existing card base or a disruption to cardholder benefit access and Services.

11.5.1.4 Transaction History Conversion

Contracting State Agencies will require the *new* Contractor to convert the existing on-line history of each CSA (refer to State Appendices for specific requirements). This process will continue to build onto the on-line history requirement defined in this RFP. The State Appendices will outline the number of days of on-line history that must be converted. Conversion must take place at least 60 calendar days after each State's Contract start date.

11.5.1.5 Future Transaction History Conversion

Upon termination of the contract, the Contractor must work with the future EBT Contractor to ensure a timely and accurate Conversion of the On-Line Transaction history. This is to be accomplished and completed free of charge to the State agency.

11.6 System Documentation Library

The Contractor must provide the NCS with a library of system documentation that includes the following documents and information in both electronic media and hard copy:

- A. Functional Design Document, including General System Flow Diagram(s);
- B. Detailed System Design Document;
- C. Business Continuation & Recovery Plan, including Escalation Procedures;
- D. Training Materials (optional);
- E. All SIVR/IVR/ARU application Scripts;
- F. Reports Manual;
- G. Settlement and Reconciliation Procedures Manual.
- H. Interface Design, including host-to-host record formats and batch file formats (included in Detailed System Design Document);
- I. Problem Reporting and Escalation Procedures (as part of Business and Continuation Plan);
- J. Disaster Services Plan;
- K. System Security Plan;
- L. System Operations Manual;
- M. Administrative Terminal Manual;
- N. EBT-Only Retailer Manual; and
- O. Project Management Reports.

The Contractor is responsible for maintaining and updating all system documentation and making the changes required to any of the documents listed above. The Contractor must provide updated documentation to the CSA's prior to implementing system and operational modifications into the production environment.

All manuals must include a table of contents, index and glossary of terms and acronyms.

11.6.1 Review Process for System Documentation Library

The Offeror must provide copies of the specified documentation to each of the CSA's as specified in each State's contract. All system documentation is subject to State and Federal review and approval. Draft copies of all documentation must be submitted to the NCS for review and comment. The Contractor must provide all required documentation, drafts and final versions, in Microsoft Office, Microsoft Project, or in other specified electronic media formats and software as specified by the NCS or CSA.

After incorporating State and Federal agency comments, the Contractor must provide the NCS with both a redlined version detailing all changes, and a final copy of documentation. The delivery of draft documents must allow sufficient time for State and Federal review by the specified due dates in Appendix K.

The NCS will coordinate the review of documentation, as appropriate, with other offices and agencies and provide comments to the Contractor. After the incorporation of the NCS comments, copies of the final draft documentation must be provided by the Contractor for follow up review and approval. The Contractor must provide final documentation following revision approval by the NCS. The Contractor must deliver the

draft documents to the NCS in sufficient time to allow for a comment period on the initial drafts, time for follow up review on the revisions and time to deliver the final documents by the due dates specified in the Contractor's work plan and required in the Contract Deliverable section, Appendix K, of this RFP.

11.6.2 Transition/Conversion Phase – Core Reports/Files/Inquiries

See the EBT Reporting Requirements Appendix Q for a complete listing and detail descriptions of the required core reports/files/inquiries. Specific details and data elements for all reports/files/inquiries will be determined by the CSA during the detail design phase.

11.6.3 Transition/Conversion Performance Standard

[Offerors are not required to provide a response to this section 11.6.3 in their Technical Proposal]

Refer to Section 12, Performance Standards.

11.7 Operations Phase

The Operations Phase for a CSA begins after all Transition/Conversion activities are completed for the CSA. Full-scale operations for each CSA will commence following each CSA Conversion. During the Operations Phase, the Contractor must continue ongoing communications with the CSA on EBT Services and operations. The Problem Escalation and Resolution process, as described below must be followed when disputes arise.

11.7.1 Ongoing Communication Requirements

States will require ongoing communications, which will include, but are not limited to, status reports and status meetings with the Contractor's project manager (and other project staff as needed). Frequency of such communications will be specified in each State Appendix.

The ongoing CSA communications required from the Contractor includes a monthly status report containing open and closed issues, periodic status meetings with the Contractor, and other NCS reports/meetings at the request of each NCS member. The Contractor must also provide advance notification of scheduled system Downtime to each CSA. The Contractor's assigned project manager will be the contact person for ongoing communications with each CSA for all EBT System and operational issues.

During the Operations Phase, the Contractor must maintain the documentation library, as described earlier in this section. The Contractor must provide updates to such documents as required by the NCS and responsible State agencies when any change are made to the system or processes that affect the information contained in the manuals or plans prior to implementing system and operational modifications into

production. This requirement applies to all documents and information referred to in this RFP.

11.7.2 Incident and Problem Management

Propose a formal process that addresses incident and problem management in the operational phase of the EBT System. Such processes are critical to the CSA and must ensure the integrity of the EBT System and minimize the risks of operational disruptions for each CSA, decrease repeat incidents, and restore normal operation as quickly as possible after an incident or problem has been detected and recorded.

11.7.2.1 Incident and Problem Management Plan

Subsequent to the acceptance of each State's EBT Detailed system Design Document (described in section 11.3.2) and extending throughout the term of the Contract, all incidents and problems must be communicated to each CSA, monitored and resolved through a formal written process that is included in the Offeror's proposed Incident and Problem Management Plan. At a minimum, the plan must address the Contractor's incident and problem management approach for the following, as described in this section:

- A. Incident and Problem Definition;
- B. Incident/Problem Notification and Recording;
- C. Operational Help Desk;
- D. Contractor Escalation Procedures;
- E. Incident and Problem Monitoring and Closure.

11.7.2.2 Incident and Problem Definition

Incidents are defined as an event that is not part of standard operation, which causes or may cause an interruption of, or the quality of, a service. The objective of Incident Management is to restore normal operations, with the least amount of impact, in a timely and cost effective manner.

Problems are defined as a condition that is identified as a result of an incident, or repeated incidents, that exhibit common symptoms. The objective of Problem Management is to minimize the impact of problems on service to the CSA, and remedy incidents permanently.

Describe the process that will be used, to deal with any incidents or problems, as defined above.

11.7.2.3 Incident and Problem Notification and Recording and Reporting

The Contractor must provide oral and written electronic notification to the CSA and FNS of any incidents, issues, or problems including, but not limited to, system

outages, or other emergency situations impacting client's access to benefits. Notification methods shall include, but are not be limited to, telephone, text and email. This oral and written notification must be made as soon as reasonably possible after Contractor management is aware of, or should have reasonably been aware of the incident, issue or problem, not to exceed 15 minutes. Problem notification must provide immediate and open communication between the Contractor and the individual CSA personnel to allow for maximum CSA involvement in the planning, execution, and evaluation of any action(s) taken. The Contractor shall provide a followup to the CSA and FNS within four hours of the incident and provide any updated information. This will allow the CSA to communicate any special instructions to local agencies, or vendors. The Contractor shall continue communications with the CSA every 24 hours until the incident is resolved. In the event the incident negatively impacts client access to benefits, such as a system outage or transaction processing degradation, the Contractor shall provide hourly updates to the CSA.

Within one Business Day, the Contractor must provide a written impact statement, which must include date and time of discovery, manner of discovery, nature of the incident or problem, affected service across the NCS member states, category and severity of the system disruption, responsible individual in charge of resolving the problem(s), and next steps identified to cure the problem(s) in the most immediate fashion to minimize any continued system disruption of Services.

Incident or problem investigation must be followed up within a reasonable amount of time, but in no instance more than five Business Days from the initial Impact Statement, with a final written resolution report, including specific information documenting the nature of the problem and event triggers, the necessary actions/steps to resolve/correct the problem; estimated timeframes for implementation of the resolution; and the lead Contractor personnel responsible for assuring resolution of the problem.

The Contractor must maintain a detailed Knowledge Database of all incidents, issues and problems including a complete history from initial notification to closure. The Contractor must provide monthly report of all the described history maintained in the Knowledge Database to the CSA for review. Details of the reporting will be defined during detail design discussions.

Events or problems identified by the CSA must also adhere to the aforementioned standards and must be addressed by the Contractor with the same expectations specified above.

11.7.2.4 Technical Help Desk

The Contractor must provide a technical support contacts for the NCS that will be available 24 hours per day, seven days per week. In addition, the Contractor must be able to support email requests from State staff for operational support.

11.7.2.5 Contractor Internal Escalation Procedures

Include the following in the Proposal:

- A. Describe the proposed incident and problem escalation and resolution process, including corporate and organizational policies related to executive oversight and corporate involvement;
- B. Identify at what level(s) of the problem escalation process the CSA can anticipate corporate involvement, and the type and level of that involvement and support. The process must provide for early and open communications between the Contractor and individual CSA personnel to allow for maximum involvement in the planning, execution and evaluation of any action(s) taken;
- C. Describe how your organization has used the process to define, and effectively escalate and resolve problems for a customer(s) with a similar scope of Services as contemplated by this RFP;
- D. Describe the incident and escalation process from notification to resolution.

11.7.2.6 Incident and Problem Monitoring and Closure

Include the following in the Proposal:

- A. A proposed mechanism for timely and effective monitoring of incidents and problems;
- B. The criteria and process for closing incidents and problems.

11.7.3 Operational Change/Disruption Process

Prior written approval of the CSA is required for all changes in Subcontractors and for all subcontracts. When proposing to add, to replace, or to assume the responsibilities of an existing Subcontractor or vendor during the Contract Period, the Contractor must notify the CSA of its intent to add or replace a subcontract. Such notification must include justification for the change, provide the proposed Subcontractor's qualifications and experience, and provide Transition work plans outlining the timeline, activities and dependencies that ensure that such action will not jeopardize or impact the operations or Services of the NCS or CSA. Such Transition work plans are subject to the review and approval of the CSA or NCS, as applicable. No contractor costs or expenditures related to expenditures or obligations paid or owing to unapproved subcontracts may be asserted as damages or otherwise presented for payment in any proceeding or discussion involving the Contractor and the CSA.

The Contractor will work with the CSA to define any potential operational disruption if the prime contractor elects to terminate or change their agreements with any Subcontractor or vendor. Operational disruptions may include, but are not limited to:

- A. EBT Gateway;
- B. Retailer management;
- C. Cardholder/Retailer Customer Service;

- D. Training;
- E. System operations;
- F. Host processing; and
- G. Network/Settlement processing.

11.8 Change and Release Management

Propose a formal process that addresses change and release management in the operational phase of the EBT baseline system. Such a process is critical to the NCS and must ensure the integrity of the EBT System and minimize the risks of operational disruptions for each CSA.

11.8.1 Change and Release Management Plan

Subsequent to the acceptance of each State's EBT Detail System Design Document (described in section 11.3.2) and extending throughout the term of the Contract, all Contractor-initiated design changes, corrective actions, or system enhancements must be communicated to the CSA through a formal written process that is included in the Offeror's proposed Change and Release Management Plan. At a minimum, the plan must address the Contractor's change management approach for the following, as described in this section:

- A. Design Issues;
- B. Remedial Changes;
- C. Conforming Changes;
- D. Enhancing Changes;
- E. Parameter or Reference Table Changes; and
- F. Procedures for changes and updates to design documents and manuals.

In addition, the Change and Release Management plan must include the Offeror's formal policy for release and distribution of software. The Release Policy must include, but is not limited to, the following:

- A. Quality assurance practices for testing of new releases;
- B. Method for tracking changes of code and versions;
- C. Version numbering schema;
- D. Frequency of release by type and release type definitions;
- E. How emergency releases are handled;
- F. Method of securing master copies of all software;
- G. Name of person(s) responsible for release management.

A draft plan should be submitted in the technical section of the Offeror's Proposal. The Contractor must submit an updated draft of the Change and Release Management Plan no later than 30 calendar days after each CSA's Contract start date and a final 90 calendar days after each CSA's Contract start date. The Contractor must maintain and update as required all documents included in the System Documentation Library delivered during the Design, Development, Transition/Conversion, and Operations phases, to reflect any and all changes from the established baseline system.

11.9 Change Management

The NCS requires the Contractor to address the following elements in its change management procedures.

11.9.1 Design Issues

Design issues are questions or concerns that arise before the program/system baseline design is frozen, are a part of the development process, and are addressed and resolved prior to finalizing the system design. The resolution of these issues must be incorporated in program specifications, in procedures for EBT participants (e.g., Authorized Retailers, providers, financial institutions, local and State offices), and in general and detailed system specifications.

11.9.1.1 System Baseline

The system baseline will be established upon acceptance of the Conversion and approval of all design, development and Transition phase deliverables.

After the initial system baseline is established, any modifications to the system design or functionality will be defined as a change and will be documented, tracked, and managed in accordance with the approved Change and Release Management Plan. As the operational phase proceeds, the definition of the baseline system will expand to include: the finalized work plan, general and detailed system design documents, training and disaster plans, and other approved/accepted Contractor deliverables. The baseline definition will continue to expand to include system testing results, reports, implementation plans, Transition plans and documentation.

11.9.1.2 Changes to the System Baseline

Contractor-initiated or CSA-initiated changes seeking to modify the baseline system, procedures, documentation, or application programs including requests to alter, add or modify functionality, after the system design baseline has been determined, shall follow the following procedure.

