

WSEA RFP for the Re-Procurement of EBT Services
RFP 2015000247

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WSEA RFP for the Re-Procurement of EBT Services

RFP 2015000247

1 Introduction

The purpose of this Request for Proposals (RFP) is to acquire Electronic Benefit Transfer (EBT), direct deposit and commercial branded debit card services for the Supplemental Nutrition Assistance Program (SNAP), cash, child care and the Special Supplementation Nutrition Program for Women, Infants and Children (WIC) programs administered by the members of the Western States EBT Alliance (WSEA). The WSEA coalition has eight member states consisting of Alaska, Arizona, Colorado, Guam, Hawaii, Idaho, Nebraska, and Wyoming. Collectively, they are referred to as the “WSEA States” or the “States” within this RFP.

The WSEA members joined in the original procurement for EBT services in 1996 and subsequent re-procurements in 2002 and 2009. It is the intent of the WSEA states to continue as an alliance with the mutual objectives and goals for the continuation of EBT in each state. The WSEA States are sharing in this procurement to achieve economies of scale in volumes of transactions through tiered pricing and common system functionality. In addition, the WSEA States cooperate in the development and implementation of new Federal regulations and technological changes. WSEA reserves the right to add other members to the WSEA coalition including other States and Territories and their agencies and programs.

1.1 Overview

The State of Colorado Department of Human Services (CDHS), Division of Procurement is issuing this RFP on behalf of the WSEA States. CDHS is the lead State Agency for the WSEA procurement composed of states that joined in the last procurement for EBT services in March 2009.

CDHS retains the right to accept or reject any or all proposals if it is deemed to be in the best interest of the WSEA States. Each WSEA State participating in this procurement intends to contract with the selected EBT Contractor. If there are circumstances that preclude a State from contracting with the selected EBT Contractor; that State may not select from any other Offeror based on this RFP. In such circumstances, the State will withdraw from the Alliance and will have the right to initiate its own procurement for EBT services.

The current EBT contracts for the WSEA States are due to expire on the dates specified in the following Table 1: Current WSEA Contract Dates. Some of the States have remaining contract extension options that may be executed. The WSEA States may contract with the EBT Contractor selected through this procurement in advance of their current contract expiration date or in advance of any of the optional contract extension periods.

Table 1: Current WSEA Contract Dates

Current WSEA EBT Contract Dates		
State	Current EBT Contract Expiration Dates	Available Contract Extensions Under the Current EBT Contract
Alaska	March 31, 2018	Two one-year extensions
Arizona	September 30, 2018	One 1-year extension
Colorado	June 30, 2019	No extension
Guam	September 30, 2017	Two one-year extensions
Hawaii	June 30, 2017	Two one-year extensions
Idaho	June 30, 2017	Two one-year extensions
Nebraska	February 28, 2018	Two one-year extensions
Wyoming	March 31, 2016	Two one-year extensions

State specific contract start dates, base contract periods and optional extension periods for each State under this procurement will be determined during individual State contract negotiations. The WSEA States are anticipating the following base contract and contract option periods under this procurement, although this is subject to change.

Table 2: Anticipated WSEA Contract Periods

Anticipated WSEA EBT Contract Periods		
State	Base Contract Period	Optional Extension Periods
Alaska	Five-years	Two one-year extensions
Arizona	Five-years	Two one-year extensions
Colorado	Five-years	Two one-year extensions
Guam	Seven-years	Two one-year extensions
Hawaii	Seven-years	Two one-year extensions
Idaho	Five-years	Two one-year extensions
Nebraska	Five-years	Two one-year extensions
Wyoming	Seven-years	Two one-year extensions

Pricing under any optional extension period(s) exercised under this contract will be at the same pricing structure specified for the base contract period, or lower pricing if expressed in the extension document. It is the intent of the WSEA States at the conclusion of this procurement period to continue the Alliance and jointly rebid for EBT services. By jointly issuing this RFP the WSEA States have agreed, in principle, to the requirements specified herein. As a result, the Offeror's response is applicable to each participating WSEA State. However, the Offeror's response shall contain state-specific responses where required.

1.2 Overview of the Procurement

This RFP solicits the delivery of the full scope of EBT, direct deposit and commercial branded debit card services as specified in this RFP. The scope of services within this RFP reflects the goal to acquire services that meet the WSEA's quality, performance and cost constraint requirements.

In general, the acronym EBT within this RFP refers to all programs under EBT (SNAP, cash, WIC). If there are requirements specific to cash or WIC, the RFP refers to cash EBT or WIC EBT.

All the WSEA States currently operate established EBT systems with an EBT Contractor. This RFP is requesting an EBT system that will result in as little disruption or change to the States' current operations as possible and preferably no changes to the States' EBT interfaces. However, the States would consider changes to their EBT interfaces if the proposed changes provide operational savings and/or improved services.

Offerors must propose an EBT system that meets the requirements of applicable Federal and State laws and regulations and United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) technical standards and guidelines. Refer to *Appendix B* for the Standard State Contracts and Terms and Conditions. Offerors shall comply with all Federal regulations, circulars, policy, guidance and technical standards pertaining to the contracted services for SNAP and WIC. This includes provisions of the Agricultural Act of 2014, and related regulations, policy and guidance.

Federal requirements for WIC EBT processing and performance shall be considered the minimum standards for the WIC EBT system. Where specified in this RFP, the selected EBT Contractor shall be required to exceed Federal requirements and operating rules to meet state-specific requirements. As Federal and State regulations and laws, *WIC EBT Operating Rules*, the *WIC MIS-EBT Universal Interface* and the *Technical Implementation Guide* are changed or updated during the contract period; the EBT system must be modified to meet the new requirements at no additional cost to the States.

1.2.1 Issuing Office

This RFP is issued on behalf of the participating WSEA States by the State of Colorado Department of Human Services, Division of Procurement. The Division of Procurement is the SOLE point of contact concerning this RFP. All communication with the WSEA States must be done through the Division of Procurement. No statements or information received outside of this RFP, (including appendices, attachments, addenda or amendments) posted on the Colorado Organizational Resource Engine (CORE) www.colorado.gov/VSS or CDHS Division of Procurement may be relied upon.

1.2.2 Contact Person

The point of contact for this RFP is:

Jeff Wylde, CPPB, Purchasing Agent
Department of Human Services
North Central Procurement Office
1575 Sherman St. 6th floor
Denver, CO 80203
jeff.wylde@state.co.us (E-mail)

From the date of issuance of this RFP until the selection of a Contractor is announced, all questions concerning any part of this RFP shall be directed to the point of contact listed above. It is not permissible for any Offeror, or any entity working on behalf of an Offeror, to solicit information from any government

source (Federal or State) other than from the official point of contact listed above. Any unauthorized solicitations for information that are reported may be grounds for disqualification of the Offeror's Proposal.

1.2.3 Schedule of Activities

The schedule of activities for this procurement is as follows:

Table 3: Schedule of Activities

Schedule of Activities	
RFP Published on CORE website at www.colorado.gov/VSS .	June 16, 2015
Letter of Intent to Submit Bid – Non-Mandatory	July 10, 2015
Prospective Offeror's Written Inquiries Deadline	August 7, 2015
Estimated Date of Answers to Written Inquiries Posted on CORE website	August 14, 2015
Proposal Submission Deadline	September 14, 2015; 3:00 PM Mountain Time
Begin Proposal Evaluations	September 21, 2015
If Needed, the Estimated Week of Oral Presentations and/or Site Visits	October 12, 2015
Estimated Week of Issuance of the Letter of Intent to Award	October 12, 2015
Estimated Date of Contract Signature with State of Colorado	TBD

- Although it is not mandatory, Offerors are encouraged to submit the letter of intent to bid by July 10, 2015 to the point of contact identified in *Section 1.2.2*.
- Offeror's questions shall be submitted to the point of contact identified in *Section 1.2.2* by email and received no later than Close of Business, August 7, 2015. The State is not responsible for electronic submission errors. Receipt of questions may be confirmed by contacting the point of contact.
- Offeror's inquiries and the States' responses will be made available via the CORE website at www.colorado.gov/VSS. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors are responsible for monitoring CORE for publication of modifications to this solicitation. It is estimated that answers to written questions from Offerors will be provided by August 14, 2015.
- In the event that it becomes necessary to revise any part of this RFP, an addendum/amendment will be published on the CORE web site at www.colorado.gov/VSS. It is incumbent upon Offerors to carefully and regularly monitor CORE for any such postings.
- Proposals may be modified or withdrawn by the Offeror prior to the established due date and time.
- Proposals to the RFP shall be sent to the contact person indicated in *Section 1.2.2* and received no later than 3 PM Mountain Time, September 14, 2015. Proposals received after the cutoff time will not be accepted. Refer to *Section 1.3* for specific information regarding proposal submission requirements.
- Offerors may be asked to make oral presentations or to make their facilities available for a site inspection by the evaluation committee. It is estimated that oral presentations by Offerors and/or site visits will be made the week of October 12, 2015, if requested by WSEA. The oral presentations will provide the Offerors an opportunity to provide clarification on questions and issues WSEA may have on the response to the RFP. Offerors shall participate in the oral presentations at their expense.

- The Division of Procurement may elect to conduct clarification and/or negotiation processes with Offerors. At its discretion, the Division of Procurement may request Best and Final Offers from Offerors which, in the judgment of WSEA, have a reasonable chance of selection.

1.3 Response Requirements

All proposals must be submitted in accordance with the specified response requirements. Failure to follow response requirements may result in disqualification of the proposal.

1.3.1 Submission of Proposals

Proposals must be received on or before the date and time indicated in the Schedule of Activities (refer to *Section 1.2.3*). Late proposals will not be accepted. It is the responsibility of the Offeror to ensure that the proposal is received by the CDHS Division of Procurement on or before the proposal submission due date and time. Offerors mailing their proposals shall allow sufficient mail delivery time to ensure receipt of their proposals by the time specified. The proposal package(s) shall be delivered or sent by mail to:

Department of Human Services
North Central Procurement Office
1575 Sherman St. 6th floor
Denver, CO 80203
Attention: Jeff Wylde, CPPB

The State of Colorado Request for Proposal Signature Page MUST be signed in ink by the Offeror or an officer of the Offeror legally authorized to bind the Offeror to the proposal. Proposals, which are determined to be at a variance with this requirement, may not be accepted.

Failure to include any specifically requested information might result in the disqualification of a proposal.

For its proposal to be considered, an Offeror must be registered with the State of Colorado's CORE (www.colorado.gov/VSS) by the proposal submission due date and time.

1.3.2 Packaging of Proposals

All proposals must be physically received in the State of Colorado, Department of Human Services, North/Central Procurement Office, 7866 West Mansfield Parkway, Denver, CO 80235 no later than 3:00 p.m., Mountain Time (MT), on September 14, 2015. Proposals received after the time specified will not be considered and will be returned unopened.

Proposals must be submitted in two parts: (1) Technical Proposal and (2) Cost Proposal. The format and content of each are specified in *Sections 1.3.4* and *1.3.5*. No faxed or email submission of material will be accepted.

For the Technical Proposal, the Offeror shall submit one (1) original (clearly marked "Original"), sixteen (16) hard copies, sixteen (16) CDs and eight (8) USB flash drives in either MS Word or PDF format. For the Cost Proposal, the Offeror shall submit one (1) original (clearly marked "Original"), sixteen (16) hard copies, sixteen (16) CD copies and eight (8) USB flash drives in MS Word/Excel or PDF format. The original and each copy must include the State of Colorado Request for Proposal Signature Page, and the Offeror's Transmittal Letter. The method of delivery is at the discretion of the Offeror and is at the Offeror's risk as to timeliness and compliance. Proposals not containing the required number of copies may be rejected. Late proposals will be rejected and returned unopened.

Do not co-mingle Technical Proposals and Cost Proposals. Placing the Cost Proposal in a separate package will help ensure that the WSEA Evaluation Committee is not influenced by cost factors when

evaluating technical proposals. There shall be no reference to or mention of costs within the Technical Proposal or Transmittal Letter.

Offerors are encouraged to use environmentally preferred packaging materials. If the proposal is delivered in more than one box or package, all boxes or packages must be received before the specified due date and time.

The outside cover of the package containing the Technical Proposal shall be marked:

<OFFEROR'S NAME>
RFP #2015000247 – TECHNICAL PROPOSAL
WSEA Electronic Benefits Transfer Services
PROPOSAL DUE: September 14, 2015 3:00 PM (Local, MT)

The Technical Proposal and each of its copies shall include all materials, transmittals, and agreements specified in this RFP.

The outside cover of the package containing the Cost Proposal shall be marked:

<OFFEROR'S NAME>
RFP #2015000247 – COST PROPOSAL
WSEA Electronic Benefits Transfer Services
PROPOSAL DUE: September 14, 2015, 3:00 PM (Local, MT)

All proposals must clearly indicate the name, title, e-mail address, mailing address, and telephone number of the individual(s) authorized to bind the Offeror to the provisions of the RFP and to answer official questions concerning the proposal.

1.3.3 Binding Proposals

The Technical and Cost Proposals must be provided in 3-ring binders with tabbed sections as specified in the following *Sections 1.3.4 and 1.3.5*. Proposal pages must be numbered with page numbers appearing on the bottom, center of each page. The CDHS Division of Procurement desires and encourages that proposals be submitted on recycled paper, printed on both sides. While the appearance of proposals and professional presentation is important, the use of non-recyclable or non-recycled glossy paper is discouraged. Font size for all narrative descriptions must be no smaller than 12 point font.