All changes are categorized as either remedial, conforming, enhancing, or parameter/reference table changes. The definition for each type of change is provided below. The Contractor must work with the CSA to ensure that sufficient

testing is conducted to ensure that no changes will negatively impact the EBT System functionality or the interface with the CSA's eligibility system and that changes do not unintentionally impact, at a minimum, State functionalities, file formats, screens, reporting, or performance. All changes must be fully tested and approved by the applicable NCS member(s) before being put into production.

11.9.2 Remedial Changes

Remedial changes are defined as changes needed to make the system perform or function in the way it was designed and must not result in additional costs to the CSA. Either the CSA or the Contractor may identify the need for a remedial change and each party must give the other immediate notification of such need for remedial changes. The Contractor must provide immediate oral and written electronic notification which must be followed up with written documentation within five calendar days of the initial notice or sooner if required by the CSA. Remedial changes must be tested and implemented as soon as possible or on a schedule to be approved by the CSA.

11.9.3 Federal Conforming Changes

A Federal Conforming Change(s) means any modification to the EBT System necessary to meet requirements that result from Federal law, policy, program, or regulation changes, and changes to the Quest Operating Rules, or other applicable Network rules. **The Contractor must provide Federal Conforming Changes at no additional cost to the CSA.** Accordingly, any anticipated cost for Federal Conforming Changes must be included in a Bidder's Cost Proposal, as the Contractor will NOT be allowed to seek a Change Order cost increase due to a Federal Conforming Change. The CSA will initiate a Federal Conforming Change.

The Contractor shall make best efforts to effectuate a Federal Conforming Change including incorporating the change in work plans, allocating resources as appropriate, and provide ongoing status reports. The CSA will monitor implementation of the approved Federal Conforming Change and conduct Acceptance Testing as necessary prior to accepting the change.

11.9.4 Enhancing Changes

Enhancing changes are defined as changes that are not Remedial or Federal Conforming Changes. These include, but are not limited to, changes that will enhance performance, provide new functionality; provide conformity to changes in State or local law, regulations, or policies (not required by the Federal government); improve cost-effectiveness; enhance efficiency and ongoing operation; or improve program maintenance.

System enhancements or other system changes developed by the Contractor for any State, both within and outside the NCS, determined to be advantageous to the CSA must be extended to the CSA at no additional development cost. Describe in the Technical Proposal, the approach for providing the NCS with information on a quarterly

basis concerning EBT System changes and enhancements implemented by the Contractor in other States, both within and outside the NCS.

11.9.5 Parameter or Reference Table Changes for Core Services

The NCS requires that parameter or reference table changes requested by a CSA be included as part of the Cost Per Case-Month fees. A parameter change or reference table change includes, but is not limited to, the addition and/or modification of Local District Office information; Program Type; Benefit Types; Aging Criteria; or any other change that accounts for less than five hours of billable time resulting from an individual Change Order.

11.9.6 CSA – Change Request Process

Change requests initiated by the CSA requesting Conforming or Enhancing changes will be initiated through a Change Request Form. The CSA's EBT Program Director will forward a signed Change Request Form to the Contractor's designee for analysis of the request for potential impacts on existing system processes, other schedule changes, resources, hours, and applicable costs.

The Contractor will return the Change Request Form and the results of the analysis to the CSA's EBT Program Director within 14 calendar days of receipt. The Contractor must provide the CSA with a proposed development and implementation schedule for completing the change. Contractor responses to CSA-initiated change requests must include a price quote utilizing the change request pricing for personal services as submitted by the Contractor in response to this RFP (in accordance with each CSA's payment provisions) for the requested change, including the number of hours required to perform the request. However, should such changes result in a reduction in the Contractor's responsibilities/efforts in providing Services a like reduction in pricing will be negotiated in good faith based upon an equal sharing of Contract related savings.

If the CSA chooses to formally approve the change, the Change Request Form will be signed and dated by the CSA's EBT Program Director and forwarded to the Contractor. The Contractor shall not begin work on a CSA-initiated Change Request until written approval is received from the responsible CSA. The Contractor must provide a final development and implementation schedule within 14 days of receipt of the approved Change Request and must include specific dates for development and implementation consistent with the schedule being proposed.

If there are any disputes regarding any of the information or pricing provided on the Change Request Form, the dispute resolution process, as defined in each CSA's contract, must be used. The Contractor must proceed with development and implementation of Conforming or Enhancing changes simultaneous with the dispute resolution.

Upon written approval of the change, the Contractor must include the change in work plans, allocate resources as appropriate, and will provide ongoing status reports, as part of the regular status report, with hour and cost accounting (if any) to the CSA. Until such

time as the change has been completed and accepted by the CSA, the CSA will monitor implementation of the approved changes through scheduled status reports and information provided by the Contractor to the CSA as required by the Release Management provisions below.

11.9.7 Changes Initiated by the Contractor

The Contractor must provide the CSA with written, advance notification of all self-initiated, non-remedial changes to the EBT System, including Gateway Services. The written notification must include, at a minimum, known or anticipated impacts the changes will have on the State's functionality, file formats, screens, reporting, performance, and any costs or cost savings to the CSA. The Contractor must coordinate all non-remedial changes to the system with the NCS. Non-remedial changes must be implemented at a time agreed upon with the CSA, so that the availability and participation of State program and technical staff can be assured. All Contractor-initiated changes are subject to the prior written approval of the CSA. Upon such approval, the Contractor will provide the CSA requesting the change with a proposed development and implementation schedule for completing the change, including the number of hours required to perform the request.

11.9.8 Updates to Manuals

As specified by the CSA, and *prior* to implementing system and operational modifications into production, the Contractor must provide drafts to the CSA of all applicable manual sections/pages requiring update.

11.10 Release Management

The Contractor must manage software releases in a manner that ensures high-quality products with minimal deficiencies. The Contractor must provide releases no less than on a monthly basis or as otherwise designated and agreed to by the CSA.

Each year within the first quarter and thereafter, the Contractor must provide an Annual Release Plan projecting the following:

- A. Frequency of releases by type (Delta or Package, see below);
- B. Migration schedule (for example, migrate Package releases into production monthly on the first Tuesday); and
- C. Contractor down times, including Continuity of Business testing and code freezes.

At the time a newly modified software version is delivered for testing by the CSA, the Contractor must provide documentation to the CSA that the Contractor has modified the correct software version. This applies to all changes, regardless of type, or whether initiated by the Contractor or the CSA. The Contractor must deliver software to the CSA in accordance with the Contractor's Release Management Policy and accompanied by a Release Impact Statement.

11.10.1 Release Impact Statement

For every release the Contractor must provide a Release Impact Statement that includes the Program release number; the Program release date to baseline; and date of Program release on the production environment. The Impact statement must also include back-out plans for the release; updated reference materials and user manuals; new version(s) of software distribution instructions, if applicable; and expectations and responsibilities of the CSA during the planning and rollout of new releases.

For each individual change within a Release, the Contractor must include the following in the Release Impact Statement:

- A. Program name;
- B. Contact person;
- C. Type of change, including individual change #;
- D. Brief description;
- E. Interdependencies or impacts on other programs;
- F. Detailed description of the change;
- G. Date and time of release;
- H. Anticipated Downtime and release duration; and
- I. Any applicable costs or cost savings associated with the Release.

11.10.2 Release Types

The CSA expects releases will generally fall into one of two categories, as described below. However, the Offeror may propose a comparable classification methodology.

11.10.2.1 Delta (Minor or Partial) Release

A delta, minor, or partial release is one that includes only those items or modules within the release unit that have actually changed or are new since the last package or delta release. This type of release contains a limited and measurable number of changes. Generally, these are minor changes to code and do not require extensive testing.

11.10.2.2 Package (Major or Full) Release

A package release involves a more substantial change to the software and may, in fact, be several minor releases combined. A major release would entail changes that involve more than one module or unit of code that have interdependencies. Generally, this type of release requires extensive unit testing as well as complete regression testing. For example, changes to one program or suite will often require changes to be made to others. If all these changes have to be made at the same time, they should be included in the same package release.

11.10.2.3 Authorized Releases

Contractor must release into production only versions authorized by the CSA, and that conform to the Contractor's established migration policy. The Contractor must obtain prior written authorization from the CSA EBT Program Director or his/her designee.

11.10.2.4 Release Security

Master copies of all software must be kept in a secure compound in which the definitive authorized versions of all software are stored and protected. A secure compound is one or more software libraries or file-storage areas that are separate from development, test, or live file-store areas.

11.11 System Change Testing

The Contractor shall provide life cycle testing Services for the duration of the contract. Specifically, as dictated by the CSA, the Contractor provider shall participate in or provide:

- A. Connectivity Testing
- B. Interface Testing
- C. User Acceptance Testing (State and Federal Acceptance Testing)
- D. Performance Testing.
- E. IVR Testing and/or Participant and Client Web Portal Testing
- F. Contingency Testing
- G. Security Testing, to be conducted to CSA security standards.

12. Performance Standards

Contractor's EBT System must meet the performance and technical standards set forth in this RFP and in USDA FNS Regulations, specifically 7 CFR 274.8, which includes system processing speeds, system availability and reliability, system security, system ease-of-use, minimum card and terminal requirements, performance bonding, and a minimum transaction set, which are hereby fully incorporated herein by reference (the "Performance Standards"). In addition, RFP Section 12.4 below sets forth certain Performance Standards which have associated liquidated damages, which may be imposed by an NCS State for failure to meet a Performance Standard. Each NCS member State may include additional Performance Standards, and associated liquidated damages, in their individual State Contract.

12.1 Reporting of Performance Standards

With the submission of each monthly invoice, the Contractor must include a consolidated report identifying each Performance Standard set forth in Section 12.4 and associated service level achieved, for each calendar month during the Agreement (the "Compliance Report"). Every

Compliance Report must provide in detail the actual measures of performance for each specific Performance Standard in Section 12.4. For example, if the standard requires daily or weekly conformity, then the report will detail actual daily or weekly performance measures.

The Compliance Report must compute the amount of the liquidated damages for each State in which the Contractor failed to meet a Performance Standard in RFP Section 12.4, which the CSA may, in its sole discretion, deduct from the Contractor's monthly invoice pursuant to Section 12.2 below.

In the event a monthly invoice fails to include a Compliance Report for the given month, then a CSA may deem the invoice to be incomplete, resulting in non-payment, without interest accrual, until a satisfactory Compliance Report is submitted to the CSA.

12.2 Liquidated Damages and Corrective Action Plan

If the Contractor fails to achieve a Performance Standard set forth in RFP section 12.4, as measured by either Contractor's Compliance Report or the result of CSA monitoring, then a CSA in its sole discretion may:

- A. assess liquidated damages as described in section 12.4 below, and/or
- B. require the Contractor develop and implement a Corrective Action Plan (CAP) addressing such failure. If the CSA allows the Contractor to develop and implement a CAP, then the CAP must be delivered to the CSA within five Business Days of a written request thereof. If the Contractor fails to deliver the CAP within five Business Days of request, then CSA may instead assess appropriate liquidated damages as described in section 12.4 below.

In the event that Contractor fails to satisfactorily perform a service not included in Section 12.4, then the CSA may withhold a commercially reasonable amount of funds until the CSA determines that such failure has been adequately cured by the Contractor. Such withholding of funds may only occur after the CSA notifies the Contractor in writing of such a failure and the Contractor fails to materially cure such failure within 10 Business Days of receipt of notification of such failure. In the event the CSA determines that such failure is not materially cured within such 10-Business Day period, then the CSA may withhold a commercially reasonable amount of funds until the failure is so cured. The amount of money so withheld by a CSA shall represent the reasonable value of such failure, but in no event will such value exceed \$100,000.00 or the full monthly voucher amount, whichever is less. The CSA shall pay the Contractor any withheld funds when it deems that the associated failure has been materially cured.

12.3 Calculation of Liquidated Damages

Each CSA may assess the following liquidated damages as a credit against a Contractor invoice for failure to meet the following Performance Standards. These liquidated damages are not a penalty but shall be in lieu of certain other remedies and may be deducted from payments due or to become due to Contractor and may be assessed against Contractor's letter of credit or performance bond.

In no event will the Contractor be obligated to pay liquidated damages in excess of the Contractor's total monthly invoice for all Services.

12.4 Performance Standards/Benchmark Threshold Measurement/Liquidated Damages

Please see the chart below.