1.3.4 Technical Proposal Response Requirements

Offerors are strongly encouraged to recommend the use of new and innovative technologies that will provide improved service and/or operational savings when formulating a response. The introduction of these technologies can occur at any time during the project. Examples of such innovative technologies include, but are not limited to:

- Web services;
- Innovative marketing strategies;
- Enhanced card technologies and card production techniques; and
- Detection and prevention of fraud.

In submitting their technical response, Offerors shall present a detailed plan describing the services they are offering to perform and their capabilities and qualifications. The technical response shall not merely

restate the RFP requirements but shall clearly explain how the requirements will be met. Responses which merely offer to conduct a program in accordance with the requirements of the RFP will be deemed non-responsive and will not receive further consideration. The technical response must address all requirements and shall be submitted in the format and sequence described below.

- **Signature Page:** The State of Colorado Signature Page form MUST be signed in ink by the Offeror or an officer of the Offeror legally authorized to bind the Offeror to the proposal.
- **Transmittal Letter:** The proposal shall also include a cover letter signed by an officer of the Offeror authorized to make the commitments and representations included in the Proposal. The cover letter shall also include contact information for a person who is authorized to act on behalf of the Offeror.
- **Table of Contents**
- **Crosswalk:** The proposal shall contain a crosswalk, to include section and page numbers, between the proposal and the related section(s) and page(s) of the RFP.
- **Technical Proposal Tab 1: Executive Summary:** The Offeror shall submit an executive summary that briefly reviews the strengths of the Offeror and key features of its proposed approach to meet the requirements of this RFP.
- **Technical Proposal Tab 2: Qualifications and Experience of Offeror:** In this section of the proposal, Offerors shall provide evidence of their corporate qualifications for performing the work specified in this RFP. Reference checks will be made as part of the evaluation process. Reference checks will not be limited to specific customer references cited in the proposal but may include other contracts, past or current, with WSEA States or other States and governmental entities. The Offeror shall provide three references who can speak to the Offeror's qualifications and experience. This section shall also describe the corporate capabilities of any proposed subcontractors and shall include three references for each subcontractor, who can speak to the subcontractor's qualifications and experience. The Offeror must provide evidence of each subcontractor's intent to participate as part of the Offeror's team. Offerors are strongly encouraged to address all elements specified in *Section 3* of the RFP in their response.
- **Technical Proposal Tab 3: Project Management, Organization and Staffing:** In this section of the proposal, the Offeror shall provide a proposed organization chart for the WSEA EBT project defining how the Offeror shall organize, staff and manage the project. The Offeror shall provide detailed information, including resumes, of key staff members assigned to this project. The response shall include a discussion of the proposed lines of authority, and how the project management team of the Offeror shall be involved in the administration of the services, including the coordination and communication internally and among all subcontractors. Offerors are strongly encouraged to address all elements specified in *Section 4* of the RFP in their response.
- **Technical Proposal Tab 4: Business Requirements:** In this section of the proposal, the Offerors shall describe their acceptance of all the business requirements specified in RFP *Section 5* including the invoicing, accounting, auditing and contract performance requirements. The Offeror's response must indicate acceptance of the business requirements. If exception is taken to any of the business requirements, the exception(s) must be clearly specified in the Offeror's response.
- **Technical Proposal Tab 5: Project Deliverables and Documentation:** This section of the proposal shall provide the Offeror's approach to providing project deliverables and documentation and for maintaining deliverables and documentation throughout the contract period. Offerors

shall provide a preliminary Project Work Plan (refer to RFP *Section 6.2*) in this section of their proposal. Offerors are strongly encouraged to address all elements specified in *Section 6* of the RFP in their response.

- **Technical Proposal Tab 6: Transition and Conversion:** Offerors shall describe their approach for conducting a smooth and orderly transition of EBT Services and assuring continuity of services throughout the transition. Offerors are strongly encouraged to address all elements specified in *Section 7* of the RFP in their response.
- **Technical Proposal Tab 7: System Testing:** In this section of their proposal, Offerors shall provide a description of their approach for conducting system testing and for providing life cycle system testing for the duration of the contract. Offerors are strongly encouraged to address all elements specified in *Section 8* of the RFP in their response.
- **Technical Proposal Tab 8: Overview of the System Design:** Offerors shall include an overview of their system design. This section of the proposal clearly describes the system configuration including all processing components, databases, interfaces, and participating entities. Offerors are strongly encouraged to address all elements specified in *Section 9* of the RFP in their response.
- **Technical Proposal Tab 9: Technical and Functional Requirements:** In this section of the proposal, Offerors shall present their response to the technical and functional requirements specified in *Sections 10* of the RFP. In structuring their response, Offerors are strongly encouraged to follow the sequence in which requirements are presented within *Section 10* and to address all requirements.

1.3.5 Cost Proposal Response Requirements

Estimated proposal prices are not acceptable. Offerors should not expect or anticipate that a best and final offer will be requested. It is incumbent upon the Offeror to submit a proposal that is competitive and with the best pricing that would be most advantageous to both the WSEA States and the Offeror. It is anticipated that best and final offers would only be used in the event that the WSEA States require a clarification or change in proposed services or scope of work. Once an Offeror has been awarded the WSEA contract, the prices agreed upon through the negotiation process will be firm for all States through the end of each State's contract and optional extension period(s) unless reduced for all States for the time remaining on their contracts.

Offerors shall submit their Cost Proposal response using the Pricing Schedules provided in RFP *Section 11*. The Cost Proposal shall be comprised of a single tab as follows:

- **Cost Proposal Tab 1:** Cost proposal tab 1 shall include the Pricing Schedules provided in RFP Sections 11.2.1 through 11.2.9.

1.4 RFP Award and Evaluation of Proposals

The purpose of this section is to provide a description of the evaluation process and the criteria that will be used in the selection of an EBT Contractor. All proposals received in the proper format as contained herein, and by the submission due date and time, will be evaluated according to the criteria herein.

The evaluation will identify the proposals that most effectively meet the requirements of this RFP. The work will be awarded to the Offeror whose proposal, conforming to the RFP, will be most advantageous to the WSEA States, price and other factors considered.

All proposals will be submitted to the Colorado Division of Procurement for acceptance. The Division of Procurement will be responsible for ensuring that:

- The Offeror's proposal complied with the due date and time.
- The Offeror's "Colorado Request for Proposal Signature Page" meets content and other requirements.
- The Offeror included the appropriate number of proposal copies.

On the date and time shown on the Request for Proposal Signature Page, the Division of Procurement will hold a Public Opening of Proposals. The Public Opening will only disclose the names of all Offerors who have submitted a proposal for evaluation by the WSEA States. Information on costs and qualifications will be available from the Division of Procurement following selection of the winning Offeror.

1.4.1 Evaluation Process

CDHS and the WSEA States will conduct an intensive, thorough, complete and fair evaluation process. Proposals will be evaluated on both the proposed service and the cost of the service. The evaluation will be performed and an award recommendation made to the Division of Procurement by the WSEA Evaluation Committee. The Evaluation Committee will be composed of WSEA State representatives who do not have a conflict of interest in this procurement.

The evaluation process is structured to ensure the most effective solution for WSEA's EBT system. WSEA States seek a solution that:

- Meets or exceeds the detailed EBT system requirements described in this document;
- Offers innovative/effective methods for meeting the management of performance, technical and functional requirements;
- Proposes skilled and experienced individuals for overall project functions;
- Demonstrates the corporate and team strength required to convert multiple States over a short period of time and to ensure effective EBT system operations;
- Presents an effective, realistic work plan to implement the specifications of this RFP; and
- Provides value to the WSEA States for the Contractor's proposed services and associated pricing.

In performing the evaluation, the WSEA Evaluation Committee will undertake a process that includes the following steps:

- Review proposals for any conditions that may disqualify the Offeror and to ensure that required elements have been met.
- Review proposal content, contact references and assign a preliminary score to each factor for each technical proposal.
- Determine whether, as part of the deliberations, any Offerors will be invited to participate in discussions with the Committee. (Offerors selected for discussion would be those who, based on preliminary scores, have a reasonable potential of being selected for the award.) However, proposals may be reviewed and determinations made without discussion. Therefore, it is important that proposals are complete, and Offerors should recognize that opportunity for further explanation might not exist.
- Participate in discussions with invited Offerors, if required.
- Adjust points as necessary.
- Upon completion of the technical evaluation, participate in the review and scoring of Offerors' pricing proposals.

- Determine whether to request best and final offers, which may be requested at WSEA's discretion.
- Make the final selection recommendation to the Division of Procurement.

A numerically based evaluation methodology will be used to assist in the evaluation. A scoring system will be used that will include specific evaluation weights for each section. The relevance and comprehensiveness of past experience and qualifications will be evaluated to assess the risk of either unacceptable or late performance. While a numerical rating system will be used to assist the evaluation committee in selecting the competitive range (if necessary), the award decision ultimately is a business judgment that will reflect an integrated assessment of the relative merits of the proposals using all factors and their relative weights disclosed in the RFP.

Both cost and the technical response are considered important criteria. In the overall scoring scheme that will be used by WSEA, cost will account for 40 percent of the overall total score and the technical response for 60 percent of the total score.

Offerors should not assume that they will have an opportunity for oral presentations, best and final offers, or revisions of proposals. They should submit their most favorable proposals as their initial proposal. If award is not made upon evaluation of the initial proposals, Offerors in the competitive range (those most responsive to the requirements and that have a potential of being selected for award) may be provided an opportunity to make an oral presentation as part of the discussions. As the competitive range determination will be based on the written proposals, Offerors are cautioned to insure that their proposals adequately convey the soundness of their approach and understanding of the requirements.

If oral presentations with Offerors in the competitive range are deemed necessary, they are anticipated to be between 2-4 hours in duration. At WSEA's request, the presentation may consist of an Offeror briefing and/or a demonstration concerning the Offeror's technical approach. Offerors may be asked to provide clarifications and/or address any deficiencies in their technical proposals that may have been identified by the Committee. If so, these questions will be provided in writing in advance of the oral presentation.

If WSEA determines proposal revisions will be permitted after the conclusion of oral presentations and discussions, a date will be established in writing by the States for submission of best and final offers. Revisions will be made by "change page" to proposals. The States do not allow nor will they consider complete, comprehensive proposal rewrites.

1.4.2 Evaluation Criteria

Evaluation criteria are provided in the following table. Offerors are advised to fully respond to all requirements to maximize their score. At a minimum, the winning respondent must be able to demonstrate in its response the capability to meet all requirements specified in this RFP.

Table 4: Evaluation Scoring Table

Evaluation Scoring Table		
Requirement	Maximum Technical Points	Maximum Pricing Points
Proposal Tab 1: Executive Summary	0	
Proposal Tab 2: Qualifications and Experience ▪ Corporate capabilities & experience ▪ Corporate references ▪ Subcontractor capabilities & experience ▪ Subcontractor references	50	
Proposal Tab 3: Project Management, Organization & Staffing ▪ Project management ▪ Project organization ▪ Staff capabilities and experience ▪ Subcontractor management	50	
Proposal Tab 4: Business Requirements ▪ Acceptance of EBT Contractor liabilities ▪ Acceptance of invoicing, accounting and auditing requirements ▪ Compliance with regulations and performance standards	75	
Proposal Tab 5: Project Deliverables & Documentation ▪ System documentation ▪ Manuals ▪ Plans ▪ Reports ▪ Preliminary project work plan	100	
Proposal Tab 6: Transition and Conversion ▪ Transition approach ▪ Conversion approach	50	
Proposal Tab 7: System Testing ▪ Testing approach	50	
Proposal Tab 8: Overview of the System Design ▪ System configuration ▪ Processing components ▪ Databases ▪ Interfaces ▪ Participating entities	25	
Proposal Tab 9: Technical & Functional Requirements ▪ Technical requirements ▪ Functional requirements	200	
Technical and Pricing Score	600	400
Total Possible Score	1,000	

1.4.3 Ranking and Final Recommendations for Award

As described in *Section 1.4.1*, the Evaluation Committee may, if it deems necessary, request clarifications, conduct discussions or oral presentations, or request best and final offers; however, it may proceed to an award recommendation without conducting any of these activities. The Evaluation Committee may adjust its scoring based on the results of such activities, if any. The Committee will then make an award recommendation subject to the final approval of the CDHS Division of Procurement. Upon review and approval of the Evaluation Committee's recommendation for award, the CDHS Division

of Procurement will issue a "Notice of Intent to Make an Award" on CORE. A "Letter of Intent to Award" will be sent to the successful Offeror and a fax or e-mail notice will be sent to all other Offerors indicating the notice of intent has been posted.

1.4.4 Federal and State Approvals

Contract approval is contingent upon both Federal and State approvals. Every effort will be made by the State, both before and after selection, to facilitate rapid approval and an early start date for the Contractor. The State will send the Contractor Selection Report and draft State Contract to the FNS Regional Office in Denver for FNS Approval.

1.4.5 Compliance

Failure of a proposal to comply with the requirements of this RFP may result in the proposal being disqualified as a non-responsive proposal. Such disqualification may occur at any point following the public opening of proposals.