Host and Transaction Processing, Communications Facilities, and Hot Backup				
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations	
1	<p>% of Availability (Uptime):</p> <p>1(a) EBT System Availability (Uptime): 24 hours a day, seven days a week, 365 days a year, except for scheduled Downtime, measured per month, including for EBT Processor, Transaction Switch, and EBT Third Party Processors.</p>	<ul style="list-style-type: none"> • 99.9% • Monthly 	<p>Transaction Processing Platform Uptime Availability Achieved</p> <p>More than 99.7% but less than 99.9%</p> <p>More than 99.5% but less than 99.7%</p> <p>More than 99.3% but less than 99.5%</p> <p>More than 99% but less than 99.3%</p> <p>More than 98% but less than 99%</p> <p>Less than 98%</p>	<p>Damages Due per Month</p> <p>\$1,000.00 or 1% of monthly voucher, whichever is greater</p> <p>\$2,000.00 or 2% of monthly voucher, whichever is greater</p> <p>\$3,000.00 or 3% of monthly voucher, whichever is greater</p> <p>\$5,000.00 or 5% of monthly voucher, whichever is greater</p> <p>\$7,500.00 or 10% of monthly voucher, whichever is greater</p> <p>\$10,000.00 or 25% of monthly voucher, whichever is greater</p>

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	1(b) Client Web Portal Availability (Uptime): 24 hours a day, seven days a week, 365 days a year, except for scheduled Downtime.	<ul style="list-style-type: none"> • 99.9% • Daily 	<ul style="list-style-type: none"> • \$2,500 for failure to meet the standard and an additional \$2,500 for each whole % point below standard (e.g., a fine of \$2,500 would be imposed for an uptime of 99.8% and a fine of \$5,000 would be imposed for an uptime of 98.8%).
	1(c) Client Mobile Application Availability (Uptime): 24 hours a day, seven days a week, 365 days a year, except for scheduled Downtime.	<ul style="list-style-type: none"> • 99.9% • Daily 	<ul style="list-style-type: none"> • \$2,500 for failure to meet the standard and an additional \$2,500 for each whole % point below standard (e.g., a fine of \$2,500 would be imposed for an uptime of 99.8% and a fine of \$5,000 would be imposed for an uptime of 98.8%).
	1(d) SOAP Communication Availability (Uptime): 24 hours a day, seven days a week, 365 days a year, except for scheduled Downtime. Currently this communication protocol is specific to NYS and Massachusetts and liquidated damages stated herein are applicable. During the Contract Term other CSAs may choose to develop and implement this technology at which time liquidated damages may be assessed should the Contractor fail to meet the benchmark once the CSA's ability to support this	<ul style="list-style-type: none"> • 99.9% • Daily 	<ul style="list-style-type: none"> • \$2,500 for failure to meet the standard and an additional \$2,500 for each whole % point below the standard (e.g., a fine of \$2,500 would be imposed for an uptime of 99.8% and a fine of \$5,000 would be imposed for an uptime of 98.8%).

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	communication has been developed and implemented on the System Baseline.		
	1(e) EBT Administrative System Availability (Uptime): 24 hours a day, seven days a week, 365 days a year, except for scheduled Downtime.	<ul style="list-style-type: none"> • 99.9 % • Daily 	<ul style="list-style-type: none"> • \$2,500 for failure to meet the standard and an additional \$2,500 for each whole % point below standard (e.g., a fine of \$2,500 would be imposed for an uptime of 99.8% and a fine of \$5,000 would be imposed for an uptime of 98.8%).
	1(f) Data Warehouse Availability (Uptime): 24 hours a day, seven days a week, 365 days a year, except for scheduled Downtime.	<ul style="list-style-type: none"> • 100 % • Daily 	<ul style="list-style-type: none"> • \$2,000 per day that the data warehouse is unavailable less than 100% of the time.
	1(g) Data Warehouse Availability - Data is current	<ul style="list-style-type: none"> • 100 % • Daily 	<ul style="list-style-type: none"> • \$2,000.00 per day that data is not fully updated within 36 hours or data for earlier time period is not available.
	1(h) Data Warehouse Availability - Data is accurate	<ul style="list-style-type: none"> • 100 % • Daily 	<ul style="list-style-type: none"> • \$2,000.00 per day that data is inaccurate - i.e. data does not match data in the EBT System.
2	2(a) EBT POS Transactions via Leased Lines:	<ul style="list-style-type: none"> • 98% executed within 10 seconds 	<ul style="list-style-type: none"> • \$2,500 for each whole % point below standard.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	% of System Transactions Executed Within Response Time Threshold	<ul style="list-style-type: none"> • 100% executed within 15 seconds • Monthly 	
	2(b) EBT POS Transactions via Dial Up Systems:	<ul style="list-style-type: none"> • 95% executed with 15 seconds • 100% executed within 20 seconds • Monthly 	<ul style="list-style-type: none"> • \$2,500 for failure to meet the standard and an additional \$2,500 for each whole % point below standard.
	2(c) EBT Administrative Functionality Transactions These transactions include, but are not limited to posting of a benefit, account set up records, and account repayment.	<ul style="list-style-type: none"> • 99% processed within two seconds • Monthly 	<ul style="list-style-type: none"> • \$5,000 for failure to meet the standard and an additional \$5,000 for each whole % point below standard.
	2(d) EBT Cardholder Web or IVR Transactions: Includes any transaction initiated via the Cardholder web portal or IVR.	<ul style="list-style-type: none"> • 99% executed within three seconds • Monthly 	<ul style="list-style-type: none"> • \$5,000 for failure to meet the standard and an additional \$5,000 for each whole % point below standard.
	2(e) SOAP Record Communication Transmission Rate Number: No less than 1500 records, incoming and outgoing, transferred per hour or maximum records sent. Currently this communication protocol is specific to NYS and	<ul style="list-style-type: none"> • Processes 99% • Monthly 	<ul style="list-style-type: none"> • \$5,000 for failure to meet the standard and an additional \$5,000 for each whole % point below the hourly standard.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	Massachusetts and liquidated damages stated herein are applicable. During the Contract Term other CSAs may choose to develop and implement this technology at which time liquidated damages may be assessed should the Contractor fail to meet the benchmark once the CSA's ability to support this communication has been developed and implemented on the System Baseline.		
	2(f) Incoming SOAP Communication: Records received via SOAP communication This communication protocol is specific to NYS and Massachusetts. At state option, each CSA may choose to develop and implement this technology during the Contract Term. Liquidated Damages may be assessed upon the Contractor's failure to meet the benchmark once the CSA's ability to support this communication has been developed and implemented on the System Baseline.	<ul style="list-style-type: none"> • 99% of records are processed within three seconds of receipt • Monthly 	<ul style="list-style-type: none"> • \$5,000 for failure to meet the standard and an additional \$5,000 for each whole % point per day below standard.
	2(g) Data File Processing: All data file records, including but not limited to Benefit Files and CBIC Batch Update Files received via FTP, SFTP or any other means.	<ul style="list-style-type: none"> • 99% of files are processed within one hour of receipt • Monthly 	<ul style="list-style-type: none"> • \$5,000 for failure to meet the standard and an additional \$5,000 for each whole % point below standard.
	2(h) Data File Processing – Benefit Availability	<ul style="list-style-type: none"> • 100% • Daily 	<ul style="list-style-type: none"> • \$10.00 per benefit not available.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	Benefits are posted and available in cardholder accounts by scheduled benefit available date and time.		
3	Transactions Accuracy 3(a) Inaccurate EBT Financial Transactions: This includes any transactions made directly by the Contractor and any of its sub-contractors acquiring Networks. For example, transactions incorrectly (or erroneously) denied, funds drawn from an incorrect account; overdraws of benefit accounts; incorrect debits and credits, including Adjustments and Reversals; failure to apply requested benefit cancelations; and/or incorrect postings of benefits to Cardholder EBT Accounts.	<ul style="list-style-type: none"> No more than 2 inaccurate transactions for every 10,000 EBT transactions processed. 	<ul style="list-style-type: none"> \$50.00 for each inaccurate EBT Transaction.
	3(b) Inaccurate EBT Transactions processed via the IVR or Client Web Portal.	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> \$50.00 for each inaccurate EBT Transaction

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
4	Data Files and Reports Accuracy and Transmission 4(a) Data File Transmission: Data files are sent according to the daily/ monthly schedule as defined in this RFP.	<ul style="list-style-type: none"> 100% of data files are sent within one hour. 	<ul style="list-style-type: none"> \$500 per file per Business Day for each file that fails to meet this Performance Standard, up to five thousand dollars (\$5,000) per Business Day.
	4(b) Data File Transmission Accuracy: Data files are accurately formatted and data is accurate.	<ul style="list-style-type: none"> 100% of data files are accurate. 	<ul style="list-style-type: none"> \$500 per file per Business Day for each file that fails to meet this Performance Standard, up to five thousand dollars (\$5,000) per Business Day.
	4(c) Report Transmission: Reports are sent according to the daily/ monthly schedule as defined in Appendix Q and this RFP.	<ul style="list-style-type: none"> 99.9% of reports are sent within one hour of the defined deliverable. 	<ul style="list-style-type: none"> \$200 for each report per Business Day for each Report that fails to meet this Performance Standard, up to five thousand dollars (\$5,000) per Business Day.
	4(d) Report Accuracy: Reports are accurately formatted and data is accurate.	<ul style="list-style-type: none"> 99.9% of reports are accurate. 	<ul style="list-style-type: none"> \$200 for each report per Business Day for each Report that fails to meet this Performance Standard, up to five thousand dollars (\$5,000) per Business Day.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	<p>4 e.) File Accuracy: Timely FNS file transmissions of ALERT, AMA, and STARS in accordance to Appendix Q of the RFP.</p>	<ul style="list-style-type: none"> • 100% of data files are accurate. • Daily/Monthly 	<ul style="list-style-type: none"> • \$1,000 per instance for files that are delayed more than two days. • An additional \$1,000 for each additional day after the first two days the files are delayed. • \$1,000 each time the “ALERT” file is entirely rejected by FNS. This also applies when the “ALERT” file is entirely rejected multiple times in a month/day exceeding the permitted number of file rejections.
5	<p>Cards and PINS</p> <p>5(a) Mailed Card Turn Around Time: Mailed EBT cards, electronic payment cards, and non-financial cards are produced and mailed within two Business Days. The calendar date of receipt of the data by the Contractor will be considered day zero. Following day zero, the first Business Day will be considered Day 1. Day 2 will be the first business day following day one. Cards will be measured as delayed if produced and/or mailed on Day 3 or greater.</p>	<ul style="list-style-type: none"> • 100% of cards produced and mailed within two Business Days. 	<ul style="list-style-type: none"> • Cards produced and/or mailed on day 3 and any subsequent delayed days, the CSA will not be charged for those cards and corresponding postage. • Cards produced and/or mailed on or after day three, an additional charge will be calculated as the total card cost times the number of cards times the number of days delayed.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
			Example: 5,000 cards delayed for three days will be assessed at the rate of the cost of one card x 5,000 x 3. The cost per card in place within the Contract cycle will be used to determine the damages.
	5(b) OTC Card Turnaround Time: OTC cards are produced within one hour from a client arriving at the CSA designated site.	<ul style="list-style-type: none"> • 99% of cards produced within one hour • Daily 	<ul style="list-style-type: none"> • \$300 for failure to meet the standard and an additional \$300 for each whole % point below standard for each day of the month in which the standard is not met.
	5(c) Card Standards: Cards meet ISO standards as defined in this RFP.	<ul style="list-style-type: none"> • 100% ISO compliance 	<ul style="list-style-type: none"> • \$10 multiplied by the number of non-compliant cards.
	5(d) PIN Mailer Turnaround Time: PIN Mailers are produced and mailed within one Business Day after the card is mailed.	<ul style="list-style-type: none"> • 100% of PIN Mailers produced and mailed within one Business Day. 	<ul style="list-style-type: none"> • PIN mailers produced and mailed on the 2nd business or later, the CSA will not be charged for those PIN mailers and corresponding postage.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	5(e) PIN Mailer Accuracy: PIN Mailers are accurately formatted and the data contained within the PIN Mailer is accurate.	<ul style="list-style-type: none"> 100% of PIN Mailers are accurate. 	<ul style="list-style-type: none"> \$5 for each inaccurate PIN mailer. Additionally, CSA will not be charged for inaccurate PIN mailers and corresponding postage.
	5(f) PIN Selection Device Availability: PIN selection devices will be available and working as defined in this RFP.	<ul style="list-style-type: none"> 100% of PIN Selection Uptime Daily 	<ul style="list-style-type: none"> Once Contractor has been notified of PIN device unavailability/failure, \$500 for each PIN machine per subsequent Business Day device remains unavailable or device not delivered to requested location by close of the next Business Day.
	5(g) PIN Selection Transaction Processing: Timing begins upon entry of client PIN for processing.	<ul style="list-style-type: none"> 98% executed within 45 seconds or less Monthly 	<ul style="list-style-type: none"> \$2,500 for failure to meet the standard and an additional \$2,500 for each whole % point below standard.
	5(h) Bulk Shipment Card Turnaround Time – Vermont Only: Cards are delivered with State Time Frame. VT=10 days, No other states	<ul style="list-style-type: none"> 100% on time card delivery 	<ul style="list-style-type: none"> \$1,000 for each Business Day a bulk shipment is late.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
		<ul style="list-style-type: none"> • Monthly 	
	<p>5(i) Cardholder – Card deactivation Card must be immediately deactivated upon request by the Cardholder to the CSR and/or when the Cardholder reports to the CSR that their card is lost or stolen but doesn't specifically request the card be deactivated.</p>	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • \$2,000.00 for each instance when a card is not statused by the CSR and the benefits on the card are subsequently used plus the value of those benefits used subsequent to the reporting of the card being lost or stolen.
6	<p>Direct Deposit and Direct Deposit Returns</p> <p>6(a) Direct Deposit and Direct Deposit Accuracy: Direct Deposits and Direct Deposit Returns are accurate and formatted and data is accurate.</p>	<ul style="list-style-type: none"> • 100% of direct deposits and returns are accurate • Monthly 	<ul style="list-style-type: none"> • \$5,000 for each whole % point below standard.
	<p>6(b) Direct Deposit and Direct Deposit Timeliness: Direct Deposits and Direct Deposit Returns are processed in the time as specified Section 5.2.1.</p>	<ul style="list-style-type: none"> • 100% of direct deposits and returns are on time • Monthly 	<ul style="list-style-type: none"> • \$5,000 for each whole % point below standard.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
7	<p>Settlement and Reconciliation</p> <p>7(a) SNAP: EBT Contractor must provide credits to the financial institution holding the accounts for Retailers or Third-Party Processors within two Business Days of the daily cutover period for Retailer Settlements in accordance with Federal regulations and AMA and ASAP standards.</p>	<ul style="list-style-type: none"> • 100% compliance with regulations and standards • Monthly 	<ul style="list-style-type: none"> • \$1,000 per occurrence beyond the measured cutover Settlement. • Additionally, Contractor is liable for the value of benefits incorrectly applied and any bank costs, charges, or damages that government or Retailers may accrue from missed or incorrect Settlement processing.
	<p>7(b) Cash: EBT Contractor must provide credits to the financial institution holding the accounts for Retailers or Third-Party Processors according to applicable Network rules and QUEST Operating Rules.</p>	<ul style="list-style-type: none"> • 100% compliance with regulations and standards • Monthly 	<ul style="list-style-type: none"> • \$1,000 per occurrence beyond the applicable Network or QUEST Settlement rules. • Additionally, Contractor is liable for the value of benefits incorrectly applied and any bank costs, charges, or damages that government or Retailers may accrue from missed or incorrect Settlement processing.
8	<p>Disaster Preparation and Contingency Planning</p> <p>8(a) Continuation of Business (COB) Testing: COB test conducted annually on mutually agreed upon date.</p>	<ul style="list-style-type: none"> • COB is conducted on annual 	<ul style="list-style-type: none"> • \$2,500 per month delayed from scheduled date.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
		scheduled date.	
	8(b) Continuation of Business (COB) Reporting: Complete COB reporting as described in this RFP.	<ul style="list-style-type: none"> Received within 30 days of completion of COB test. 	<ul style="list-style-type: none"> \$2,500 per month if delayed beyond the 30 days of completion.
	8(c) Continuation of Business (COB) Accuracy: COB is conducted as specified in this RFP with no unexpected disruptions to normal EBT processing.	<ul style="list-style-type: none"> 100% Accuracy (0 incidents) 	<ul style="list-style-type: none"> \$5,000 per incident. Any actual damages in excess of the liquidated damages cited by the CSA as a result of the failure of the COB or unexpected incidents as a result of the COB, including, but not limited to, additional costs incurred by the CSA.
9	Transition/Conversion Plan 9(a) Transition/Conversion Timeliness: Contractor must assume EBT processing according to the schedule determined in this RFP and as noted during contract negotiations. The ensuing EBT Contractor must prepare a Transition and Conversion Plan that complies with the FNS EBT System Transition Guide, Version 2.0, June 6, 2005 or the most recent version issued by FNS.Upon	<ul style="list-style-type: none"> 100% of deadlines daily/ weekly during Conversion in 	<ul style="list-style-type: none"> \$500 per day times the number of days delayed for each individual deliverable described in the plan. Additionally, Contractor will be liable for any actual damages in excess of the liquidated