By submitting a proposal, the Offeror affirms its acceptance of the terms and requirements of this RFP, including its attachments and exhibits, without exception, deletion, or qualification – and without making its offer contingent. A proposal submitted in response to this RFP shall constitute a binding offer.

1.5 Administrative Information

CDHS Division of Procurement is the issuing office for this proposal. General administration information, in addition to proposal submission and evaluation information contained in the previous section, is provided below.

1.5.1 Inquiries

Unless otherwise noted, prospective Offerors may make written, faxed, or e-mail inquiries concerning this RFP to obtain clarification of requirements. E-mail is the preferred method of vendors to submit inquiries. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. E-mail all inquiries to:

E-mail: jeff.wylde@state.co.us

Clearly identify your inquiries as, **RFP 2015000247: Re-Procurement of WSEA Electronic Benefit Transfer Services**

Response to Offeror's inquiries will be published as a modification on the State of Colorado CORE web page in a timely manner.

1.5.2 Acceptance of RFP Terms

A proposal submitted in response to this RFP shall constitute a binding offer. Acknowledgment of this condition shall be indicated by the autographic signature of the Offeror or an officer of the Offeror legally authorized to execute contractual obligations. It is assumed by the Offeror's response that it acknowledges all terms and conditions of this invitation for an offer. An Offeror shall identify clearly and thoroughly any variations between its proposal and the State's RFP. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance, except as outlined or specified in the RFP.

1.5.3 Protested Solicitations and Awards

Any actual or prospective Offeror or Contractor who is aggrieved in connection with the solicitation or award of a contract may protest to:

Jeff Wylde, CPPB, Purchasing Agent
Department of Human Services
North/Central Procurement Office
7866 W. Mansfield Parkway
Denver, CO 80235

The protest shall be submitted in writing within seven working days after such aggrieved person knows, or should have known, of the facts giving rise thereto. Reference C.R.S. Title 24, Article 109.

1.5.4 Confidential/Proprietary Information

Any restrictions of the use or inspection of material contained within the proposal shall be requested prior to the submission of the proposal itself. Written requests for confidentiality shall be submitted, by the Offeror prior to the proposal submission date. The Offeror must state specifically what elements of the proposal that would be considered confidential/proprietary. The CDHS Division of Procurement will make a written determination as to the apparent validity of any written request for confidentiality. The written determination will be sent to the Offeror.

Requests that are granted shall use the following format:

- Confidential/proprietary information must be readily identified, marked, and separated/packaged from the rest of the proposal.
- Commingling of confidential/proprietary and other information is NOT acceptable. Neither a proposal, in its entirety, nor proposal price information will be considered confidential and proprietary.
- Any information that will be included in any resulting contract cannot be considered confidential.

After award, the offers shall be open to public inspection subject to any continued prohibition on the disclosure of confidential data, C.R.S. Title 24, Article 72, Part 2 as amended.

1.5.5 RFP Response Material Ownership

All material submitted regarding this RFP becomes the property of the State of Colorado and the participating WSEA States. Proposals may be reviewed by any person after the "Notice of Intent to Make an Award" letter has been issued, subject to the terms of C.R.S. Title 24, Article 72, Part 2 as amended.

1.5.6 Proposal Prices

Estimated proposal prices are not acceptable. Best and final offers may be considered in determining the apparent winning Offeror. Proposals and proposal prices shall be firm for a period of not less than one hundred eighty (180) calendar days from the date of contract award and for each WSEA State shall remain firm for not less than one hundred eighty (180) calendar days from the expiration date of the State's current contract.

1.5.7 Proposal Selection

Upon review and approval of the Evaluation Committee's recommendation for award, the Division of Procurement will issue a "Notice of Intent to Make an Award" on CORE. An Email notice will be sent to all Offerors indicating the notice of intent has been posted.

1.5.8 Award of Contract

The award will be made to the Offeror whose proposal, conforming to the RFP, will be the most advantageous to the WSEA States, price and other factors considered.

1.5.9 Proposal Content Acceptance

The contents of the proposal (including persons specified to implement the project) of the winning Offeror will become contractual obligations if acquisition action ensues. Failure of the winning Offeror to accept these obligations in a contract, purchase document, delivery order or similar acquisition instrument may result in cancellation of the award and such Offeror may be removed from future solicitations.

1.5.10 Standard Contracts and Terms and Conditions

Each State participating in this procurement will enter into separate contracts with the selected EBT Contractor. The WSEA States may incorporate their Standard State Contract provisions and Terms and Conditions into the contracts resulting from this RFP (see *Appendix B*).

1.5.11 RFP Cancellation

CDHS, on behalf of the WSEA States, reserve the right to cancel this Request for Proposal at any time, without penalty.

1.5.12 State Ownership of Contract Products/Services

Proposals, upon established opening time, become the property of the WSEA States. All products/ services produced in response to the contract resulting from this RFP will be the sole property of the WSEA States, unless otherwise noted in the RFP. The contents of the successful Offeror's proposal will become contractual obligations.

1.5.13 Incurring Costs

The WSEA States are not liable for any cost incurred by Offerors prior to issuance of a legally executed contract or procurement document. No property interest, of any nature shall occur until a contract is awarded and signed by all concerned parties.

1.5.14 Proposal Rejection

The WSEA States reserve the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received and to accept any portion of a proposal or all items proposed if deemed in the best interest of the WSEA States.

1.5.15 Offeror Identification

The tax identification number provided must be that of the Offeror responding to the RFP. The Offeror must be a legal entity with the legal right to contract.

1.5.16 News Releases

News releases pertaining to this RFP shall NOT be made prior to execution of the contract without prior written approval by the WSEA States.

1.5.17 Certification of Independent Price Determination

1. By submission of this proposal each Offeror certifies, and in the case of a joint proposal each party, thereto certifies as to its own organization, that in connection with this procurement:
 - (a) The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other Offeror or with any competitor;
 - (b) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the Offeror and will not knowingly be disclosed by the Offeror prior to opening, directly or indirectly to any other Offeror or to any competitor; and

- (c) No attempt has been made or will be made by the Offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
- 2. Each person signing the Request for Proposal Signature Page of this proposal certifies that:
 - (a) She/he is the person in the Offeror's organization responsible within that organization for the decision as to the prices being offered herein and that she/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above; or she/he is not the person in the Offeror's organization responsible within that organization for the decision as to the prices being offered herein but that she/he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above, and as their agent does hereby so certify; and she/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above.
- 3. A proposal will not be considered for award where (1)(a), (1)(c), or (2) above has been deleted or modified. Where (1)(b) above has been deleted or modified, the proposal will not be considered for award unless the Offeror furnishes with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the head of the agency, or her/his designee, determines that such disclosure was not made for the purpose of restricting competition.

1.5.18 Conflicts of Interest

The holding of public office or employment is a public trust. A public officer or employee whose conduct departs from his fiduciary duty is liable to the people of the State. Colorado C.R.S. 24-18-108, as amended, rules of conduct for public officers and State employees state:

- 1. Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty.
- 2. A public officer or a State employee shall not:
 - (a) Engage in a substantial financial transaction for her/his private business purposes with a person whom she/he inspects, regulates, or supervises in the course of his official duties;
 - (b) Assist any person for a fee or other compensation in obtaining any contract, claim, license, or other economic benefit from her/his agency;
 - (c) Assist any person for a contingent fee in obtaining any contract, claim, license, or other economic benefit from any State agency; or
 - (d) Perform an official act directly and substantially affecting its economic benefit a business or other undertaking in which she/he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
 - (e) Serve on the Board of any entity without disclosure to the entity, the Secretary of State, and his/her employer.
- 3. A head of a principal department or a member of a quasi-judicial or rule-making agency may perform an official act notwithstanding paragraph (d) of subsection (2) of this section if her/his participation is necessary to the administration of a statute and if she/he complies with the voluntary disclosure procedures under C.R.S. 24-18-110.

1.5.19 Taxes

State and local taxes may apply on services provided or when materials are purchased for this project. In some cases, taxes on services may be passed through to the State as part of the monthly invoice. This is currently being done for Hawaii. Refer to individual State and local laws concerning State and local taxes.

1.5.20 Most Favored Customer

If benefits or other contract terms determined to be advantageous to the WSEA States have been or are subsequently agreed to by the Contractor in other agreements with similar services, terms, and conditions, with other States or political subdivisions, the same advantageous prices, benefits or terms must be extended to the WSEA States under any contract awarded pursuant to this RFP. Likewise, benefits, similar services, terms, and conditions extended to one WSEA State shall also be made available to the other WSEA States.

2 EBT Program Profile

In 2008, the WSEA States joined together to jointly procure EBT services. Under that procurement, other States could participate in the WSEA contract vehicle as long as the new States agreed to the core EBT services and paid for any additional services, conversion costs and other items not included the in the last procurement. This section will provide information on the current list of participating states: Alaska, Arizona, Colorado, Guam, Hawaii, Idaho, Nebraska, and Wyoming.

2.1 WSEA Benefit Programs

The following table provides a list of the programs which the WSEA States support through their current EBT contracts. Benefits may be provided via EBT, direct deposit or a commercial branded debit card. With the exceptions of Wyoming and Nebraska, WSEA States are providing cash benefits through EBT.

Table 5: WSEA Benefit Programs Currently Supported by EBT

Benefit Programs Currently Served by WSEA EBT								
Program	AK	AZ	CO	GU	HI	ID	NE	WY
SNAP	✓	✓	✓	✓	✓	✓	✓	✓
TANF	✓	✓	✓	✓	✓	✓		
Aid to the Aged, Blind, and Disabled (AABD)	✓		✓	✓	✓	✓		
Aid to Needy Disabled (AND)			✓					
Child (Day) Care		✓	✓		✓			✓
Child Support ¹	✓					✓		
Child Welfare			✓					
First to Work					✓			
Foster Care		✓						
General Assistance	✓			✓	✓			
Home Care Allowance (HCA)			✓					
LEAP (LIHEAP)			✓					
Old Age Assistance	✓		✓	✓				
Refugee Assistance		✓						
Repatriate Payments					✓			
Senior Benefits	✓							
TAONF					✓			
Training Related Exp.		✓			✓			
TB Control		✓						
Unemployed Parent (TPEP)		✓						

¹ Child Support participants in Alaska are given the option of receiving their payments via direct deposit or through a separate branded debit card. For the next contract, Idaho will be pursuing a separate contract for delivery of Child Support payments through a branded card.

Wyoming currently provides WIC benefits via an off-line system supported by smart card technology. This will not be one of the programs included as part of the WSEA procurement. However Alaska, Hawaii, Idaho, and Nebraska are interested in procuring delivery of Online WIC EBT services from the new Contractor.

2.1.1 Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) is administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). FNS sets national SNAP policies and authorizes food retailers to deliver program benefits. FNS monitors retailer compliance and investigates retailers suspected of fraudulent activities. SNAP provides food assistance to low-income individuals and families. This program serves elderly or disabled households with incomes at or below 165% of the Federal Poverty level and all other households with incomes at or below 130% of the Federal Poverty Level.

Although administered by FNS, the program is operated by the States. The State and local offices determine eligibility and authorize benefits. To maintain client eligibility, the States operate eligibility certification systems. State and local offices are also charged with investigating clients who are suspected of fraudulently obtaining benefits.

2.1.1.1 SNAP Benefit Restrictions

As a food assistance program, the use of SNAP benefits is restricted to the purchase of eligible food items from FNS authorized food retail locations. The USDA's Office of the Inspector General (OIG), Retailer Investigations Branch, Secret Service, and State or local law enforcement officials are responsible for retailer fraud investigations.

2.1.1.2 Retailer Management

Retailers authorized by FNS to accept SNAP benefits are required to comply with program rules. This may include traditional and non-traditional merchants. Once FNS authorizes a retailer to conduct SNAP transactions, the retailer information is entered into the FNS retailer database. The number of FNS-authorized retailers may fluctuate on a day-to-day basis. This table provides the estimated number of authorized retailers within the WSEA States. These numbers are for informational purposes only and are not to be considered the current or projected number of FNS-authorized retailers for each State

Table 6: Estimated Number of FNS-Authorized Retailers

Estimated Number of FNS-Authorized Retailers as of October 2014	
Alaska	553
Arizona	3,651
Colorado	2,671
Hawaii	1,038
Guam	300
Idaho	1,072
Nebraska	1,146
Wyoming	470

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 Retailer EBT Data Exchange (REDE) file to identify which specific retailers are exempt.

2.1.1.3 Funding

SNAP benefits are 100% funded by the Federal government. Benefit funds are not disbursed until the client uses the EBT card and a debit is posted to the account. The Federal and State governments share the administrative cost of operating SNAP equally.

2.1.2 Temporary Assistance for Needy Families

Temporary Assistance for Needy Families (TANF) is the primary cash assistance program and is administered by the Administration for Children and Families (ACF), U.S. Department of Health and Human Services. The program is operated by the State and by County or local offices. TANF is a program designed to enable States to aid needy families with children through cash assistance. TANF provides cash benefits for low-income families. Recipients are children under age 18, children under age 19 attending high school or GED program full-time, parents or needy caretaker relatives of these children, unmarried teen parents under the age of 18 and pregnant women with no other children. To be eligible for TANF, the family or assistance unit must include a child (or a pregnant woman with no other children) who is in financial need. The child of unmarried parents can be excluded from recipient assistance units at the option of the parents. Families in which the adult(s) have not yet used their 5-year time limit (24 months in Idaho) for cash assistance are also eligible.

2.1.2.1 TANF Funding

TANF is jointly funded by the State and by the TANF block grant from ACF.

2.1.2.2 TANF Benefit Restrictions

TANF benefits are currently accessed at Automated Teller Machines (ATMs) and point-of-sale (POS) devices. Unlike SNAP benefits, there are no restrictions on the items that may be purchased with cash benefits. However, the EBT Contractor shall adhere to all existing and future Federal and WSEA State regulations regarding EBT processing, including TANF regulations on program restrictions for TANF-only retailers. The EBT Contractor shall be required to restrict access at ATMs and POS devices in certain State-designated locations, such as casinos, liquor stores, marijuana dispensaries, and adult entertainment locations.

2.1.3 Other Cash Programs

In addition to the TANF Program, the WSEA States operate a variety of other cash benefit programs. Within the cash programs there may be multiple benefit types depending on the circumstance or need. Some of these types may have different Federal/State match funding, and therefore they must be tracked as separate cash benefit types by the EBT Contractor's EBT system.

2.1.4 WIC Program

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program is administered by the USDA 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, lactating and postpartum women, infants and children up to age five who are at nutritional risk.

2.1.4.1 WIC Funding

WIC is not an entitlement program as Congress does not set aside funds to allow every eligible individual to participate in the program. WIC provides Federal grants to States for supplemental foods, health care referrals, and nutrition education.

2.1.4.2 WIC Benefit Restrictions

WIC benefits are provided in the form of a food package or food prescription. The client may purchase only food items specified in the food package. Brands, quantities and package size are specified in the food package.

2.1.4.3 WIC EBT-Only Retailers

WIC EBT-only vendors are WIC-authorized vendors that do not have a certified IECR capable of conducting a WIC EBT transaction, and are being provided a POS terminal by the EBT Contractor that is capable of performing WIC EBT transactions.

2.2 State EBT Profiles

Following are high level profiles of WSEA States' EBT operations. These profiles are provided for information purposes. They represent a snap shot at a point in time and are subject to change. Upon contract award, a single point of contact for each State shall be named. Profiles of the States' WIC Programs are provided for Alaska, Hawaii, Idaho and Nebraska, the four WSEA States currently anticipating that they will procure WIC EBT services through this acquisition.

2.2.1 Alaska

The Alaska Department of Health and Social Services (DHSS) is an agency of the Executive Branch of the Alaska State government charged with providing various types of health and social services to Alaskans.

The mission of the DHSS is to promote and protect the wellbeing of every Alaskan by investing in families and communities. The DHSS mission is accomplished through services that are provided directly by State operated facilities and programs, or through collaboration with local governments, nonprofit agencies, tribal governments, and private for-profit businesses, located throughout the State.

Within the DHSS, the Division of Public Assistance (DPA) is responsible for the administration of the Supplemental Nutrition Assistance Program (SNAP); TANF cash assistance; Adult Public Assistance (APA) a Supplemental Security Income (SSI)-supplement program for needy aged, blind and disabled persons; Senior Benefits Program a cash assistance program for low-income senior citizens; General Assistance (GA); the Low-Income Home Energy Assistance Program (LIHEAP); Women, Infants, and Children (WIC); Child Care Assistance and for determining the eligibility of individuals and families in need of Medicaid benefits. As part of the DHSS EBT contract, the Department of Revenue, Child Support Services Division (CSSD) delivers Child Support payments and the Department of Labor delivers Unemployment Insurance Benefits (UIB) via a branded debit card.

JP Morgan Chase (JPM) is responsible for the operation of the host processor, daily account settlement, customer service support to clients, retailers and state staff, account set up and maintenance, production

of card stock, mail distribution of PINS to customers, arranging for shipment of EBT card stock to a central location, production and distribution of client training materials, maintenance and mailing of State equipment for issuing cards, such as embossers or flat file printers, conducting the annual test for continuation of business, maintaining a back-up host system for emergencies and/or disaster, provision of the annual SSAE-16 audit report, participation in and preparation of monthly status reports, coordination to provide problem resolution and implementation of system change orders as a result of changes in Federal regulations and/or State programs or systems, retail management and POS maintenance and distribution.

The EBT/EFT Financial Services contract in Alaska is managed by the EBT Coordinator in the Benefit Issuance & Recovery Unit within the Section of Program Integrity & Analysis of the Division of Public Assistance (DPA), Alaska Department of Health and Social Services. The DPA EBT Program Coordinator has primary responsibility for contract monitoring; project management; coordination of the design, development and implementation of the technology required to deliver payments to clients and providers; maintaining ongoing operations for payment delivery; draw down of funds; settlement and reconciliation; participation in and response to financial and/or performance audits, develop training curriculum and coordinate staff training in the field offices, retailer customer support and training, security administration for the JPM web admin system. Alaska EBT coordinates with Alaska IT systems and program staff to resolve problems and implementation of technical or regulatory changes as needed. The Alaska EBT Coordinator plays a major role in the program communication and coordination with state staff, problem resolution, training manual updates, federal reporting and program marketing for project expansion.

The DHSS, contracts with JPM to provide EBT, direct deposit and debit card services in Alaska. SNAP and TANF benefits are delivered via the QUEST® Card. APA and Senior Benefits, as well as, some TANF benefits are delivered via direct deposit; and some Child Support and UIB payments are delivered via a VISA branded debit card.

Division of Public Assistance benefits are transmitted to JPM from the DPA Eligibility Information System (EIS) via two possible routes. The first is a direct host-to-host interface between EIS and JPM. DPA staff has incorporated the appropriate administrative function screens from JPM, within EIS, to allow an on-line exchange and update of client data. The second method is via batch file. The current process provides for daily and monthly batch updates from EIS.

Alaska became a member of WSEA in February 1996. The current contract for EBT services is for the period of April 1, 2013 through March 31, 2018. There are optional two 1-year contract extensions but it is unlikely that the state will exercise the extensions.

2.2.1.1 Current Operating Environment

Division of Public Assistance services are delivered through 18 local offices around the State. The local office staffs are responsible for client eligibility determination, authorization of benefits, entry of client EBT data on the host-to-host interface between EIS and JPM, and providing some basic client EBT training.

The DPA System Operations Unit, located in Anchorage, produces and mails all EBT cards. No cards are issued or replaced at local offices. The cards and accompanying client training materials are distributed by mail. PINs are generated and mailed by JPM.

In addition, Alaska chose to allow clients to select, activate and change their Personal Identification Number (PIN) using the JPM Customer Service ARU and the JPM Customer web site.

Local office staff provides direct deposit enrollment forms to clients. The completed forms are forwarded to the EBT office in Juneau, which manages direct deposit enrollment and account maintenance via Host-to-Host interface and JPM Admin Web Browser.

CSSD child support direct deposit payments from the Department of Revenue are sent out each workday via ACH file to the State's financial institution for direct deposits. The ACH file is then forwarded onto JPM. DPC payments and demographic information is established by CSSD through the Agent Service Center via Internet. JPM assigns the account number and then establishes the user ID and password for the payee.

2.2.1.2 High-Level Technical Environment

Currently, all DPA client benefit authorizations are generated by Alaska's EIS, and sent to the JPM host by either on-line, real time transactions, or through batch file. The EIS generates both daily and monthly batch authorization files. Benefits for TANF may be issued via the Alaska QUEST® card, or may be deposited directly into a benefit recipient's personal bank account via ACH direct deposit. All SNAP benefits are issued via the Alaska QUEST® card. Currently all APA cash benefits are issued via ACH direct deposit. However the State is exploring the possibility of also issuing APA cash via the QUEST®, Co-branded Debit and/or Direct Payment card.

The State of Alaska Data Center, located in Juneau, Alaska, is connected to the JPM data center in Elk Grove, IL with a backup site located in Wilmington, DE via a leased T-1 data line. The two host systems utilize TCP-IP and Connect:Direct software to facilitate file transmission. All file transmissions from the Alaska Data Center are validated by a daily return report from JPM. JPM makes a request for settlement of cardholder cash transactions to the AKDPA once each business day. The AKDPA requests TANF funds from ACF once each business day. Payment via wire transfer is made to JPM on a daily basis. JPM is authorized to make a daily draw down from the USDA FNS servicing bank for daily settlement of SNAP transactions made by cardholders. The daily settlement and draw down is reconciled daily.

JPM provides daily and monthly reports on a wide variety of cardholder transactions, settlement, and reconciliation activity. These reports are made available to DPA through a daily report file, which is loaded onto a reports viewing software package called Document Direct.

In addition to the production database maintained and operated by JPM, JPM also provides the DPA with a test database located in Columbus, OH, and is connected via the same T-1 data line. The test database is used by DPA to train staff, and to test modifications and enhancements to the EIS system. CSSD and the Department of Labor (DOL)/UIB utilize the same T-1 data line as DHSS to access the Agent Service Center and to add demographic information for its payee support payments via Internet connectivity.

Unstable electrical and telecommunication services and delays associated with satellite links, offer special challenges in some remote rural areas of Alaska. Although EBT typically runs smoothly, special care must be taken to configure EBT-only point-of-sale terminals with special settings, priority phone numbers, and signal wait times, for EBT to be viable. Inoperable equipment makes SNAP transactions difficult, and may make cash unavailable for all recipients in the villages. Due to remoteness, Alaska operates the "Alaska Quest Long Distance SNAP Program". The Alaska Quest Long Distance Food Stamp Purchase Program allows SNAP benefit recipients who live in remote locations to order groceries and pay for them using their Quest Food Stamp benefit account. The program is also available to Alaska's homebound recipients in non-remote areas. Long distance purchases are not allowed from the Quest cash account. This process currently requires that JPMorgan provide and maintains the NCR Agreement forms in addition to the use of manual vouchers and retailers ability to call the JPMorgan Retailer number for an authorization.

2.2.1.3 Alaska WIC Program

The Alaska WIC Program is administered under the Department of Health and Social Services. In Federal Fiscal Year 2013, the Alaska WIC program served an average of 22,000 participants. Participants receive up to three months of food instruments, which they can redeem, for specific food items at approximately 170 WIC-authorized vendors statewide.

Currently, Alaska issues food instruments through its WIC management information system (MIS), SPIRIT (Successful Partners in Reaching Innovative Technologies), State Agency Model (SAM), a web-enabled system housed in a central location and accessible to grantees via internet service secured through local internet service providers. There are rural areas in Alaska where there is not a WIC approved vendor to purchase WIC food items from. For these areas, the WIC program provides benefits by mailing the food items to the participant. The Alaska WIC program contracts with a vendor (the Mail-out Vendor (MOV)) to provide the benefit mailing service. To support this service, the Alaska WIC program maintains an MOV benefit management system (the MOV System). This system provides the necessary interface to the MOV Vendor so that they can package food prescriptions and send them to the correct destination. The MOV System gets its benefit issuance information from SPIRIT system. AK WIC anticipates a similar process for the paper MOV process will be designed and developed using the WIC EBT card.

The Alaska WIC Program is in the planning phase for WIC EBT implementation.

2.2.2 Arizona

The Arizona Department of Economic Security (ADES) is an agency of the Executive Branch of the Arizona State Government charged with the management and administration of various types of human and social services to Arizona residents.

ADES The ADES mission is accomplished through services that are provided directly by State operated facilities and programs, or through contracts with local governments, non-profit agencies, tribal governments, and private for-profit businesses, located throughout the State.

The ADES manages and operates a wide variety of programs funded from State and Federal sources. These include income support programs, food and nutrition support programs, eligibility services for federal medical assistance, training programs, child and adult care programs, refugee resettlement programs, child support enforcement programs, unemployment insurance programs, job placement programs, rehabilitation programs, adoption programs, adult protective services, services to the developmentally disabled, adult and aging programs, etc., to name a representative few.

Within the ADES, the Division of Benefits and Medical Eligibility (DBME) is responsible for the Supplemental Nutrition Assistance Program (SNAP) and cash assistance programs. The DBME Family Assistance Administration (FAA) currently provides direct services via 65 local offices, one change center and one processing center both located in Phoenix.

The ADES currently distributes SNAP (NA) benefits, Temporary Assistance to Needy Families (TANF) cash assistance, Refugee Assistance (RA) and JOBS Training Related Expenses (TRE) via the Arizona Quest EBT card.

Benefits are transmitted to JPMorgan EFS from the ADES AZTECS/HEA plus system via two possible routes. The first is a direct host-to-host interface between AZTECS/HEA plus and JPMorgan EFS. ADES staff has incorporated the appropriate administrative function screens from JPMorgan EFS, within AZTECS/HEA plus, to allow an on-line exchange and update of client data. The second method is via

batch file. The current process provides for a daily batch update from AZTECS, and a monthly batch update.

The ADES provides in-office training of EBT to benefit recipients, and some over-the-counter issuance of EBT cards. PINs are usually selected through the ARU. Most cards, and training materials, and some PINs are mailed to recipients. All training is accomplished by ADES staff. JPMorgan EFS is responsible for the development and printing of client training materials.