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	termination of the contract, the Contractor must cooperate with the future EBT Contractor to ensure a timely and accurate Conversion of a the On-Line Transaction history.	accordance to the plan.	damages cited above incurred by the CSA as a result of the failure by the Offeror to convert the EBT Systems and processing by the scheduled Conversion date, including, but not limited to, additional costs for the continuation of EBT Services.
	9(b) Transition/ Conversion Plan Accuracy: Contractor must accurately Transition and convert EBT data and processes as defined in the RFP.	<ul style="list-style-type: none"> • 100% (0 incidents) • daily/ weekly during Transition/ Conversion 	<ul style="list-style-type: none"> • \$2,500 per incident. • Additionally, Contractor will be liable for all actual damages in excess of the liquidated damages cited above incurred by the CSA as a result of the incident.
10	Retailer Management, Customer Service and Training	<ul style="list-style-type: none"> • 98.5% within 20 seconds • Monthly 	<ul style="list-style-type: none"> • 1% for failure to meet the standard and an additional \$5,000 for of the total EBT monthly billing.
	10(a) Answer Timeliness: Cardholder and Retailer calls answered by live operator or automated system as defined in this RFP.	<ul style="list-style-type: none"> • 100% within five seconds • Monthly 	<ul style="list-style-type: none"> • For each whole % point below the standard,1% of the total EBT monthly billing.
	10(b) IVR Calls Answered: Cardholder and Retailer calls answered by IVR after menu selection		

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	10(c) Call Selection Wait Period: Cardholder or Retailer calls answered by live operator.	<ul style="list-style-type: none"> • 100% answered by live operator within two minutes of transfer to live operator. • 3% answered by live operator within 30 seconds of transfer to live operator. • Monthly 	<ul style="list-style-type: none"> • \$1,000 or 1% of monthly voucher, whichever is greater, for failure to meet the standard and an additional \$1,000 or 1% of monthly voucher, whichever is greater, for each whole % point below the standard.
	10(d) Abandon Call Rate: Cardholder and Retailer calls abandon call rate	<ul style="list-style-type: none"> • Less than 5% • Monthly 	<ul style="list-style-type: none"> • \$1,000 or 1% of monthly voucher, whichever is greater, for failure to meet the standard and an additional \$1,000 or 1% of monthly voucher, whichever

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
			is greater, for each whole % point below the standard.
	10(e) Blocked/ Busy Signals: Cardholder or Retailer calls.	<ul style="list-style-type: none"> • 0% for first 400 concurrent callers • Less than 2% after the first 400 concurrent callers • Monthly 	<ul style="list-style-type: none"> • First 400: \$1,000 or 1% of monthly voucher, whichever is greater, for failure to meet the standard and an additional \$1,000 or 1% of monthly voucher, whichever is greater, for each whole % point below the standard. • More than 400: \$1,000 or 1% of monthly voucher, whichever is greater, for failure to meet the standard and an additional \$1,000 or 1% of monthly voucher, whichever is greater, for each whole % point below the standard.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	10(f) Cardholder Service Line Availability: Customer Service toll free line is available 24 hours per day, seven days per week.	<ul style="list-style-type: none"> • 100% • Monthly 	<ul style="list-style-type: none"> • \$2,500 for each whole % point below standard.
	<p>Incident, Issues, or Problem Management; Change and Release Management</p> <p>11(a) Incident, Issues and Problem Management: Problem Response Time: The Contractor must provide oral and written electronic notification to the effected state(s) of any incidents, issues, or problems including, but not limited to, system outages, or other emergency situations impacting client's access to benefits, as specified in Section 11.7.2 of this RFP.</p>	<ul style="list-style-type: none"> • As soon as reasonably possible after Contractor management is aware of, or should have reasonably been aware of the incident, issue or problem, not to exceed fifteen (15) minutes. • Within 4 hours of the incident, the Contractor must provide an update to the effected state(s). 	<ul style="list-style-type: none"> • For initial notification provided to the effected state(s) within: 16-30minutes = \$2,500; 31-45 minutes = \$5,000; 46-60 minutes = \$7,500; 61-120 minutes = \$15,000; and an additional \$10,000 for each subsequent hour. • After the 4th hour (240 minutes) - \$1,000 then an additional \$1,000 for each subsequent hour an update is not received.
	<p>11(b) Incident, Issues and Problem Management: Reporting: The Contractor must meet all reporting requirements as specified in Section 11.7.2 of this RFP</p>	<ul style="list-style-type: none"> • Within one Business Day, the Contractor must provide a written impact statement to the effected state(s). • Following this initial report, daily updates to the effected state(s) Business 	<ul style="list-style-type: none"> • \$5,000 for each Business Day a written impact statement is not received. • \$5,000 for each Business Day a written impact statement is not received.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
		<ul style="list-style-type: none"> Day until the incident is resolved A written resolution report within five Business Days of the Contractor becoming aware of the incident, issue or problem 	<ul style="list-style-type: none"> \$5,000 on the 6th Business Day and an additional \$5,000 for each subsequent Business Day the written resolution report is not received.
	11(c) Contractor adds a CSA approved, pre-recorded message to the Cardholder and Retailer IVR/ARU as specified in Section 9.2.2.	<ul style="list-style-type: none"> Within 30 minutes of identification of an outage. Per incident. 	<ul style="list-style-type: none"> \$1,000.00 for each IVR/ARU message added after 30 minutes and up to 60 minutes of identification of an outage. An additional \$1,000 for each subsequent 30 minutes that message is not added.
	11(d) Incident Management: Repeat Incidents: Incidents that can be classified as a repeat incident.	<ul style="list-style-type: none"> 0% Repeat occurrence within 90 days of prior incident, 	<ul style="list-style-type: none"> Number of repeat incidents times \$5,000.
	11(e) Incident Management: Incidents Resolved within target/deadline: Incidents closed within allowed time frame.	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> \$500 per incident not resolved times month(s) delayed.
	11(f) Problem Management: Repeat Problems: Problems that can be classified as a repeat problem.	<ul style="list-style-type: none"> 0% Rolling 90 day 	<ul style="list-style-type: none"> Number of repeat problems times \$2,500

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	11(g) Problem Management: Problems Resolved within target/deadline: Problems closed within allowed time.	• 100%	• \$2,500 per problem not resolved times month(s) delayed.
	11(h) Change Management: Time (Days) Request for Change Response: Change Request Form and the results are not returned as defined in this RFP and without written approval for an extension from the CSA.	• 14 calendar days	• \$250 per day delayed.
	11(i) Change Management: Changes Implemented within target/deadline: Changes implemented within allowed time frame.	• 100%	• \$2,500 per change not implemented times month(s) delayed.
	11(j) Change Management: Unauthorized Implemented Changes: Implemented changes that were not authorized by the CSA relative the total implemented changes.	• 0%	• \$5,000 per change not authorized.
	11(k) Change Management: Changes that Cause Incidents: Implemented changes that have caused incidents relative the total implemented changes.	• 0%	• \$2,500 per unique incident.
	11(l) Change Management: Backed Out Changes: # of closed changes which were rolled back.	• 0%	• \$2,500 per backed out change.
	11(m) Release Management: Unauthorized implemented Releases: Releases that were not authorized by the CSA.	• 0%	• \$5,000 per release not authorized
	11(n) Release Management: Backed Out Releases: Releases which were backed out.	• 0%	• \$2,500 per backed out release.

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
	11(o) Release Management: Releases Implemented on Schedule: Releases implemented within allowed time frame.	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • \$2,500 per release not implemented times month(s) delayed.
	11(p) Release Management: Releases that Cause Incidents: Releases that have caused incidents relative to the total releases.	<ul style="list-style-type: none"> • 0% 	<ul style="list-style-type: none"> • \$2,500 per unique incident
12	Cash Access 12(a) Cash Access Availability: Contractor provides continuous cash access as defined in this RFP.	<ul style="list-style-type: none"> • 100% • Quarterly 	<ul style="list-style-type: none"> • 1% of monthly EBT billing will be withheld until Contractor meets Cash access standard.
13	Adjustment Processing The Contractor must adjust Cardholder Accounts, as applicable by FNS regulation or QUEST Rules, to correct auditable, out-of-balance Settlement conditions that result from a system error. A system error is defined as an auditable processing failure at any point in the redemption process that results in the improper crediting or debiting of an account or the failure to credit or debit an account. The Adjustment transaction must reference the original transaction that is completely or partially erroneous.	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • \$250 per day per adjustment for deadline missed.

13. Financial Proposal Pricing

This section describes the format and content of the Financial Proposal. Offerors are encouraged to offer the most advantageous solution at the most competitive pricing that meets the needs of the NCS

Pricing shall be submitted in the format specified herein. Financial Proposals not submitted in the required format may be rejected at the option of the State/NCS. Unless identified otherwise, prices quoted shall apply for the duration of the Contract Term. If a prospective Offeror seeks clarification with a specific pricing criteria, then the Offeror may provide comments pertaining to such criteria during the question and answer phase of the procurement.

Financial Proposals must be submitted in a sealed package separate from the Technical and Administrative Proposals and it must be clearly labeled as “the Financial Proposal.” Note, Section 13 and 14 of the RFP sets forth submission requirements for the Financial Proposal.

13.1 Required Pricing Components

Financial Proposals must include prices for all Core, Optional, and State specific products and Services included in the pricing schedules in this Section of the RFP:

13.1.2 Start-up Pricing

Offerors must use the attached Appendix P Pricing Schedules to indicate startup costs for Core, Optional, or State Specific Services whether the participating CSA chooses to pay up front, or amortize the costs, as explained below.

In the event that a CSA elects to make an up-front payment for start-up costs for Core, Optional, or State Specific Services, payment to the Contractor shall be made upon a CSA's acceptance of the Design, Development and Transition/Conversion Phases respectfully as set forth in Appendix P.

In the event a CSA elects to amortize the start-up costs for Core, Optional, or State Specific Services, monthly consecutive equal payments for such Services shall begin upon the CSA's acceptance of deliverables in Appendix K which are due within 180 calendar days of Contract approval. Such equal payments shall continue for 84 consecutive months, contingent upon acceptance of all deliverables in Appendix K.