JPMorgan EFS is responsible for the provision of accurate and timely transaction processing, the provision of an annual SSAE16 audit report, preparation of ADES reports on a variety of system data and transactions, and the resolution of any technical problems that impact the stability or functionality of the system. JPMorgan EFS provides ADES with 400 hours per year of technical analysis and/or program modification time.

The ADES became a member of the Western States EBT Alliance (WESA) in February 1996. An ADES-JPM contract was signed in October 1997, with a termination in September 2004. The pilot was conducted in July 1998, with full statewide rollout and conversion being complete by August 1999. Subsequent to the pilot, the ADES added the cash benefit programs of the State funded General Assistance program, the federal Refugee Assistance program, and the State funded Supplemental Payments program. NOTE: The state no longer operates the General Assistance and Supplemental Payments programs. The JOBS TRE program was added in March 2001.

2.2.2.1 Current Operating Environment

As described above, the Arizona implementation of EBT is accomplished via the direct provision of client eligibility determination, benefit authorization, and card issuance at 65 ADES local offices, one change center and one processing center both located in Phoenix. ADES staff is responsible for determining benefit authorizations and assisting clients with questions regarding benefit eligibility and general training on the use of the Arizona QUEST card. Local office staff also provides assistance to benefit recipients in interpreting transaction histories, and card re-issuance. The ADES AZTECS/Health-e-Arizona Plus (HEAplus) systems are the only systems that are used to send benefit authorization data to JPMorgan EFS.

Security access into AZTECS/HEA plus and into the on-line screens interfaced to JPMorgan EFS is designed to allow staff access to only those areas that are required for their job functions. The job functions of benefit authorization and those of card issuance are separated by security protocols established within the ADES AZTECS/HEA plus system and within the ADES Host security software.

2.2.2.2 High-Level Technical Environment

Currently, all client benefit authorizations are generated by the ADES AZTECS/HEA plus system, and sent to the JPMorgan EFS host by either on-line, real time transactions, or through batch file. The ADES AZTECS generates both daily and monthly batch authorization files.

Benefits for TANF, RA, and TRE may be issued via the Arizona QUEST card, or may be deposited directly into a benefit recipient's personal checking account via ACH direct deposit. NOTE: DBME discontinued the direct deposit option effective May, 2013, but Arizona still piggybacks child welfare and child care provider direct deposit records within their batch benefit files. In the future, DBME may again use the direct deposit option. All SNAP benefits are issued via the Arizona QUEST card.

The ADES host data centers located in Phoenix, Arizona and Sacramento, California are connected to the JPMorgan EFS host data center in Tampa, Florida via a leased T-1 data line. The host systems

utilize TCP-IP and FTP software to facilitate file transmission. All file transmissions from ADES are validated by a daily return report from JPM.

JPMorgan EFS makes a request for settlement of cardholder cash transactions to the ADES once each business day. The ADES requests TANF funds from the US Department of Health and Human Services, Administration for Children and Families (HHS/ACF) once each business day. Payment via wire transfer is made to JPMorgan EFS on a daily basis.

JPMorgan EFS is authorized to make a daily draw down directly from the USDA FNS servicing bank for daily settlement of SNAP transactions made by cardholders. The daily settlement and draw down is reconciled daily.

JPMorgan EFS provides daily and monthly reports of a wide variety on cardholder transactions, settlement, and reconciliation. These reports are made available to the ADES through a daily report file, which is loaded onto the ADES reports viewing software package and on the WEB Admin Browser. The reports are generally not printed out as part of a production process.

In addition to the production database maintained and operated by JPMorgan EFS, they also provide the ADES with a test database connected via the same T-1 data line. The test database is used by ADES staff to test ADES modifications and enhancements to the AZTECS/HEA plus systems.

2.2.3 Colorado

The Colorado Department of Human Services (CDHS) is an agency of the Executive Branch of Colorado State Government charged with providing various types of human services to Coloradans. CDHS is the nation's leader in helping individuals, families and communities be safe and independent. Our mission is to design and deliver quality human services that improve the safety and independence of the people of Colorado. The CDHS mission is accomplished through services that are provided directly by State operated facilities and programs or administered by the State and operated by county departments of social services, or that are delivered through contracts with public and private human service providers located throughout the State.

The Department is a complex organization with a variety of statutory responsibilities. In addition to managing state-funded programs, CDHS also administers and provides oversight for a variety of federally funded programs, ensuring compliance with federal mandates and maximization of federal resources. Within the organization, the Office of Economic Security (OES) is responsible for various programs and services to clients. Within the OES is the Food and Energy Assistance Programs Division.

Colorado Electronic Benefits Transfer Services (CO/EBTS) distributes SNAP, public assistance benefits and cash payments for services electronically, utilizing the Colorado QUEST® Card and/or Automated Clearing House (ACH) direct deposit options for eligible clients and service providers. Payments delivered through CO/EBTS include SNAP, TANF, Old Age Pension (OAP), Aid to the Needy Disabled (AND), Aid to the Blind (AB), Low-income Energy Assistance Program (LEAP), Home Care Allowance (HCA), Child Care, and Child Welfare and Subsidized Adoption. State and Federal benefits are transmitted from CDHS's automated program systems through CO/EBTS to the State's EBT contractor for subsequent deposit to client/provider accounts. The State's EBT contractor is JPM. After a successful three-month pilot program beginning February 1997, CDHS and then contractor Citicorp implemented EBT throughout the remainder of the State for the statewide implementation of EBT in February 1998.

JPM is responsible for the operation of the host processor for CO/EBTS, Customer Service, on-going operations, card production and distribution to county offices and/or mail distribution of cards to clients

and/or providers, production and distribution of client training materials, maintenance of county equipment (card reader devices), annual testing for the continuation of business, back-up host system for emergencies and/or disasters, providing the annual SSAE 16 Audit report, participation in and preparation of the CO/EBTS status reports for bi-weekly meetings with the State's EBT staff, and coordinates with CO/EBTS to provide problem resolution and/or implement system change orders as a result of changes in Federal regulations and/or State programs or systems. JPM oversees and sub-contracts with Concord for the operation of the national gateway for routing EBT transactions to and from retailers to the JPM host.

CO/EBTS has primary responsibility for contract monitoring; coordination of the design, development and implementation of the technology required to deliver payments to clients and providers and maintaining on-going operations for payment delivery; draw down of funds; settlement and reconciliation; participation in and response to financial and/or performance audits; and security password administration. CO/EBTS coordinates with CDHS system and program staff to resolve problems, provides staff training, and implements technical or regulatory changes as needed. CO/EBTS plays a major role in the program communication and coordination with county staff, system staff, program staff, problem resolution, training manual updates, Federal reporting, and program marketing for project expansion.

2.2.3.1 Current Operating Environment

As described above, CDHS is state supervised and county administered. County offices are responsible for client eligibility determination and payments for service providers within each of the State's 64 county offices. County staff data enter program information into the applicable system for which payment information is transmitted to the State's data center where processes occur to transmit the payment information to JPM. Further explanation of the payment legacy systems is described below.

County staff issue over-the-counter EBT cards to clients/providers, either new or replacement cards, utilizing a card reader device. In addition, clients/providers may request issuance of a card and PIN by mail by calling the JPM Customer Service Center. Counties provide client training during eligibility and/or card issuance and participate when needed with problem resolution. Counties provide Automated Clearing House (ACH) direct deposit enrollment forms for clients and providers as needed. ACH enrollment forms are submitted to the State EBT office for data entry into the JPM system. County staff is given access to the JPM host system, after the required security application is submitted to the CDHS security administrator for approval. Access to the JPM system is limited by menu options depending on the types of duties assigned to the worker to maintain separation of duties security controls, i.e., card issuance, eligibility, business office etc.

2.2.3.2 High-Level Technical Environment

Data, both demographic and benefit, originates in local county offices through one or more different application systems as follows: Colorado Benefits Management System (CBMS) produces SNAP, TANF, OAP, AND, and AB. The Low-income Energy Assistance Program (LEAP) system produces benefit and demographic files for the LEAP program. The Eligibility and Benefits Program Colorado Works Special Payments Generator produces benefit and demographic files for clients. The Trails Child Welfare Eligibility and Services system produces benefit and demographic files for clients and service providers that receive child welfare payments. CHATS Child Care services system produces benefit and demographic files for clients and service providers that receive child care payments. The system applications produce benefit and demographic data files on a regularly scheduled basis for transmission to the County Financial Management System (CFMS). This application manages all financial transactions for CDHS; maintains CDHS's financial statements; provides standard and ad hoc reports to county and CDHS staff; transmits financial information to the Colorado Operations Resource Engine (CORE), which maintains financial, budgeting, accounting and reporting functionality for the State; and formats

demographic and benefit data for transmission to CO/EBTS. The demographic and benefit files are processed through CO/EBT and transmitted via Connect:Direct to JPM for payment distribution. JPM processes the batch file transmissions, distributing the payments to clients and providers, through Colorado QUEST® Card accounts, ACH direct deposit to individual bank accounts or by paper checks. JPM returns a daily activity file that supports all of the CO/EBT's activity. The daily activity file supports draw down of funds for each of the program areas and are utilized by the CFMS to manage all settlement and reconciliation activity performed by the CDHS Division of Accounting.

2.2.4 Guam

The Department of Public Health and Social Services (DPHSS) is an executive line agency within the Government of Guam (GovGuam), and the umbrella agency which administers a full range of health, social and environmental services. DPHSS is comprised of four main Divisions: Public Health, Senior Citizens, Environmental Health, and Public Welfare. Services are provided out of three facilities located in the northern, central, and southern areas of the Territory of Guam. Additional services are provided at various satellite clinics and offices throughout the island.

The mission of the Department of Public Health and Social Services is to assist the people of Guam in achieving and maintaining their highest levels of independence and self-sufficiency in health and social welfare. The DPHSS mission is accomplished through services that are provided directly by state-operated facilities and programs, or through collaboration with local governments, non-profit agencies, and private for-profit businesses located throughout the Territory and the United States.

Within the DPHSS, the Division of Public Welfare (DPW), Bureau of Economic Security (BES) is responsible for the following programs: SNAP, Old Age Assistance (OAA), Aid to the Blind (AB), TANF, Aid to the Permanently and Totally Disabled (APTD), General Assistance (GA) and determines client eligibility for Child Care Development Fund (CCDF). BES also determines client eligibility for Medicaid and the Medically Indigent Program (MIP). The DPHSS contracts with JPM to provide EBT services in Guam. JPM handles SNAP and cash programs for Guam.

Guam became a member of WSEA in 2003. The pilot was conducted in April 2004 with full rollout and conversion for both SNAP and cash, completed in June 2004. The last contract for EBT services was signed on September 30, 2010, with a termination date of September 30, 2017, and includes two (2) one-year extensions.

2.2.4.1 Current Operating Environment

BES is comprised of five (5) sections: Certification Section Districts I and II, Program Management Section; Issuance Section and BES Administration. The Certification Section is responsible for eligibility determination and processing of benefits for applicants requesting SNAP, cash or medical assistance. Certification activities are provided out of three public health facilities in the northern, central and southern areas of the island. All other BES activities and services are provided at the main DPHSS office located in the village of Mangilao.

All activities related to card issuance take place at the central office in Mangilao. Guam does not mail cards or PINs. Thus, the Issuance Section issues and replaces all EBT cards over-the-counter and clients PIN their cards utilizing the CAPS device. Issuance staff provides training brochures and one-to-one training at time of issuance and link cards via the JPM EBT admin over-the-counter card issue option.

2.2.4.2 High-Level Technical Environment

Currently, all client benefit authorizations are generated by Guam's Public Health Program (PHPro) system, and sent to JPM's host by either on-line, real time transactions, or through batch file. AGUPA

generates both daily and monthly batch authorization files. Guam transmits demographic and benefit files directly to JPM's EBT host via a dedicated and encrypted telecommunications link from AGUPA. The demographic and benefit files originate from the PHPro system, which transmits these files for pass through transmission to JPM. All file transmissions between JPM and PHPro occur through Connect:Direct Network Data Mover (NDM). Demographic files supply basic (non-financial) data to JPM for a cardholder. It is used to set up new clients, to change client or alternate demographic information and to request new cards. To provide the means to link up demographic and benefit data, client demographic data must be sent prior to benefit data. Primary recipient records must be received and processed prior to alternate records, or alternate information will be rejected by the batch interface. Changes to primary recipient data must also be received and processed prior to the updated alternate records.

Guam generates and transmits benefit files based on a schedule provided to JPM. The detail records within the files are used to pass benefit authorization information including type of benefit, amount of benefit and effective date of the benefit to the JPM host. The benefit pending file is swept once every calendar day at midnight whether or not a benefit file has been received from Guam to ensure that benefits are posted to accounts when their effective date has been reached.

2.2.5 Hawaii

The Hawaii Department of Human Services (HIDHS) is an agency of the Executive Branch of the State of Hawaii. The mission of the HIDHS is to direct our resources toward protecting and helping those least able to care for themselves, and to provide services designed towards achieving self-sufficiency for clients as quickly as possible. HIDHS is committed to maintain a high level of quality, efficiency and effectiveness in our services.