For those start-up costs for Optional and State Specific Services initiated during live production, the CSA will amortize such costs over the remaining months of the Contract, exclusive of any extension periods.

13.1.3 Cash and SNAP Cost per Case-Month (CPCM) Pricing

Pricing for the Core EBT Services shall be structured via a Cost Per Case-Month (CPCM) arrangement as follows for both Cash and SNAP. The CPCM represents the fixed price cost to deliver Core Services for a single Active Case for one month during

the Contract Term. Pricing Schedules must contain the CPCM price for all Core EBT Services and costs as identified throughout this RFP, as hereafter indicated.

13.1.3.1 CPCM Definition

The definition of a CPCM includes all costs associated with account creation and management; transaction processing; and financial accounting associated with a Cash or SNAP Case.

Note: CPCM excludes WIC benefits set forth in RFP Section 8.

The CPCM includes on-going communications and host maintenance which provide the following functionality:

- A. Accept and process data from State;
- B. Benefit Authorization inclusive of posting, updates and aging;
- C. Account setup;
- D. Account Maintenance based on data received from States (i.e. card records, demographics) as defined in the Detailed Design Document;
- E. Card and PIN processing (i.e. mailers, PIN selection);
- F. PIN Creation and Generation;
- G. PIN Maintenance (defined in detail in Glossary or within RFP);
- H. Financial Settlement and Reconciliation;
- I. All levels of required Reporting, including data files, Admin system inquiries and formatted reports. (Operational, fiscal, performance);
- J. Administrative System functionality;
- K. Transaction processing from ATMs, POSs, and POBs;
- L. Associated Fees;
- M. All core requirements not identified separately in this cost section; and
- N. All phase-out costs associated with core requirements.

13.1.4 Definition of Case

A Case is defined as (a) Recipient(s), uniquely identified by a Case number assigned by a State system, to which the State issues Cash or SNAP benefit(s) set forth under the RFP (excluding WIC benefits) A case number will be attached to each benefit record sent from the State to the EBT Contractor.

Note: The definition of Case excludes WIC benefits set forth in RFP Section 8.

13.2 Billing

The CSA(s) may only be charged for Active Cases for which new Cash or SNAP benefit authorizations are made available during the billing month. Monthly benefits transmitted prior to the availability date shall not constitute an Active Case until the benefit has been made available to the Cardholder (e.g., availability date of the benefit has been reached).

For invoicing purposes, an Active Case is defined as a Case for which one or more Cash or SNAP benefit(s) as described in the RFP (excluding WIC benefits) has been authorized and transmitted to the EBT Contractor to be made available during the billing month. A single Cardholder who has benefits made available by the State from both a SNAP and Cash program is billable at the applicable Cash CPCM and the applicable SNAP CPCM.

To support a multi-state EBT procurement, pricing for Core Services is volume based. Monthly billings to the CSA(s) shall be based on the quoted CPCM in the pricing tier that corresponds to the total actual number of Cases across the NCS. Offerors should refer to the State Appendices for caseload statistics. Please note, however, that while this historical data may be used to project caseload and transaction volume, caseloads are not guaranteed.

The Contractor must provide monthly invoicing to the CSA in arrears on a standard voucher in a form acceptable to the CSA. The monthly invoicing must be accompanied by supporting documentation, provided electronically.

The monthly invoice must include detailed information in support of all billing charges for EBT Services and for pass-through expenses. Data must be provided on unduplicated Active Case counts of Cases in which benefits are made available during the billing month. Data must be broken down by benefit program (SNAP, Cash, and other programs as determined by the State). Cash benefits that are transferred to direct deposit accounts must not be included in the CPCM Case counts (Direct Deposit is an Optional Service, see section 13.7.1). The monthly invoice must also provide a separate accounting of any benefits made available which occur in a month other than the month of the intended available date as supplied by the State.

All postage costs associated with requirements of this RFP shall be treated as pass through or reimbursable costs. Payment for reimbursable postage charges shall be subject to the CSA validation of Contractor provided documentation for all such charges. Reimbursable postage charges shall be payable at cost and not subject to Contractor mark-up. The Contractor must take advantage of all available postal rate schedules, including as appropriate ZIP pre-sort, bar coding, ZIP plus 4, and any other relevant postal price offerings which may include Third Party pre-sort facilities. The Contractor agrees to use its best efforts to obtain lowest postal rates for all client mail under the Contract for which it seeks pass-through reimbursement from the CSA.

13.2.1 Public Payphone Charges

The Offeror will be reimbursed by the CSA for the interexchange rate for calls to the 1-800 Toll Free Customer Service number originating at public payphones during a single service month. The CSA will pay the Offeror, as a pass through in arrears on a monthly basis, the lower of: 1) the Contractor's Bid rate; or 2) the Federal Communications Commission (FCC) Default rate. The Contractor must support any NCS option for not accepting payphone calls and as such will not be required to reimburse the Offeror. Currently the State of New York does not accept payphone calls.

The Offeror must provide the CSA with information concerning payphone call volumes and other information available to the Offeror. Such information must be submitted monthly in support of the invoicing for payphone interexchange charges. A base price

must be included in Schedule 13.7, subject to change in accordance with FCC regulations.

13.3 NCS Cash and SNAP EBT Conversion/Start-Up Pricing - Core Services Fixed Price

Offerors must complete and submit Appendix P Pricing Schedules in their Financial Proposals. The following are the pricing tables to be completed using Appendix P.

Cash and SNAP EBT Start-up Component	CT	NH	NY	RI	VT	ME	MA	NCS
								Total
Design (11.3)								
Development (11.4)								
Transition/Conversion & Operation (11.5)								
Total (per State and NCS aggregate)								

Notes:

- A. Complete Schedule 13.3 to delineate how the Conversion/ start-up price offer amount was derived to include all cost components.
- B. Each NCS member may elect to pay Conversion/start-up costs in accordance with Section 13.1.2.

13.4 Pricing for NCS EBT Core Cost Per Case-Month – Cash

NCS Monthly Caseload-Cash	Cost Per Case-Month-Cash
<250,000	
250,001-500,000	
500,001-750,000	
750,001-1,000,000	
1,000,001-1,250,000	
1,250,001 +	

Notes:

- A. The rates bid are applicable for the first 12 months of EBT benefit issuance. Thereafter, rates will be subject to increase in accordance with the CPI as described in Section 13.6.
- B. The tier reflecting the combined active caseload volume of all participating NCS members determines the monthly price.
- C. Each state’s active billable Cases will be multiplied by the price associated with the combined active caseload volume of the participating NCS members.
- D. Prices are to be exclusive of all ATM usage Transaction Fees.
- E. The Offeror's proposed Cost Per Case-Month pricing for Cash Cases will apply to any future Cases added to EBT Cash as a result of additional programs.

13.4.1 Cash Cost Per Case-Month Breakdown

Breakdown, by percentage, the CPCM Cash into the categories listed below. The total percentage must equal 100%.

Category	% of CPCM
Host Transaction Processing	
Account Establishment, Maintenance, and Federal/State Settlement	
Transaction Fees	
IVR/ARU Supported Customer Service Line	
CSR Supported Customer Service Line	
Retailer Management	
Administrative Costs and Overhead	
Profit Markup	

13.5 Pricing for NCS EBT Core Cost per Case-Month - SNAP

NCS Monthly Caseload-SNAP	Cost Per Case – Month SNAP
<1,500,000	
1,500,001-1,750,000	
1,750,001-2,000,000	
2,000,001-2,250,000	
2,250,001-2,500,000	
2,500,001-2,750,000	
2,750,001-3,000,000	
3,000,001-3,250,000	
3,250,001 +	

Notes:

- A. The rates bid are applicable for the first 12 months of EBT benefit issuance. Thereafter, rates will be subject to increase in accordance with the CPI as described in Section 13.6.
- B. The tier reflecting the combined active caseload volume for all participating NCS members determines the monthly price. Each state’s active billable Cases will be multiplied by the price associated with the combined active caseload volume of the participating NCS members.

13.5.1 SNAP CPCM Breakdown

Breakdown, by percentage, the CPCM into the categories listed below. The total percentage must equal 100%.

Category	% of CPCM
Host Transaction Processing	
Account Establishment, Maintenance, and Federal/State Settlement	
Transaction Fees	
IVR/ARU Supported Customer Service Line	
CSR Supported Customer Service Line	
Retailer Management	
EBT-Only Acquisition and Deployment	
Administrative Cost and Overhead	
Profit Markup	

13.6 Annual Adjustment for Pricing for NCS

As indicated in Appendix P and this section, certain specific items such as CPCM for SNAP, Cash and WIC are subject to an annual adjustment on the Contract anniversary date for each state and commensurate with the percentage increase or decrease in the [Consumer Price Index-All Urban Consumers, U.S. All items](#) as published by the US Bureau of Labor Statistics, or 3%, whichever is less, for the preceding Contract anniversary date. CPI increase will be determined by using the most current information available sixty days prior to anniversary, compared to the same month of the prior year. Contractor must provide each CSA with written notice of such adjustment 30 days prior to the anniversary date for each state and, upon individual CSA approval, it shall become effective beginning on the first invoice period after the anniversary date. Should the CPI decrease, a CSA may, at its election, apply such decrease to the pricing.

No charges other than those specified as being eligible for CPI in Appendix P and Section 13 will be subject to the annual adjustment.

13.7 Optional Services

Offerors must present pricing for Optional Services in Appendix P Pricing Schedules as an additional cost above the core CPCM for core EBT Services on a one-time charge, per unit, and/or per month basis as defined in the pricing schedules.

States have flexibility in purchasing Optional Services. As such, Optional Services may be retained by the CSA at any time during the Contract Period. Such Services may also be discontinued by the CSA, with 90 days written notice to the Contractor (see Article 27), at any time during the Contract Period, including any extensions. As described in Section 13.1.2 above, any start-up costs for individual Optional Services must be shown separately on Appendix P Pricing Schedules. In the event that such Optional Services are terminated during the Contract Period, annualized costs (e.g., leases) must be prorated accordingly.

Offerors are encouraged to identify means to reduce the costs of EBT Services to the State(s) or provide increased Services to the State(s) and their cardholders.

13.7.1 Pricing for NCS EBT – Optional Services

Each State may opt into acquiring an Optional Service at any time during the life of the Contract. Follow the instructions under Pricing format.

Pricing for NCS EBT - Optional Services (13.7.1)			
Service	Pricing Format	One-time charge or Start-up Cost	Recurring Price Offer
4.2.2.1 – SNAP Contractor managed Adjustment process.	Adjustment Process including Cardholder notices, telephone inquiries and system updates. Price must be a cost per SNAP Adjustment to participating CSA exclusive of reimbursable postage.		
4.2.2.1 - Cash Contractor managed Adjustment process	Adjustment Process including Cardholder notices (per notice), telephone inquiries and system updates. Price must be a cost per Cash Adjustment to participating CSA exclusive of reimbursable postage.		

Pricing for NCS EBT - Optional Services (13.7.1)			
4.2.3.2 - Card Authentication Value	One-time charge per State		
4.2.2.3 - ATM Balance Inquiry	Cost per transaction		
4.2.2.4 - ATM/POB Usage Transaction Fees ATM Withdrawals provided by CSA to Cardholder up to pre-determined quantity	Fee per ATM/POB withdrawal (not subject to annual adjustment)		
4.5.11 - Card Design	One-time charge		
4.5.14 Local District, Group Home or Congregate Care PIN Selection via hardware Device-CSA – Analog POS/PIN device	Monthly price per analog device. Includes lease, maintenance, shipping and installation; as well as telecommunication costs.		
4.5.14 Local District, Group Home or Congregate Care PIN Selection via hardware Device-CSA – Digital POS/PIN device	Monthly price per digital device Includes lease, maintenance, shipping and installation; as well as telecommunication costs.		
5.1.9.1 - PIN Restriction Functionality	One-time charge		
5.2.1 - Direct Deposit Services	Price per deposit		
5.2.2 - Direct Deposit Enrollment Management Services (includes Contractor receipt, entry, and maintenance of all direct deposit enrollment information)	Price per month for each Case enrolled in direct deposit (for which a deposit is made)		
5.2.25.1 - Electronic Funds Transfer Standards	Price per successfully completed transfer		

Pricing for NCS EBT - Optional Services (13.7.1)			
5.3 - Data Warehouse Functionality and additional Ad-Hoc reporting functionality	Include one-time charge per State and recurring monthly price		
7.2.1 - Disaster Vault Card and PIN inventory	Price per 10,000 cards (excluding postage)		
7.2.2 - Drop-Ship Delivery for States Utilizing Contractor Issued Disaster Vault Cards	Price per 10,000 cards (excluding postage)		
7.2.5 - Backup Remote Access	Cost per desktop personal computer		
7.2.5 - Backup Remote Access	Cost per laptop		
9.1.1.7 EBT Retailer Policies	Cost per wireless POS terminals to farmers' markets, direct farmers, etc.		
9.1.2.1 - Hand-held Wireless POS Device	Monthly price per device Includes lease, maintenance, shipping, installation and all transaction processing fees.		
9.1.2.1 - Card Reading Wedge	Monthly price per device Includes lease, maintenance, shipping and installation.		
9.1.2.2.1 – Funds Transfer Support for Certain Facilities	One-time charge per facility (9.1.2.2.1.1) as well as Recurring monthly price per facility (9.1.2.2.1.2)		
9.3.1 - Cardholder and Retailer Customer Service Interpreter Options	One-Time startup cost per language (other than English or Spanish) as well as Monthly price per language (other than English or Spanish)		
9.3.1 - Cardholder and Retailer Customer Service Interpreter Options	Any cost to translate IVR scripts One-time cost per language (other than English or Spanish)		

Pricing for NCS EBT - Optional Services (13.7.1)			
9.3.2 - IVR/ARU Card Replacement	One-time charge per State		
9.3.3 – Cardholder Video (English)	Price per video		
9.3.3 - Cardholder Video - Spanish	One-time translation charge		
9.3.3 - Cardholder Video (Any language other than English or Spanish)	One-time charge per language		
9.3.3.1 - Cardholder Printed Materials	One-time translation charge per language (For all printed cardholder materials)		
9.3.3.2 - Cardholder Training Brochure	Price per 1,000		
9.3.3.2.1 - Informational Inserts	Price per double-sided insert Pricing must include all activities associated with the printing of inserts, affixing cards, folding materials, stuffing envelopes, etc.		
9.3.3.2.1 - Informational Inserts	One-time fee for translation of informational inserts Price per language		
9.3.3.3 - State/Local District Training Materials	Initial one-time charge including updates per State		
9.3.3.3 - State/Local District Training Materials	Unit price per hardcopy		
9.3.3.3 - State/Local District Training Materials	Unit price per CD		

Pricing for NCS EBT - Optional Services (13.7.1)			
9.4 - Mass Mailing (printing included) (excludes pass-through postage - postage will be reimbursable and is not subject to any markup)	Price per single page mailer Pricing must include all activities associated with the printing of notices, mailings, folding materials, stuffing envelopes, addressing envelopes, ZIP pre-sort offerings etc.		
9.4 - Mass Mailing (printing included) (excludes pass-through postage - postage will be reimbursable and is not subject to any markup)	Price per additional page Pricing must include all activities associated with the printing of notices, mailings, folding materials, stuffing envelopes, addressing envelopes, ZIP pre-sort offerings etc.		
9.4 - Mass Mailing (excludes pass-through postage - postage will be reimbursable and is not subject to any markup)	Price per single page mailer Pricing must include all activities associated with the mailing of notices, folding materials, stuffing envelopes, addressing envelopes, ZIP pre-sort offerings etc.		
9.4 - Mass Mailing (excludes pass-through postage - postage will be reimbursable and is not subject to any markup)	Price per additional page Pricing must include all activities associated with the mailing of notices, folding materials, stuffing envelopes, addressing envelopes, ZIP pre-sort offerings etc.		
9.4 - Mass Mailing (excludes pass-through postage - postage will be reimbursable and is not subject to any markup)	One-time cost per language Cost to translate mailing into another language (other than English or Spanish)		
10.1 – Cash Access Network	Incremental price per case-month (Cash only)		

Pricing for NCS EBT - Optional Services (13.7.1)			
13.2.1 – Public Payphone Charges	Base payphone charge per call (subject to change in accordance with FCC regulations)		

Notes:

- A. All optional prices are inclusive of any corresponding report and close out costs necessary to the participating CSA.
- B. Applicable start-up costs or any one-time charges must be separated out. Offerors may indicate if such costs are not applicable by inserting “N/A”.
- C. The NCS desires that Offerors price all Optional Services listed above as described.

13.7.1.1 Pricing for NCS EBT – Optional Data Warehouse Manager

Data Warehouse Manager Hourly Rate	
Position Title	Hourly Rate
Data Warehouse Manager	

Note:

The Data Warehouse manager may be requested to perform assignments at the discretion of the CSA. Pricing must be provided as an hourly rate billable at 15-minute increments.

13.7.2 Card Production Pricing for NCS EBT Card Issuance

Card Production Start-up Pricing	
Any start-up costs associated with card production Cost per individual State	

Note:

Offerors must bid any related start-up costs for all mailed card type listed below to allow each CSA to opt into card production Services at any time during the Contract Period.

<p>Monthly NCS Card Volume Tier</p>	<p>Finished Product Non-Photo</p> <p>Mailed directly to Cardholder</p> <p>(USPS, 1st class, presorted by zip code)</p> <p>(per card)</p> <p>Regular Business Day</p> <p>Produced and Mailed from location (within the Continental U.S.A.)</p>	<p>Finished Product Non-Photo</p> <p>Mailed directly to Cardholder</p> <p>(USPS, 1st class, presorted by zip code)</p> <p>(per card)</p> <p>Saturday or non-Business Day card production</p>	<p>Finished Product Non-Photo</p> <p>Mailed directly to Cardholder <i>overnight</i></p> <p>(per card)</p>	<p>Finished Product Photo</p> <p>Mailed directly to Cardholder</p> <p>(USPS, 1st class, presorted by zip code)</p> <p>(per card)</p>	<p>Finished Product Photo –</p> <p>Mailed Directly to Cardholder <i>overnight</i></p> <p>(per card)</p>	<p>Cards Returned Undeliverable</p>
<p>RFP Section Requirement</p>	<p>4.5.4</p>	<p>4.5.4</p>	<p>4.5.4</p>	<p>4.5.4</p>	<p>4.5.4</p>	<p>4.5.10</p>
<p>1-10,000</p>						
<p>10,001 – 20,000</p>						
<p>20,001 – 30,000</p>						
<p>30,001 – 40,000</p>						
<p>40,001 – 50,000</p>						
<p>50,001 – 60,000</p>						
<p>60,001 – 70,000</p>						
<p>70,001 – 80,000</p>						
<p>80,001 +</p>						

Notes:

- A. Offeror must provide cost per card and mailing option for given tier. Tiers indicate the number of cards produced across the NCS in a billing month.
- B. The rates bid are applicable for the first 12 months of EBT benefit issuance. Thereafter, rates will be subject to increase in accordance with the CPI as described in Section 13.6.

13.7.3 EBT Card Production Services Incremental Pricing for All Forms of Issued Cards (excluding Vault and Emergency)

4.5.11 – Card Design		
Description	Pricing Format	Price Offer
4 Color Printing	Incremental Cost per Card	
Embossing	Incremental Cost per Card	
Holographic Overlay	Incremental Cost per Card	
Embedded Hologram	Incremental Cost per Card	

13.7.4 EBT Card Stock Production Services – Both Blank Card Stock & Customized Cards

4.5.5 – Blank Card Stock	
<i>Subject to CPI Adjustment per 13.6</i>	
Monthly NCS Card Volume Tier	State Design Blank EBT Card Stock (per card)
1 - 10,000	
10,001 - 20,000	
20,001 - 30,000	
30,001 - 40,000	
40,001 - 50,000	
50,001 - 60,000	
60,001 - 70,000	
70,001 - 80,000	
80,001 - 90,000	
90,001 – 100,000	
100,001 +	

4.5.7 – Overnight Bulk Delivery of Cardholder Customized Cards	
<i>Subject to CPI Adjustment per 13.6</i>	
Monthly NCS Card Volume Tier	Price per Card
1 - 1,000	
1,001 - 2,000	
2,001 - 3,000	
3,001 - 4,000	
4,001 - 5,000	
5,001 - 6,000	
6,001 - 7,000	
7,001 - 8,000	
8,001 - 9,000	
9,001 - 10,000	
10,001 +	

13.7.5 Over-The-Counter (OTC) Card Production Equipment

4.5.8 – Over-The-Counter (OTC) Cards			
Item Description	Pricing Format	One-Time Charge	Price Offer
Create Software to Link Card printing and/or embossing equipment to card production process.	One Time Cost.		
Lease of Embossing Equipment (similar to or the same as Datacard CE840)	Price per year for the life of the contract.		
Purchase of Embossing Maintenance Contract	Price per year for the life of the contract.		
Purchase of Embossing Equipment (similar to or the same as Datacard CE840)	One Time Cost.		
Purchase of Card Printer (similar to the Datacard SD460)	One Time Cost.		
Lease of Card Printer (similar to the Datacard SD460)	Price per year for the life of the contract.		
Purchase of Card Printer Maintenance Contract	Price per year for the life of the contract.		

Note:

Optional pricing for OTC card production must include any required reports and Services to close out the provision of service to the participating CSA.

13.7.6 EBT Card Type Production Services

4.5.12 – Card Types – Vault Card		
<i>Subject to CPI Adjustment per 13.6</i>		
Monthly NCS Card Volume Tier	Vault Card with No Pin Established	Vault Card with Pin Embedded
1 - 10,000		
10,001 - 20,000		
20,001 - 30,000		
30,001 - 40,000		
40,001 - 50,000		
50,001 - 60,000		
60,001 - 70,000		
70,001 - 80,000		
80,001 +		

13.7.7

Bulk Card Sleeves - EBT Card Production Services

4.5.13 – Card Sleeves	
<i>Subject to CPI Adjustment per 13.6</i>	
Quantity	Price Per Sleeve
1 - 10,000	
10,001 - 20,000	
20,001 - 30,000	
30,001 - 40,000	
40,001 - 50,000	
50,001 - 60,000	
60,001 – 70,000	
70,001 +	

Note:

Sleeves must be High Quality as defined in the Glossary.

13.7.8 EBT Mailed PIN Production Services

<i>Mailed PIN (4.5.15)</i>	
<i>Subject to CPI Adjustment per 13.6</i>	
Monthly NCS Card Volume Tier	Pin Mailer Mailed Directly to Cardholder – Postage Excluded (per mailer)
1-500	
501 - 1,000	
1,001 - 1,500	
1,501 - 2,000	
2,001 - 2,500	
2,501 - 3,000	
3,001 - 3,500	
3,501 - 4,000	
4,001 +	

13.7.9 Non-Financial Card Production

<i>Non-financial Card Production (4.6)</i>	
<i>Subject to CPI Adjustment per 13.6</i>	
Card Volume Tier	Price per card
1- 2,000	
2,001 - 4,000	
4,001 - 6,000	
6,001 - 8,000	
8,001 - 10,000	
10,001 - 12,000	
12,001 +	

13.8 EBT Change Request Rates

Change Request Rates	
Personal Services	
Position Title	Hourly Rate
Technical Director	
Technical Project Leader	
Database Analyst	
Training Specialist	
Sr. Systems Analyst	
System Analyst/ Programmer	

Note:

The selected Offeror may be requested to perform Change and Release Management assignments at the discretion of the CSA. The Contractor and CSA will mutually agree upon which position titles are necessary for the specific change request.

13.9 State Specific Pricing

Offerors must present pricing for State Specific Services in Appendix P Pricing Schedules as an additional cost above the core CPCM for core EBT Services on a one-time charge, per unit, and/or per month basis or as an incremental cost to the core CPCM as defined in the pricing schedules.

States have flexibility in purchasing State Specific Services. As such, State Specific Services may be retained by the CSA at any time during the Contract Period. Such Services may also be discontinued by the CSA, with 90 days written notice to the Contractor (see Article 27), at any time during the Contract Period, including any extensions. In the event that such State Specific Services are terminated during the Contract Period, annualized costs (e.g., leases) must be prorated accordingly.

Offerors are encouraged to identify means to reduce the costs of EBT Services to the State(s) or provide increased Services to the State(s) and their cardholders.

13.9.1 New York State Specific Pricing

Description	Pricing Format	Price Offer
9.1.2.2 – New York State Specific Appendix E – Direct Deposit for Residential Treatment Centers	Recurring monthly price	

Description	Pricing Format	Price Offer
9.5.1 New York City Message System	Recurring monthly price	
9.5.1 New York City Message System- Browser Access	Recurring monthly price	
9.5.2 New York State Real Time Web Service Access	Recurring monthly price	

13.9.2 Massachusetts State Specific Pricing

Description	Pricing Format	Price Offer
Custom ad hoc report (not included in Section 5.3 Data Warehouse Functionality)	Per report	
Customized query request (not included in Section 5.3 Data Warehouse Functionality)	Per query	
4.2.1.3.3.1 (of Appendix B Commonwealth of Massachusetts State Appendix) Healthy Incentive Program (HIP) (pricing to provide functionality to operate HIP)	One-time charge	
4.2.1.3.3.2 (of Appendix B Commonwealth of Massachusetts State Appendix) Community Supported Agriculture SNAP Purchase (pricing to provide automated CSA payment functionality)	One-time charge	
4.2.3.5 Restrictive Interchange Transaction Processing (Pricing to provide functionality through the EBT administrative terminal for Commonwealth staff to block locations restricted by Federal and Commonwealth law, policy and regulations)	One-time charge	

4.2.3.7 Merchant Validation for Cash Transactions	
Massachusetts Cash Program Caseload	Incremental cost to CPCM
0 - 10,000	
10,001 - 20,000	
20,001 - 30,000	
30,001 - 40,000	

4.2.3.7 Merchant Validation for Cash Transactions	
40,001 - 50,000	
50,001 - 60,000	
60,001 - 70,000	
70,001 - 80,000	
80,001 +	

13.10 NCS WIC CPCM

WIC Cost Per Case Month (WCPCM) will be tiered based on the aggregate caseload among the CSA WIC participants. Bidders will provide a tiered WCPCM based on aggregate Cases (below) of all participating WIC States per billing month. Monthly billings to the participating CSA(s) shall be based on the quoted WIC CPCM in the pricing tier that corresponds to the total actual number of WIC Cases across the NCS. WCPCM shall be evaluated monthly to reflect changes in NCS caseload and the number of NCS participating states. Adjustments to WCPCM will be permitted if a participating state is added to or terminated from the WIC program or WIC caseloads across the NCS change sufficiently to shift caseload counts to a different WCPCM tier. The Contractor must provide each WIC participating State with monthly reports of NCS aggregate monthly Active Cases. The WCPCM price should include ANY AND ALL one-time and recurring fees for the entire duration of the Contract with the exception of otherwise explicitly defined costs. Bidders are strongly encouraged to provide differential pricing for each WIC NCS caseload tier and with progressively larger discounts as WIC caseloads increase.