Our belief is that people need governmental assistance because they lack sufficient resources to meet their basic needs for shelter, food, medical care, and other essentials of day-to-day living. A financial crisis may be brought about by a variety of reasons such as a parent leaving the home, an illness, an unplanned pregnancy, or the loss of a job. To meet this need, the HIDHS Benefit, Employment and Support Services Division (BESSD) administers the Supplemental Nutrition Assistance Program and other individual and family financial assistance programs. The financial assistance programs provide cash payments to help the individual and families receive basic essentials. The financial assistance programs include the TANF, Temporary Assistance to Other Needed Families (TAONF), General Assistance (GA), Aid to the Aged, Blind, and Disabled (AABD), and the Repatriate programs. (Medical assistance is administered by the Department's Med-Quest Division which oversees the Hawaii Quest and Medicaid fee-for-services programs.)

While employment will help most of our families to become self-sufficient, many face a number of barriers to employment, e.g., lack of job skills and work experience; uncertainty of childcare resources; emotional issues due to physical or sexual abuse; drug or alcohol addiction; and low self-esteem. Help in removing such barriers will increase the family's chances of attaining and maintaining self-sufficiency. In addition to the SNAP and financial assistance programs, BESSD also oversees the Employment and Child Care programs for individuals and families to help them earn enough income to meet their needs. These programs provide child care, evaluation, counseling, training or education, and job placement services. Benefits to eligible clients for these services are paid from the Child Care (CC), First-to-Work (FTW), and the Employment & Training (E&T) programs.

Organizationally, the Hawaii EBT Project staff falls under the Administrative Management Services office within BESSD. The Hawaii EBT Project staff is responsible for monitoring the EBT Contractor to ensure the payments that are issued via the EBT system, i.e., SNAP, TANF, TAONF, GA, AABD, RP, CC, FTW,

and E&T, are correctly posted to the households EBT accounts, and ensure the credit and debit transactions are administered properly by the EBT Contractor.

2.2.5.1 Current Operating Environment

Since Colorado is the lead-state for WSEA, the responsibilities of the EBT Contractor as cited by Colorado and the other WSEA members are basically the same for Hawaii. These responsibilities include the maintenance of the host operation of the State's EBT system, customer service, card production and distribution to the State's offices/units, production and distribution of client training materials, maintenance of leased-EBT equipment, i.e., PIN selection devices and the POS machines, annual test for the continuation of business, back-up host system or emergencies and/or disasters, provide annual SSAE 16 audit reports, and coordinate problem resolutions and/or implement system change orders as a result of changes in Federal regulations and/or State programs or systems.

The responsibilities of the Hawaii EBT Project Office (HI/EBT) are: contract monitoring; coordination of the design development and implementation of the technology required to deliver payments to clients and providers and maintaining on-going operations or payment delivery; draw down of funds; settlement and reconciliation; participation in and response to financial and/or performance audits and security password administration; coordination with system and program staff to resolve problems, provision of staff training, and implementation of technical or regulatory changes as needed.

2.2.5.2 High Level Technical Environment

The HIDHS utilizes the Hawaii Automated Welfare Information (HAWI) system to assist workers to determine eligibility and benefit level and to authorize payment of federal and state-funded financial assistance, SNAP, and medical benefits. The HAWI system supports the following programs: TANF, TAONF, GA, AABD, Repatriate, Medicaid fee-for-service, Hawaii Quest (managed care), SNAP, and the Hawaii EBT system.

HIDHS also utilizes the Hawaii Automated Network of Assistance (HANA) system, which is an on-line, interactive and fully integrated system that provides computerized services for the selection of candidates from the client pool, intake, orientation, assessment and planning of services for families who require work-related supportive assistance. The HANA system is also used for the registration and certification of licensed-approved child care providers. The HANA system supports the following programs: Child Care, FTW, E&T, and the Hawaii EBT system.

Both the HAWI and HANA systems not only assist the staff with eligibility determination, but also facilitate the management of the various programs being supported by the two systems. This is accomplished through the use of numerous standing and ad hoc reports generated by the two systems. By utilizing these reports, the Department is able to comply with Federal/State reporting requirements. The vast amount of information available in the HAWI and HANA systems assist the program offices in their efforts to plan for and manage their respective programs. The end user, i.e., the eligibility worker and/or supervisor, is assisted with his or her caseload management efforts, by reports that are generated from these systems.

Each of the HAWI and HANA systems has over 750 primary users within their respective system. Other Departmental users include BESSD and MedQuest Division administrative staff, the Social Services Division staff, the Vocational Rehabilitation

Division staff, and a variety of staff offices that include Fiscal Management, Recovery Services, Budget, Accounting, Investigations and Quality Assurance staff. Other Federal and State users include Federal Quality Control staff, the Attorney General's Child Support Enforcement Agency staff, staff from the

Departments of Health, Education, and the Labor & Industrial Relations, and the City & County Corporation Counsel staff. This brings the total number of individuals who are authorized access to over 1,200 users. The HAWI system consists of over 400 on-line screens that provide inquiries, updates, tracking and required processing for branch operations. There are over 200 batch jobs that are required to be processed in any given month. These batch jobs provide end user/branch support staff with required reports and on-line alerts necessary to effectively manage their welfare or Medicaid caseloads. In addition, other batch processes provide budget, fiscal and administrative staff with required data necessary to monitor program effectiveness and expenditures and to complete Federal reporting requirements. These batch jobs also generate welfare benefits and SNAP benefits for EBT, print client notices and a variety of departmental forms.

2.2.5.3 Hawaii WIC Program

The Hawaii WIC Program resides in the WIC Services Branch of the Family Health Services Division under the Hawaii Department of Health. In Federal Fiscal Year 2013, the Hawaii WIC program served an average of 21,140 families each month. Currently, families receive food instruments on a rolling month basis, which they can redeem at approximately 138 WIC-authorized vendors.

Hawaii issues food instruments through its WIC MIS, SWITCH (Serving Women Infants and Children in Hawaii). Hawaii will soon transfer the WIC Program from the legacy SWITCH application to the CQuest system. CQuest application is an SOA based application that uses the Microsoft .NET Framework version 4.0. The application is developed using object oriented architecture with distinct, logical layers for presentation, business services and data access. EBT will be implemented using the CQuest WIC MIS.

The Hawaii WIC Program is currently planning for WIC EBT. A contract has been awarded to MAXIMUS for EBT planning.

2.2.6 Idaho

The Idaho Department of Health and Welfare (IDHW) is the agency of the Executive Branch of Idaho State Government charged with providing various types of health and human services to Idahoans. The IDHW vision is to, "Provide leadership for development and implementation of a sustainable, integrated health and human services system." The IDHW mission is to, "Promote and protect the health and safety of Idahoans." The value statement is "Integrity, high quality customer service and compassion are the foundation for all Department activities. A focus on these values will lead to success."

The Department is a complex organization with a variety of statutory responsibilities. In addition to managing the state-funded programs, IDHW also administers and provides oversight for a variety of federally funded programs, ensuring compliance with federal mandates and maximization of federal resources. Many of these programs use, or will be using EBT to distribute benefits.

The Division of Welfare is responsible for various programs and services to clients. Within the Division of Welfare are the Bureau of Benefit Program Operations and the Bureau of Child Support Operations. The Bureau of Benefit Program Operations is responsible for Supplementary Nutrition Assistance Program (SNAP), Temporary Assistance to Families (TANF), Aid to the Aged, Blind and Disabled (State Supplement), Idaho Child Care, Medicaid Eligibility, Emergency Assistance, Energy Assistance, and Telephone Assistance program policies. The Bureau of Child Support Operations is responsible for child support program policies.

The Division of Support Services, Electronic Benefits Transfer (EBT) Unit is responsible for benefit and payment distribution. EBT distributes Food Stamp, TANF, and State Supplement electronically utilizing the Idaho Quest Card and/or Automated Clearinghouse (ACH) direct deposit option for eligible

customers. Child Support payments are distributed electronically utilizing the Idaho Family Support Visa branded debit card or through ACH direct deposit.

Demographic information, cash payments and food stamps are transmitted from IDHW's automated systems, Idaho Benefits Eligibility System (IBES) for state benefits, and Idaho Child Support Enforcement System (ICSES) for child support to the Electronic Payment System (EPS). This data is then transmitted to the State's EBT Contractor for processing and subsequent deposits into customer accounts. The State's current EBT Contractor is JPMorgan EFS.

IDHW implemented EBT statewide in February 1998 for Cash and Food Stamp benefits and in September of 2000 for the child support program. In December of 2008, IDHW added the Idaho Family Support card. The Idaho Family Support card is a Direct Payment Visa Branded Debit card (DPC) for Child Support payments. Separate job streams are maintained by IDHW for EBT and DPC. Enrollment is sent by File Transfer Protocol to JPMorgan EFS and payments are sent via Automated Clearing House via the state's contract banker Wells Fargo.

JPMorgan EFS is responsible for the operation of the host processor for IDHW, daily account settlement, customer service support to clients, retailers and state staff, account set up and maintenance, card production, mail distribution of cards and PINS to customers, arranging for shipment and of EBT cards to a central location, production and distribution of client training materials, maintenance and mailing of state equipment for issuing cards over the counter (online technology and card readers), conducting the annual test for continuation of business, maintaining a backup host system for emergencies and/or disaster, provision of the annual SSAE-16 audit report, participation in and preparation of monthly status reports, coordination to provide problem resolution and implementation of system change orders as a result of changes in federal regulations and/or state programs or systems, retail management and Point of Sale (POS) maintenance and distribution.

Idaho EBT has primary responsibility for contract monitoring; coordination of the design, development and implementation of the technology required to deliver payments to clients and providers; maintaining ongoing operations for payment delivery; draw down of funds; settlement and reconciliation; participation in and response to financial and/or performance audits, develop training curriculum and coordinate staff training in the field offices, retailer customer support and training, security administration for EPS and the JPMorgan EFS web admin system. Idaho EBT coordinates with IDHW systems and program staff to resolve problems and implementation of technical or regulatory changes as needed. IDHW EBT plays a role in the program communication and coordination with State staff, problem resolution, training manual updates, Federal reporting and supports program marketing for project expansion.

2.2.6.1 Current Operating Environment

IDHW is state-supervised and administered. The State is divided into seven geographical regions with field offices in each region. Self-Reliance (SR) staff in field offices is responsible for client eligibility determination and authorization of benefits. SR staff enters client information into IBES and ICSES. IBES and ICSES process and transmit demographic and payment information to EPS. EPS adds information to the data and sends a batch file to JPMorgan EFS nightly.

2.2.6.2 High Level Technical Environment

Data, both demographic and benefit, originates in local field offices through one or both of the application systems as follows: IBES produces Food Stamp, TANF and State supplement demographic and payment files; ICSES produces child support demographic and payment files.

The two system applications produce payment and demographic data files on a daily basis for transmission to EPS and to the Financial Information System with Cost Allocation (FISCAL). This application manages all financial transactions for IDHW; maintains IDHW's financial statements; provides standard and ad hoc reports to IDHW staff. FISCAL maintains financial, budgeting, accounting and reporting functionality for the State.

EPS is also used to key and maintain the necessary information to generate an ACH (direct deposit) transaction. Bank account information is keyed directly into the EPS system. EPS compiles the batch file transmissions and transmits nightly to JPM. JPMorgan EFS will set up accounts and distributes the benefit/payment to client EBT accounts or by ACH direct deposit to individual bank accounts.

2.2.6.3 Idaho WIC Program

The Bureau of Clinical and Preventive Services within the Division of Public Health is responsible for the Idaho WIC program. From October 2013 through September 2014, the Idaho WIC served an average of 26,661 families, which redeemed benefits at 208 WIC authorized vendors statewide.

In 2011, Idaho developed the WIC MIS referred to as WISPr (WIC Information System Program) to issue food instruments, assess participant needs, education, nutrition assistance, plot growth and development, track case notes, and produce food vouchers. WISPr is a web-based client application written in C# using the Microsoft ASP.Net development framework, a SQL database, and several internally developed and off-the-shelf software components.

The Idaho WIC Program is in the planning phase for WIC EBT development. The State is in the process of obtaining a planning contractor.

2.2.7 Nebraska

The Department of Health and Human Services (DHHS) is an agency of the Executive Branch of the State of Nebraska. The Mission of DHHS is "Helping people live better lives" while striving to be accountable, accessible, and action-oriented. Nebraska became a member of the WSEA in 2007.

The organization of the DHHS includes a Chief Executive Officer appointed by the Governor and confirmed by the Nebraska Legislature. DHHS has six divisions and an Operations branch:

1. The Division of Behavioral Health administers State hospitals for the mentally ill and publicly funded community-based behavioral health services.
2. The Division of Children and Family Services includes protection and safety programs and services (child welfare, juvenile services), economic and family support programs and services including SNAP and cash grant assistance programs, and the service areas.
3. The Division of Developmental Disabilities consists of the Beatrice State Developmental Center and publicly-funded community-based developmental disabilities services.
4. The Division of Medicaid and Long-Term Care administers the Medicaid program, aging services, and other related programs and services.
5. The Division of Public Health includes preventive and community health programs and services including WIC, regulation and licensure of health-related professions and occupations, regulation and licensure of health care facilities, and health care services.
6. The Division of Veterans' Homes administers several veterans' service facilities located throughout Nebraska.

The Chief Operations Officer supervises Operations units. Among those units is the Issuance and Collection Center-Claims Processing Unit.

2.2.7.1 Current Operating Environment

Nebraska's SNAP is state-administered. Client SNAP certification is accomplished at local offices throughout Nebraska's 93 counties. Nebraska implemented EBT for the delivery of SNAP benefits beginning February 1, 2002, with the system fully implemented statewide in September, 2002.

The DHHS process for certifying clients, issuing EBT cards and benefits is described in nine steps:

1. The State case manager creates a new SNAP case or re-opens a closed case in N-FOCUS (Nebraska Family Online Client User System).
2. N-FOCUS data is consolidated into a batch file, with a randomly assigned EBT ID number, and is sent to the EBT Contractor each night.
3. The EBT Contractor loads the file information to its mainframe and creates client EBT accounts in the EBT Contractor's EBT system.
4. The EBT Contractor also transmits a daily file to the State containing data on each account (including the EBT ID number) for which a client has cancelled their EBT card and requests a replacement card.
5. A State batch job updates N-FOCUS, creates labels and generates a label report for the ICC.
6. The following morning (Monday through Saturday) ICC staff access the label report and print paper labels. The labels include the EBT ID number, type of card (pending new or replacement), person number from N-FOCUS, household name and address.
7. ICC staff pull pre-embossed, pre-encoded EBT cards from the State's inventory.
8. ICC staff use the EBT Contractor's system to link the PANs of the pre-embossed, pre-encoded EBT cards to the EBT accounts established in the EBT Contractor's system using a card reader.
9. Using the mail labels, ICC staff mail EBT cards and educational materials to the respective households that same day.

(Replacement cards follow a similar process, except the client calls the EBT Contractor's EBT help desk to report their card as being lost, damaged, or stolen. The EBT Contractor sends a daily report of clients who reported their EBT cards as lost, damaged, or stolen to the State.)

The EBT Contractor provides toll-free access to a customer service line and ARU for clients to PIN their EBT and to report lost, stolen, or damaged cards.

The State allows one valid EBT card per SNAP account. Monthly SNAP issuances are staggered over the first five calendar days of each month, according to the last digit of the head of household's SSN. In addition, benefit issuances to new and current households can occur throughout the month.

The current EBT Contractor, JPMorgan Chase EFS provides the following services:

- Project management and system integration,
- System account management (settlement and reconciliation),
- Processing services,

- Transaction switching to comply with FNS and QUEST® Operating Rules and interoperability requirements,
- Retailer management, including distribution and maintenance of point-of-sale (POS) devices, and retailer agreements,
- Card stock replacement,
- POS terminal installation and maintenance,
- Administrative Terminal support,
- Retailer education,
- Management reports,
- Call centers (Help Desks), and
- Interfaces with Federal systems.

2.2.7.2 High Level Technical Environment

N-FOCUS (Nebraska Family Online Client User System) is an integrated client/server system that automates benefit/service delivery and case management for more than 30 Nebraska Department of Health and Human Services (NEDHHS) programs.. N-FOCUS functions include client/case intake, eligibility determination, case management, service authorization, benefit payments, claims processing and payments, provider contract management, interfacing with other private, State and Federal organizations, and management and government reporting. N-FOCUS was implemented in production in mid-1996 and today is operational statewide.

The typical N-FOCUS user is a professional human services agency caseworker skilled in the government policies of one or more areas of public assistance (e.g., Child Welfare, ADC, SNAP, and Medicaid). Their clients are Nebraska residents, whom they serve from agency offices and call centers around the State. N-FOCUS daily supports over 2,500 workers.

The application has both batch and online components and stores data in DB2, V7. The DB2 database has over 375 tables, some with a corresponding archive table. There are over 425 relationships between tables, 680 indexes, and over 6,700 attributes. There are over one billion rows of production data with over 200 million rows in one table.

The batch system is coded in Z/OS COBOL and executes in a Z/OS environment. There are more than 450 procedures, over 500 programs, and over 100 stored procedures. The application generates 30 reports using the Elixir toolset and 350 reports using Crystal Reports that are published to a web portal through Business Objects Enterprise software.

The online system is an integrated client/server based software system. The client software executes on XP workstations and resides on Windows 2003 servers located throughout the State. Computer Associates Gen and AION toolsets are used to generate windows and C code, along with in-house architecture code written in C. The server components are Z/OS CICS transactions. The CICS programs are Gen-generated COBOL, along with in-house written COBOL externals. The CICS programs access DB2 on the Z/OS mainframe. The Gen clients use External Call Interface (ECI), IBM's CICS Universal Client to connect to the Z/OS CICS using TCP/IP protocol. The online system consists of over 420 CICS transactions, over 2830 CICS programs, with over 380 windows and 1150 dialog boxes.

N-FOCUS web applications consist of public applications, including dashboard applications, and applications launched directly from N-FOCUS. Eclipse is the IDE used to generate the Java Server Faces and Facelets code. These Java applications run on Websphere Application Servers and Tomcat Servers on the Linux Operating System. The Java applications call stored procedures to access DB2 data and SQL to access SQL server data.

2.2.7.3 Nebraska WIC Program

Community and Environmental Health within the Division of Public Health is responsible for the Nebraska WIC program. From October 2013 through September 2014, Nebraska WIC served an average of 23,676 families each month, which redeemed benefits at 403 WIC authorized vendors statewide.

The State of Nebraska's is currently undergoing an effort to transfer its MIS legacy system to the Mountain Plains States Consortium (MPSC) State Agency Model (SAM). Subsequent to this effort, Nebraska WIC intends to transition the issuance of benefits to participants from the current check-based benefit system to EBT. The MPSC production system currently has a WIC EBT interface with Xerox, which has been installed and tested in Vermont.

The Mountain Plains States Consortium (MPSC) WIC system is a web-based, smart client application that supports the Women, Infants, and Children (WIC) Program. It was originally designed and implemented in the states of Colorado, Utah, and Wyoming. It is one of the systems designed to be compliant with the requirements of the SAM (State Agency Model) systems. The system design is based on the requirements of the MPSC Functional Requirements Document (FRD), which, in general, is a superset of the USDA FRD, 2002 version. All SAM systems must be web-based as this is a fundamental requirement for resolving the problems of the prior generation of WIC systems which were based on distributed data architectures. The MPSC WIC system utilizes smart client architecture to couple the features of intelligent network usage with a high quality user interface, constructed via Windows forms. The smart client architecture, which is constructed on Microsoft's .NET Framework, improves the user experience and data presentation while still maintaining all of the benefits of a web-based application.

The Nebraska WIC Program is in the planning phase for WIC EBT development.

2.2.8 Wyoming

The Wyoming Department of Family Services (DFS) is an agency of the Executive Branch of the Wyoming State Government charged with providing various types of human services to Wyoming citizens.

The mission of the Wyoming DFS is dedicated to promoting the safety, well-being and self-sufficiency of families through community partnerships. The goal is to connect people with time-limited resources that promote healthy, safe, self-sufficient families so that they can contribute to their communities. The vision is to set the standard as the best in child and family services.

The DFS mission is accomplished through services that are provided directly by state employees through state-operated facilities and programs or through collaboration with local governments, non-profit agencies, tribal governments, and private for-profit businesses located throughout the State.

Wyoming DFS manages and operates a wide variety of programs funded from State and Federal sources. DFS is responsible for the following programs:

Supplemental Nutrition Assistance Program (SNAP): The SNAP provides crucial support to needy households and to those moving to employment. SNAP benefits are distributed electronically through the Wyoming Card through JPMorgan.

Child Care Time and Attendance (CCTA) System: The CCTA system records the attendance of children whose families receive subsidies for child care and then pays child care providers for services rendered.

Accurate and real time attendance data is collected utilizing a secure website and child care providers are paid directly by the State of Wyoming.

Wyoming DFS contracts with JPMorgan EFS to administer the time and attendance feature of CCTA. Time and attendance data is collected and transmitted to the State of Wyoming. Reimbursements are calculated and payments are issued by the Wyoming State Auditor's office. CCTA provides consistency, accuracy and efficiency in overseeing child care services in Wyoming.

CCTA is planning to move to a Parent/Guardian responsibility to pay authorized subsidies to their approved child care provider(s). Child care subsidy benefits will be posted in EBT child care account accessible by parents to pay providers. Parents pay providers via an EBT terminal or via telephone IVR.

Personal Opportunities with Employment Responsibilities (POWER): POWER provides cash assistance through the Temporary Assistance for Needy Families (TANF) block grant. Wyoming estimates around 600 cases by the end of the year and hand warrants are issued at this time. With this procurement Wyoming DFS is looking to add TANF to the EBT card.

Low-Income Energy Assistance Program (LIEAP): LIEAP helps to cover the costs of electricity, natural gas, propane, wood, diesel heating oil, coal and pellets when these are used for heating a home. This program is open to qualified homeowners and renters.

Weatherization Assistance Program (WAP): WAP helps households save money on home heating cost by improving energy efficiency by adding more insulation, sealing leaks around doors and windows. People who are approved for assistance through LIEAP may also be eligible for WAP services.

State Disbursement Unit (SDU): SDU is a federally mandated centralized location for the purpose of receiving and distributing child support payments to custodial parents and their children within two business days of receipt. This unit ensures accurate and timely responses to all fiscal questions concerning child support and utilizes automated procedures and electronic processes for the efficient and economical collection and distribution of child support payments.

Child Support payments are distributed via a branded debit card (U.S. Bank ReliaCard Visa) for approximately 7,841 active cards.

Supplemental Security Income (SSI): SSI is a file received from Social Security to identify eligible (needy aged, blind and disabled) recipients and then DFS sends out a \$25.00 warrant to the recipients to help supplement their income. There are approximately 2,700 recipients monthly.

DFS contracts with JPMorgan EFS to provide EBT SNAP benefits and Child Care Time & Attendance (CCTA) data for services rendered.

JPMorgan EFS is responsible for:

- Client account set-up and database management;
- Transaction authorization and processing;
- Production of client training materials;
- Preparation of monthly status reports and participation in monthly meetings;
- Provision of annual SSAE-16 audit reports;
- Coordination to provide problem resolution and/or implementation of system change orders as a result of changes in Federal regulations and/or state programs or systems/merchant services including provision of EBT-only POS equipment, merchant and client ARU;

- Merchant and client help desk services; and
- Transaction settlement.

DFS SNAP benefits are transmitted to JPMorgan EFS via daily and monthly batch updates from Wyoming.

Wyoming became a member of the Western States EBT Alliance (WSEA) in October 2006.

2.2.8.1 Current Operating Environment

In May 2007 Wyoming began issuing SNAP benefits through the JPM system using their on-line solution. DFS captures eligibility for SNAP clients through its statewide automated eligibility system, EPICS (Eligibility Programs Integrated Computer System). The new EBT system shall support daily updates from EPICS or other designated eligibility system through direct computer-to-computer exchange and direct online updates to client data. DFS is in the process of implementing a new online eligibility information system, more formally referred to as the Wyoming Eligibility System II (WES II). The EBT vendor will be expected to assess the level of effort needed to transition to the new system and the logistics for doing so. DFS will then work with EBT vendor and other system vendors to establish a contractual arrangement, as appropriate.

DFS local office staff (Benefits Specialists) are responsible for client eligibility determination and authorization of the benefits. Wyoming's daily batch file goes over to JPMorgan EFS each evening.

DFS does not issue over the counter cards. All cards are mailed out by Oberthur-Los Angeles, California. All PINs are selected through the ARU by the SNAP clients. All address changes are updated daily when the daily demographic file goes to JPMorgan. Only authorized State Administration Users can change the address in the JPMorgan EFS Browser Administration system.

JPMorgan EFS is authorized to make a daily draw down directly from the USDA FNS servicing bank for daily settlement of SNAP transaction made by cardholders. The daily settlement and draw down is reconciled daily. JPMorgan EFS provides daily and monthly reports on a wide variety of cardholder transactions, settlement, and reconciliation. These reports are made available to DFS through a daily report file and on the WEB Admin Browser.

2.2.8.2 High Level Technical Environment

There are six major components within the overall Wyoming EBT program. The following describes the components from top to bottom and the relationship between the components. The components are:

- Wyoming Eligibility System (EPICS);
- J.P. Morgan EFS EBT Primary System (NSC11);
- J.P. Morgan EFS EBT Hot Back-up System (NSC12);
- J.P. Morgan EFS EBT Test/QA System (TAD4);
- Interactive Voice Response (IVR);
- Administrative Terminals (BOSS); and
- Point Of Sale (POS) Networks.

The State of Wyoming Eligibility System (EPICS) is the point of initial setup of EBT participants receiving benefits. The eligibility system is a case processing system designed to determine if a participant is eligible to receive benefits. The Wyoming System has a connection to the J.P. Morgan EFS platform for

batch transmissions and administrative terminals access to the J.P. Morgan EFS application utilizing IP addressing (TPX).

Participant demographic and benefit files are transmitted daily to J.P. Morgan EFS. Participant demographic files contain account setup information. The benefit files are the mechanism for making deposits to participant accounts. Wyoming also utilizes investigative accounts, which have corresponding fraud profiles in the EBT system.