WCPCM shall be inclusive of all Start-up, Conversion and Transition Costs for the WIC Program.

WIC NCS Caseload	Cost per Case-Month: WIC
0-25,000	
25,001 - 50,000	
50,001 - 100,000	
100,001 - 200,000	
200,001 - 400,000	
400,001 – 600,000	
600,001 – 800,000	
800,001 +	

Note:

The rates bid are applicable for the first 12 months of WIC benefit issuance. Thereafter, rates will be subject to increase in accordance with the CPI as described in Section 13.6.

For invoicing purposes, an Active Case is defined as a WIC household for which one or more WIC benefit(s) as described in the RFP has been authorized by the State agency and made available to the WIC cardholder Electronic Benefit Account during the billing month.

13.11 WIC CPCM Breakdown

For informational purposes breakdown, by percentage, the WCPCM into the categories listed below. The total percentage must equal 100%.

Category	% of WCPCM
Host Transaction Processing	
Account Establishment, Maintenance, and Federal/State Settlement	
Transaction Fees	
ARU Supported Customer Service Line	
CSR Supported Customer Service Line	
Retailer Management	
POS Acquisition and Deployment	
Administrative Cost and Overhead	
Markup	

13.12 NCS WIC Per-Unit Hardware Prices

Offerors shall offer pricing for both the purchase and/or lease of WIC equipment. Offerors shall include all associated costs of WIC equipment including but not limited to delivery, transactions fees, documentation, and training. Offerors shall indicate their per unit purchase price and monthly maintenance fee, as indicated, for proposed WIC hardware. Unit Costs should include any one-time costs; Monthly Maintenance Fees shall include any and all recurring costs. Monthly Lease Fee shall include any and all recurring costs. The proposed WIC hardware must meet requirements per this RFP (e.g., WIC-ready EBT-only/stand-beside POS, multi-function POS equipment, wireless POS for FMNP, etc.) and may be purchased at the option of the State or by an authorized WIC vendor at the price noted in the Contract (or less). The Contractor shall make continuously available for purchase to authorized WIC vendors, POS solutions at the same cost and maintenance fee submitted in this section. There are no guarantees of minimum or maximum purchase amounts. Offerors must specify the hardware description, brand, model and the technical specifications for the offered hardware. Duplicate/add rows as necessary.

WIC Per Unit Hardware Prices – Purchased Units				
Description	Brand	Model	Unit Cost	Monthly Maintenance Fee
			\$ -	\$ -

WIC Per Unit Hardware Prices – Purchased Units				
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -

WIC Per Unit Hardware Prices – Leased Units			
Description	Brand	Model	Monthly Lease Fee
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

13.13 WIC Card Production Pricing

One-Time Card Conversion Cost (13.13)	
State	Conversion Cost
CT	\$ -
NH	\$ -
NY	\$ -
RI	\$ -
VT	\$ -
ME	\$ -
NCS Total	\$ -

Note:

Offerors are to provide pricing for the Conversion of all existing WIC cards during the implementation period. Please see estimated quantities by state in Section 8.8. While actual quantities may fluctuate at time of implementation, Offerors will be required to replace all existing cards at the bid price.

WIC Price Per Card		
Quantity	Up to (2) Colors	Up to (4) Colors
1-1,000	\$ -	\$ -
1,001-5,000	\$ -	\$ -
5,001-10,000	\$ -	\$ -
10,001-15,000	\$ -	\$ -
15,001-20,000	\$ -	\$ -
20,001-50,000	\$ -	\$ -
50,001-100,000	\$ -	\$ -
100,001-150,000	\$ -	\$ -
150,001+	\$ -	\$ -

Notes:

- A. Offeror must provide WIC cost per card for given tier. Tiers indicate the number of cards produced across the NCS WIC in a billing month.
- B. Offerors must bid any related start-up costs for each card type to allow each WIC CSA to opt into card production Services at any time during the Contract Period.
- C. Bid price shall include any and all one-time and recurring fees such as implementation of WIC CSA-provided card design.
- D. As of the writing of this RFP, NCS WIC agencies do not plan to procure card sleeves for card holders through this RFP and resulting contract; however, if NCS WIC agencies choose to do so Offerors will need to extend SNAP sleeve pricing above to NCS WIC agencies.
- E. The rates bid are applicable for the first 12 months of WIC benefit issuance. Thereafter, rates will be subject to increase in accordance with the CPI as described in Section 13.6.

13.14 NCS WIC Optional Pricing

Offerors shall offer pricing for the following optional configurations.

Description	Pricing Format	Price Offer
8.15.3 - Automated text messaging	Recurring monthly price per State	
8.15.3 - Ad hoc text messaging	Recurring monthly price per State	
8.18.9 - Support for FMNP (not including hardware, FMNP-specific hardware shall be itemized in 13.12 above)	Recurring monthly price per State	
8.23.I and 8.26.E - Text Message notification for outage or during disaster	Recurring monthly price per State	

14. Proposal Submission

The Offeror must submit a Proposal in conformance with the format and content requirements set forth herein. A Proposal that does not provide material information requested may be deemed non-responsive.

All Proposals (originals and copies) must be submitted in hard copy and on compact disc and/or USB and received no later than 2:00 PM Eastern Time December 17, 2020 as specified in Section 2.4 (Timetable) Proposal Due Date. Proposals received after the Proposal Due Date may be rejected.

Proposals must be clearly labeled, sealed, and submitted by U.S. Mail, by courier/delivery service (e.g., FedEx, UPS, etc.), or by hand as noted below. Offeror should include clearly on the exterior of the packaging: Offeror's Name and Address; Administrative, Technical or Financial Proposal (as appropriate); and Proposal Due Date. NOTE: The Commonwealth of Massachusetts State Specific Administrative Forms should be separately bound and clearly labeled.

Proposals must be mailed or delivered to the following address:

**Office of Temporary Disability Assistance
Electronic Benefit Transfer (Procurement EBT RFP #2020-01)
Attention: Bureau of Contract Management
12th Floor Section D
40 North Pearl Street
Albany, NY 12243**

If multiple packages or boxes are used to transmit the Proposal, they should be labeled "box 1 of x", "box 2 of x", etc.

Submission of a Proposal in a manner other than as described in these instructions (e.g., fax, electronic transmission) may result in its rejection.

All Proposals and accompanying documentation become the property of OTDA and the NCS and ordinarily will not be returned. All information proposed will be held in confidence and will not be revealed to or discussed with competitors, except as required or permitted by Federal and State(s) law.

Due to security procedures at 40 North Pearl Street, when Proposals are hand-delivered to OTDA, such Proposals must first be taken to the Security Desk during OTDA's normal hours, which are Monday through Friday, from 8:00 a.m. to 5:00 p.m. ET. Offeror's must provide the name of the Point of Contact listed in Section 2.2.1 and phone number (518) 486-6352 to the Security Staff. Offeror's should allow extra time to comply with security procedures in effect at 40 North Pearl Street when hand delivering a Proposal or using deliveries by independent

courier services. Offerors must provide identification to the security guard(s) for inspection. Offerors assume all risk for timely, properly submitted Proposals.

Each Bidder must submit **SEPARATE, SEALED AND LABELED** Administrative, Technical, and Financial Proposals, as follows:

14.1 For the Administrative Proposal:

Submit FIVE original and TWENTY paper copies; the original of the Administrative Proposal must be clearly marked "ORIGINAL" on the cover page. NOTE: Submit **TWO** originals and **TWO** paper copies of the Commonwealth of Massachusetts **State Specific Administrative Forms** which should be separately bound and clearly labeled.

14.2 For the Technical Proposal:

Submit FIVE original and TWENTY paper copies; the original of the Technical Proposal must be clearly marked "ORIGINAL" on the cover page.

14.3 For the Financial Proposal:

Submit FIVE original and TWENTY paper copies; the original of the Financial Proposal must be clearly marked "ORIGINAL" on the cover page.

14.4 Electronic Copies of Bid Proposals:

Submit **TEN** labeled copies of **EACH** of the Administrative Proposals; the Technical Proposals and the Financial Proposals on **SEPARATE CDs**. An acceptable format is unlocked Adobe PDF and unlocked Excel for a Financial Proposal.

Submit **TWENTY-FIVE** labeled copies of **EACH** of the Administrative Proposals; the Technical Proposals and the Financial Proposals on **SEPARATE USB's**. An acceptable format is unlocked Adobe PDF and unlocked Excel for a Financial Proposal.

The electronic copies of EACH of the Administrative, Technical, and Financial Proposals should be identical copies of the original documents, including signatures, and should be in one file on each CD and/or USB.

Submit each of the complete Administrative, Technical, and Financial Proposals (paper and electronic) in its own separate sealed and labeled package(s). Each

sealed and labeled package may be placed in a larger box or package when submitted to OTDA.

15. Proposal Requirements

The following sets forth the required information to be provided by each Offeror in its Proposal and the format in which it should be submitted. Offerors responding to this RFP must satisfy all material requirements stated in this RFP. Offerors are required to submit complete Administrative, Technical, and Financial Proposals as described in Section 14. A Proposal that is incomplete in any material respect will be deemed non-responsive.

Offerors must submit Proposals in separate sealed and labeled Administrative, Technical, and Financial Proposal packages. No information beyond that specifically requested is required, and Offerors are requested to keep their submissions to the shortest length consistent with making a complete presentation of qualifications.

Evaluations of the Administrative, Technical, and Financial Proposals received in response to this RFP will be conducted separately. **Offerors are cautioned not to include any Financial Proposal information in the Administrative or Technical Proposal documents. An Offeror's inclusion of Financial Proposal information in the Administrative or Technical Proposal documents may result in disqualification.**

Pursuant to Section 2.9, OTDA will not be responsible for expenses incurred in preparing and submitting the Administrative, Technical, or Financial Proposals. Offerors should not include such costs in their Proposals.

15.1 Title Pages, Tables of Contents, Transmittal Letters and Proposal Submission Checklist

15.1.1 Title Page

Submit a title page providing the RFP title and number; the Offeror's name and the date of the Proposal. In addition, the Administrative, Financial and Technical Proposals should each have their own title pages.

15.1.2 Table of Contents

The Administrative, Financial and Technical Sections should each include a table of contents, and each sub-section should be identified with index tabs. Each section of the Proposal should be arranged in the same sequential numbering order as numbered in the RFP.

15.1.3 Transmittal Letters

Each of the three sections, Administrative, Technical and Financial, must include a transmittal letter signed by an official who is authorized to bind the Offeror to its Proposal, including a statement explaining how that official's authorization has been conferred.

15.1.4 Proposal Submission Checklist

Offeror's should provide Appendix R – Offeror's Checklist with the Proposal. Not all sub-sections are included on the checklist, so it is imperative that the Offeror read the entire sub-sections of the RFP to ensure that they are providing and responding to all the requirements set forth in this RFP unless otherwise noted in the RFP Section 15.3.3.

15.2 Administrative Proposal Requirements

The Administrative Proposal should contain all information listed below.

Offerors must review **Section 2, Procurement Information**, which details procurement requirements specific to this RFP, in addition to those listed below, for the Administrative Section.

15.2.1 Contractual Agreement Statement

Offerors must make a statement as to the willingness of the firm to enter into a contractual agreement containing the material terms and conditions, specifications, and requirements set forth throughout this RFP, in the CSA's current Contract Terms and Conditions provided as Appendix N, and any terms and conditions contained in the State Appendices.

Terms or conditions deemed material by a CSA may not be modified during contract negotiations.

15.2.2 Required Administrative Forms

1. Appendix E, NYS Attachment 5 – Certified Statements, which includes information regarding the Offeror. Attachment 5 must be signed by an individual authorized to bind the Offeror contractually. Please indicate the title or position that the signer holds with the Offeror. OTDA reserves the right to reject a Proposal that fails to materially comply with Attachment 5
2. Appendix E, NYS Attachment 3 – Administrative Forms and Checklist

The offeror is to provide the completed forms contained in Attachment 3 in the same order in which they are listed on the Administrative Forms Checklist.

- A. MacBride Fair Employment Principle

- B. Prohibiting Contracts with Entities that Support Discrimination – EO 177 Certification
- C. Sexual Harassment Prevention Certification – State Finance Law §139-1
- D. Vendor Responsibility Questionnaire

Offerors must complete, certify, and file a New York State Vendor Responsibility Questionnaire. OTDA recommends that Offerors file the required Vendor Responsibility Questionnaire online via the New York State VendRep System. To enroll in and use the New York State VendRep System, see the VendRep System Instructions at https://www.osc.state.ny.us/vendrep/info_vrsystem.htm go directly to the VendRep System online at <https://esupplier.sfs.ny.gov/psp/fscm/SUPPLIER/?cmd=logon&languageCd=ENG&>

Offerors must provide their New York State Vendor Identification Number when enrolling in the VendRep System and to participate in this RFP. To request assignment of a New York State Vendor Identification Number, Offerors must complete the Substitute Form W-9: Request for Taxpayer Identification Number & Certification, located at https://www.osc.state.ny.us/vendors/forms/ac3237s_fe.pdf. Offerors must e-mail the completed form to procurements@otda.ny.gov. Offeror's NYS Vendor Identification Number will be provided via e-mail, along with further instructions. Offerors, who do not already have a New York State Vendor Identification Number, must submit the completed W-9 prior to submission of Bids.

Offerors opting to complete and submit a paper questionnaire can obtain the appropriate questionnaire from the VendRep website: www.osc.state.ny.us/vendrep or by contacting the Office of the State Comptroller's Help Desk for a copy of the paper form. Please call the Office of the State Comptroller Help Desk with any questions at 1-(518)-408-4672 or 1-(866)-370-4672.

- E. Non-Collusive Bidding Certification
 - F. Offeror Disclosure of Prior Non-Responsibility Determinations
 - G. Procurement Lobbying Act Offeror's Certification and Affirmation of Understanding and Agreement pursuant to State Finance Law §§ 139-j and 139-k
 - H. Contractor's Certification/Acknowledgement/Understanding
 - I. Offeror Assurance of No Conflict of Interest or Detrimental Effect
 - J. Subcontractor and Supplier ID Form
3. APPENDIX Y – Service-Disabled Veteran Owned Businesses (SDVOB) Participation Requirements for NYS Office of Temporary and Disability Assistance Contracts, which is set forth in Appendix E – NYS Attachment 7 – Appendix YSDVOB.

- A. Form SDVOB – 100 – SDVOB Utilization Plan
 - B. Form SDVOB – 101 – Contractors Monthly SDVOB Compliance Report
 - C. Form SDVOB – 200 – Application for Waiver of SDVOB Participation Goal
4. APPENDIX Z - Minority and Women-Owned Business Enterprise (MWBE) participation requirements for all NYS Office of Temporary and Disability Assistance Contracts, which is set forth in Appendix E – NYS Attachment 8 – Appendix Z MWBE. As part of your Proposal, submit the following documents, as appropriate:
- A. Form 4970 Offeror's Equal Opportunity Policy Statement as described in Clause 12 of APPENDIX A – Standard Clauses for NYS Contracts
 - B. Form 4934 (Offeror's EEO Staffing Plan of Anticipated Workforce)
 - C. Form 4937 (Offeror's MWBE Utilization Plan)
 - D. Form 4938 (Offeror's MWBE Subcontractors and Suppliers Letter of Intent to Participate)
 - E. Form 4976 (MWBE Goal Requirements Certification of Good Faith Efforts)

Note: Offerors may apply for a partial or total waiver of MWBE participation requirements by submitting Form 4969 (Request for Waiver) contained in Appendix E – NYS Attachment 3 of this RFP and including all required documentation. Waivers will be granted only when the Offeror cannot, after a good faith effort, comply with the MWBE participation requirements set forth under this procurement.

5. If selected for contract award, Offerors will be required to submit further information as set forth in Appendix E – NYS Attachment 6 – Post Award Forms. While the following information is not required until notification of selection of award, Offerors are encouraged to submit these forms with their Administrative Proposal to avoid delays. The below forms are contained in Appendix E – NYS Attachment 6 – Post Award Forms:
- A. Confidentiality/Non-Disclosure Agreement.
 - B. ST-220 CA, Sales and Compensating Use Tax Certification.
 - C. ST-220-TD, Contractor Certification, Sales and Compensating Use Tax Certification.
 - D. OTDA Consultant Disclosure Reporting – Form A; Form B.
 - E. Insurance Documentation, including Workers' Compensation and Disability Benefits.

15.2.3 Proposal Validity

The Offeror must include a statement as to the period during which the provisions of the Proposals, including pricing, will remain valid. **The minimum requirement is 365 days from the date Proposals were due.**

15.2.4 Debarment from Federally Funded Contracts

By signing this contract, the Contractor certifies that the Offeror is not suspended or debarred from entering into contracts that are federally funded.

15.2.5 Competing Commitments

The Offeror must provide a statement that assures the NCS that, if awarded the EBT contract, the Offeror is free of competing commitments that would impede successful performance.

15.2.6 Letter of Credit or Performance Bond

The Offeror's Proposal must include a written commitment from a financial institution on Company Letterhead to provide the Letter of Credit as required in Section 2.11, as applicable, in the event of contract approval.

15.2.7 Litigation

Briefly describe any current litigation and/or formal administrative protests or actions such as notices of default, unsatisfactory performance involving State or Federal government and private companies related to the quality or performance of EBT, EFT or related services for any local, county, State or Federal government agency, public or private association, or private organization.

15.3 Technical Proposal Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the Offeror and its staff to perform the Services and requirements referenced in this RFP. In submitting their Technical Proposal, Offerors will present, in part, a detailed response describing their understanding of the requirement(s)/specification(s) and their solution to meet such requirement(s)/specification(s). Response must address the Core, Optional and State Specific requirements, as indicated, and shall be submitted in the format and sequence described below.

Note: Offerors must not include any cost information in the Technical Proposal.

15.3.1 Attestation of Offeror's Understanding and Agreement to Comply

Offerors must sign and submit to the NCS an Attestation of Offeror's Understanding and Agreement to Comply with the NCS's Technical Requirements set forth in Sections 3 through 11 of this RFP (Appendix O).

15.3.2 Executive Summary

Submit an Executive Summary in the Technical Proposal. The Executive Summary should be no more than three pages, and should include the following:

- A. A summary of the Offeror's understanding of the requirements, obligations, specifications and Services set forth in this RFP; and
- B. A summary of the Offeror's proposed solution to meet the requirements and specifications in the RFP.

15.3.3 Technical Solution

The Offeror's Technical Solution should include separate detailed narrative responses to each of the requirements/specifications set forth in Sections 3 through 11 of this RFP (including subparts), unless specifically excluded therein together with any explanatory charts, schedules, plans and other documentation, which demonstrates the Offeror's understanding of ,and its solution to meet, such requirement/ specification, as applicable. Each narrative response must clearly indicate the section number (including subparts) and page number of the RFP that the Offeror's response addresses. **Each response should be numbered identically to the corresponding RFP Section (including Subparts).** Unless specifically excluded, the Offeror should submit responses to the requirements/specifications described in each enumerated subpart of the following Sections:

- A. Section 3, Contractor Qualifications and Organizational Experience,
- B. Offeror's Technical Section must include completed Appendix L Proposed Key Personnel Experience Form for one individual proposed to fill each Key Personnel positions set forth in Sections 3.2.3 through 3.2.8 of this RFP.
- C. Section 4, Detailed Technical Requirements,
- D. Section 5, EBT Administrative Functionality,
- E. Section 6, Settlement and Reconciliation,
- F. Section 7, Disaster Preparation and Contingency Preparation,
- G. Section 8, WIC EBT Requirements,
- H. Section 9, Retailer Management, Cardholder and Retailer Customer Service, Training, and New York State Specific Requirements,
- I. Section 10, Cash Access Services, and
- J. Section 11, Project Planning Phases, including Change and Release Management.

15.4 Diversity Practices

15.4.1 Overview

Pursuant to Section 313-a of New York Executive Law and Section 142.3 of Title 5 of the New York Codes, Rules, and Regulations, all agencies and authorities must evaluate the diversity practices of Offerors to Best Value procurements expected to exceed \$250,000, whenever practical, feasible, and appropriate. Evaluating the diversity practices of Offerors as part of the procurement process provides contractors with an incentive to develop mutually beneficial relationships with NYS-certified Minority and Women-owned Business Enterprises (MWBES) outside of the context of state contracting. These relationships help to build the capacity of MWBES and enhance their ability to perform ever increasing roles in state contracting.

Diversity practices are the efforts of contractors to include New York State-certified Minority and Women-owned Business Enterprises (“MWBES”) in their business practices. Diversity practices may include past, present, or future actions and policies, and include activities of contractors on contracts with private entities and governmental units other than the State of New York. Assessing the diversity practices of contractors enables contractors to engage in meaningful, capacity-building collaborations with MWBES.

15.4.2 General Instructions

- A. The NCS has determined, pursuant to New York State Executive Law Article 15-A, that the assessment of the diversity practices of Offerors to this RFP is practical, feasible, and appropriate. Accordingly, Offerors shall be required to complete and include as part of their Technical Proposal, the Diversity Practices Questionnaire, Appendix N-2.
- B. Diversity Practices will be evaluated based upon the questionnaire developed by the New York State Division of Minority and Women’s Business Development. This Questionnaire consists of eight (8) questions for Offerors to answer. Some questions request supporting documentation to support certain answers. Scoring Information for Diversity Practices can be found in Appendix N-2.

15.5 Financial Proposal Requirements

Offeror’s must review **Section 13, Pricing**, which details the requirements for the Financial Proposal Pricing Schedules.

The NCS has provided a complete set of Pricing Schedules within Appendix P (Pricing Schedule) of this RFP that Offerors must complete for their Financial Proposals. Offerors should conform to chart outlines and instructions. The charts should be submitted in the same order as found in the appendices and labeled appropriately.

16. Proposal Evaluation and Selection

The evaluation and selection methodology outlined in this section is applicable to the Contract to be awarded by New York, Connecticut, Maine, New Hampshire, Rhode Island, Vermont and the Commonwealth of Massachusetts.

The NCS is committed to a fair and impartial evaluation process. The NCS intends to evaluate Proposals uniformly and consistently to ensure that all Offerors have an equal opportunity for selection. The Evaluation Committee will be comprised of NCS Representatives.

Proposals received by the date specified in the Timetable, Section 2.4 will be screened for responsiveness by the NCS. Only Proposals judged to be responsive to the material requirements set forth in this RFP will be evaluated.

Each Administrative Proposal will be examined to determine compliance with the material requirements of the RFP on a pass/fail basis. Proposals that do not meet such material requirements will be deemed non-responsive and removed from consideration.

The basis of the award will be "Best Value," meaning the selection will be based on the Proposal which best optimizes quality, cost and efficiency among responsive and responsible Offerors.

16.1 Technical Proposal Evaluation Methodology

The Offeror's Technical Proposal shall constitute 75% of the total evaluation score.

16.1.1 Format and Content Evaluation

Offeror's Technical Proposal will be evaluated as follows:

A. **Criteria 1** – Evaluation of the Executive Summary

An assessment will be made of the Offeror's Executive Summary which shall comprise 5% of the Technical Proposal score.

B. **Criteria 2** – Key Personnel Experience

An assessment of the qualifications and experience of the Key Personnel will be made based upon information submitted in the Offeror's response to Section 3 and Appendix L. Key Personnel Experience shall comprise 10% of the total Technical score.

C. **Criteria 3** – Offeror Experience

An assessment will be made of the experience of the Offeror and proposed Subcontractors based upon the Offeror's response to Section 3. The Offeror's Experience shall comprise 25% of the total Technical score.

D. Criteria 4 – Quality of EBT Solution

An assessment will be made of the Offeror's narrative responses to RFP Sections 4-7 and 9-11 (unless a section is excluded). The Offeror's EBT solution shall comprise 38% of the total Technical score.

E. Criteria 5 – Diversity Practices

An assessment will be made of the Offeror's Diversity Practices using the responses provide by the Offeror to the MWBE Diversity Practices Questionnaire. Diversity Practices shall constitute 10% of the total Technical score.

F. Criteria 6 – WIC

An assessment will be made of the Offeror's narrative responses to Section 8 of the RFP. The WIC component shall comprise 12% of the total Technical score.

16.1.2 Technical Proposal Score

A technical score will be derived by totaling these six criteria. The Offeror scoring the highest will be assigned a final technical score of 75 points. The remaining Offeror's final technical scores will be derived using the following formula:

$(\text{Proposal Being Evaluated Technical Score} / \text{Highest Technical Score}) * 75 \text{ Points.}$

16.2 Financial Proposal Evaluation Methodology

An Offeror's Financial Proposal shall constitute 25% of the total evaluation score.

The lowest cost Financial Proposal will be awarded the maximum total of **25** points. Each remaining Bid will be assigned a Financial Proposal Score based on the following formula:

$(\text{Low Bid Price Offer} / \text{Proposal being evaluated Bid Price Offer}) * 25 \text{ Points.}$

16.3 Selection

To arrive at a Total Combined Score, the NCS will combine the Offeror's Technical Score and Financial Score.

The Offeror with the highest overall point total of the Technical and Financial scores combined will be tentatively selected for Contract award subject to successful completion of Contract negotiations with a CSA.

The resulting New York State Contract shall not be binding until fully executed and approved by the New York State Attorney General and the Office of the New York State Comptroller.