The J.P. Morgan EFS EBT primary system resides on the NonStop™ Computing (NSC11) platform in the J.P. Morgan EFS Regional Data Center (RDC). Upon receipt of benefit or demographic files from Wyoming, the J.P. Morgan EFS host automatically executes a posting process for each file. The files are passed through an editing program to ensure data integrity. Once edited and verified, the files are either posted or rejected based on the criteria setup in the system. All rejected files are passed back to Wyoming for review and follow up with error codes to indicate the reason for rejection. The J.P. Morgan EFS EBT system keeps track of receipt files to ensure duplicate files are not processed.

The data passed by the State is stored in the J.P. Morgan EFS' EBT database. The data stored is maintained and reconciled daily. The primary system is connected to a secondary system for recovery and backup contingencies. The data housed on each system is accessed and updated by the State Interface, State EBT administrative terminals, POS devices, Customer Service, and the IVR.

The J.P. Morgan EFS EBT backup system resides on the J.P. Morgan EFS NonStop™ Computing (NSC12) platform. The NSC12 backup system contains a mirror image of the NSC11 production database for recovery contingencies.

The Remote Data Facility (RDF) environment maintains the system. RDF passes transactions automatically from the NSC11 to the NSC12 platform to keep all data in sync with each system. The facility also houses a test environment for QA and system testing for enhancements to the system, which resides on the Test and Development (TAD4) platform. The production source and object code libraries are additionally kept in sync with the primary system for contingency.

An Automated Response Unit (ARU) is maintained to support the Customer Service Representatives and the Interactive Voice Response (IVR) application.

The IVR allows the participant to obtain account balance information without personal intervention. The participant can additionally go directly from the IVR to speak to a Customer Service Representative. Retailers are provided the ability to obtain account balance verification and manual authorization processing for purchases when retailers are unable to process online transactions.

Administrative terminals are State supplied personal computers that are used from the State of Wyoming's TPX to access the EBT application.

The POS networks provide the readily accessible infrastructure by which participants may access their benefits. eFunds is responsible for the interface to NSC11 for participating EBT-Only merchants. Fiserv/Consumer Network Services (Fiserv) currently manages the EBT transaction processing switch. (Wyoming Operations Manual, J.P.Morgan Electronic Financial Services, July 31, 2009, Version 1.2)

3 Qualifications and Experience of Offerors

The WSEA States are seeking an EBT services provider that has the necessary qualifications, skills, and resources to provide quality EBT services to the States' clients. WSEA 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. In order to be considered as a viable EBT Contractor, Offerors must demonstrate 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 must demonstrate 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 States will not negatively impact the WSEA States' conversions.

3.1 Corporate Capabilities and Experience

The WSEA States are particularly interested in an EBT Contractor having substantial experience in developing, implementing and managing financial systems such as EBT, Electronic Funds Transfer (EFT), financial network services and card transaction processing systems. In totality, the Offeror's experience, combined with that of any subcontractor(s) shall demonstrate the capability to successfully meet the requirements of this RFP. Therefore, the Offeror's proposal shall highlight its corporate capabilities, organizational structure, financial stability as demonstrated through audited financial statements for the last three years including any previous experience related to the requirements of this RFP.

3.1.1 Offeror's Capabilities

Responses shall include the following:

- Date the firm was established, the corporate structure and the ownership model.
- The firm's audited financial statements for the vendor's last three fiscal years.
- Organizational and decision-making chart, relative to the EBT system proposed.
- Prior and current litigation, disposition or outcome, breach of contracts, and/or formal administrative protests or actions such as notices of default, unsatisfactory performance, etc., 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. Offerors shall include copies of all letters, protests and actions as part of their response.

3.1.2 Offeror's Experience

Responses shall provide a description of the Offeror's experience including:

- A detailed description of all relevant financial and transaction processing system development, implementation and operating experience within the last five years that demonstrates the Offeror's ability to satisfy the requirements of this RFP.
- A list of governmental or commercial customers for whom the Offeror has provided relevant financial or transaction processing services. The Offeror shall provide references (contact names and telephone numbers) from a minimum of three current customers who can speak to the Offeror's capabilities and qualifications related to the services sought in this RFP.

3.2 Subcontractor Capabilities and Experience

Offerors may subcontract the performance of the required services with other entities or third parties. For purposes of this RFP, a subcontractor is defined as any entity under contract to the Offeror to provide: a service specifically defined and required within this RFP, including but not limited to EBT card production, banking or financial services, EBT-only terminal driving, EBT transaction switching, authorization services and/or network and communications services.

3.2.1 Organization and Reporting Structure

When proposing the use of subcontractors, the Offeror shall explain and document the relationship between the subcontractors and the Offeror. The Offeror shall provide a project organizational chart illustrating the breakdown of duties between the subcontractors and the Offeror.

3.2.2 Change or Addition of Subcontractor(s)

Any changes in subcontractors or additions to the approved subcontractors after the execution of this agreement shall first require written notification and prior approval by the State, whose approval shall not be unreasonably withheld. The EBT Contractor shall provide copies of all new contracts with subcontractors (excluding pricing or proprietary information) upon request by the State 30 calendar days prior to the effective date of such contracts. Upon receipt, the State will have 15 calendar days to review such contracts and provide in writing to the EBT Contractor any concerns regarding the level of service that is required of such subcontractors by the EBT Contractor in meeting its contractual obligations to the State. The EBT Contractor shall address each concern in writing to the State no later than 10 calendar days from the receipt of the State's concerns.

3.2.3 Subcontractor Performance Standards

The prime contractor and any and all subcontractors are subject to the performance standards and requirements as specified in this RFP. As the prime contractor, the responsibility for the performance of subcontractors rests solely with the Offeror. If subcontractors are used, the prime contractor shall ensure that subcontractors are aware of and required to adhere to the performance standards and requirements specified within this RFP and the subsequent contract between the State and the Offeror.

3.2.4 Qualification of Subcontractor(s)

The Offeror shall explain the subcontractors' role(s) by including the following minimum information in their response:

- Each subcontractor's name and address;
- The specific service(s) the subcontractor will be performing;
- Evidence of each subcontractor's intent to participate, including a signed letter by an authorized representative; and
- A contingency plan to cover any subcontractor stoppage.

For subcontractors that will be providing one of the four primary services: 1) SNAP/cash EBT; 2) debit cards; 3) WIC EBT; and 4) EBT gateway services, the Offeror shall include the following minimum information in their response, in addition to the required information listed above:

- Description of relevant qualifications, capabilities in providing the service over the past five (5) years; and

- Three (3) references for each subcontractor, to include contact names, addresses, and telephone numbers, and a description of the services currently being provided.

If requested, a copy of contracts with all subcontractors shall be provided to the State no later than the date of contract execution with the prime EBT Contractor.

4 Project Management, Organization and Staffing

The Offeror must demonstrate through its proposed management, organization and staffing approach that it has assembled a team with the management and organization skills to meet the requirements of this RFP.

4.1.1 Project Staffing

The Offeror shall propose a project team to be headed by an overall WSEA Project Director whose responsibility it is to carry out the tasks in this RFP. The Offeror's WSEA Project Director shall meet the following requirements:

- Have at least three years of project management experience, two of which must have been in projects involving State government; and
- Have successfully managed within the last five (5) years the implementation and/or operation of an EBT or other financial and/or transaction processing system of comparable size and similar complexity as defined within this RFP.

In addition to the overall WSEA Project Director, each WSEA State shall have a designated State Project Manager with the following minimum qualifications:

Table 7: Project Manager Minimum Qualifications

Qualification	Minimum Requirement
Education	Bachelor's Degree
Certifications	Project Management Professional (PMP)
Time in position	Five years as Project Manager Ten years of work experience
Experience	Has supported at least 3 State government projects Has supported the implementation of at least 3 transaction processing systems

Prior to contract execution, Offerors must provide the proposed Project Manager's resume with details on qualifications, education/certification and experience and each State's proposed State Project Manager will be subject to the individual State's approval. The State Project Manager shall start work on a State's project no later than 15 days after the effective date of the contract between the Offeror and the State and will continue through the State's written acceptance of the successful conversion of the current EBT system to the EBT Contractor's EBT system and into the operations phase. Following a successful State conversion, the State Project Manager's continuing service to the State during the operations phase is subject to State approval.

Each WSEA State will continue to have an assigned State Project Manager for the entire length of the operations phase. During the operations phase, the State Project Manager must maintain regular and frequent contact with the State's EBT Program Director and designated staff members.

During the contract, the State may request the replacement of the State Project Manager for any legitimate performance reason and the replacement will also be subject to State approval. Staff

replacement occurring at the State's request shall be performed within 30 calendar days of receipt of the request.

Other key personnel from the EBT Contractor subject to the approval of the State are:

- Retail Manager;
- Technical Conversion Coordinator – for SNAP/CASH EBT services only;
- WIC Technical Implementation Coordinator (for states implementing WIC EBT);
- System Test Manager; and
- Technical System Lead.

WSEA States may conduct interviews of key personnel prior to award in order to determine acceptability. If a change in key personnel is made after award, the Offeror shall present the replacement to the impacted State, and the State will have right of refusal privileges. If any of the proposed key personnel or project managers are not currently in the employ of the Offeror, a letter of intent to accept employment shall be included in the response.

The Offeror must demonstrate staff capabilities and experience by providing, the name, position title, responsibilities, percent of time on the project and resumes of all key staff, and identification of positions to be hired upon contract award. If the members of the team will change during different phases of the project this must be identified in the Offeror's proposal.

4.1.2 Project Management and Organization

The Offeror shall describe its project management approach and provide a proposed organization plan for the WSEA EBT project defining how the Offeror will organize and manage the project. The response shall include a discussion of the proposed lines of authority, and how the project management team will be involved in the administration of the services, including the coordination and communication internally and among all subcontractors.

The proposal must clearly define the following:

- The degree of coordination expected between the EBT Contractor's personnel (the EBT Contractor's Project Director and assigned State Project Manager) and the State's EBT Director.
- Procedures that will be implemented and enforced to provide adequate notification to the States and their EBT Director when potential or actual problems are identified.
- The decision-making authority that assigned EBT Contractor personnel (Project Director and designated State Project Managers) have within the EBT Contractor's organization in relation to this EBT project.
- A management structure ensuring adequate oversight and executive direction for the EBT Contractor's personnel (Project Director and assigned State Project Managers). The EBT Contractor must indicate, whenever possible in advance, when the State's normal contact is expected to be unavailable, and the EBT Contractor must provide the State with contact information for an alternative or back-up contact. Calls and/or e-mails from the State's EBT Project Director to any designated contact must be returned within 24 hours.
- The EBT Contractor's internal lines of authority and communication, including escalation and problem resolution procedures.
- The lines of authority, communication, escalation and problem resolution procedures that will be established between the prime EBT Contractor and any subcontractors.

The EBT Contractor must have the appropriate number and mix of project staff, both on and off site, at all times during each State's conversion or WIC implementation project to ensure the successful transition or implementation, and operation of the States' EBT systems. The WSEA States anticipate that full-time staff at the State site may not be required for the entire design, development, testing and transition phases to successfully implement a State's conversion; however, an individual State may require full time staff on site, particularly during critical points in the project, such as establishment of the system interfaces, system testing, etc. The Offeror must describe its approach to providing the State Project Manager and other key staff on-site during critical points in the conversion process.

The EBT Contractor is also responsible for providing a plan whereby the State Project Manager, key personnel, or designees will be available on-site in Alaska, Arizona, Colorado, Hawaii, Idaho, Nebraska, or Wyoming within two (2) business days of the State's request, and in Guam within five (5) business days of Guam's request, at no cost to the State. The State may make a request when the State deems it necessary for the EBT Contractor to be on site to respond to emergency or critical situations.

5 Business Requirements

The EBT Contractor must comply with State and Federal business requirements, program rules, guidelines and all contract terms and conditions specified in this RFP. Offerors shall accept all business requirements and provisions in the contract terms. If specific departures are taken from particular requirements, terms or conditions, the Offeror must note such departures in its proposal. Failure to note departures shall constitute acceptance of all such requirements, terms and conditions. A proposal that takes blanket exception to all or substantially all boilerplate contract provisions shall be considered a non-compliant proposal and rejected from further consideration for contract award. The WSEA States encourage Offerors to identify concerns with the contract terms during the RFP question and answer period described in *Section 1.2.3: Schedule of Activities*.

5.1 EBT Contractor Liabilities

The EBT Contractor shall have financial liability for EBT Contractor or system processing errors and omissions including fraud and abuse. Federal and State funds may not be drawn down or requested for over-issuances or transactions in excess of the authorized recipients' benefit allotment. The EBT Contractor shall be responsible for the following:

- **EBT Contractor Errors in the Disbursement or Authorization of Funds.** The EBT Contractor shall be liable for EBT Contractor errors in the authorization or disbursement into a client account of funds related to state-administered programs as described in OMB Circular A-87, 45 CFR 200, 45 CFR 74, and 7 CFR 276. The EBT Contractor shall be liable for EBT Contractor errors in the authorization or disbursement of benefits into a WIC client account. The State is responsible for losses resulting from its providing erroneous information to the EBT Contractor.
- **EBT Contractor Errors in Transaction Processing and Settlement.** The EBT Contractor shall bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the EBT Contractor or its representatives or subcontractors. These liabilities shall include, but are not limited to:
 - Any duplicate or erroneous postings to a client account.
 - Any losses from funds drawn from an account after the client notified the EBT Contractor that the card had been lost or stolen.
 - Any losses from transactions performed with cards issued but not activated by the client and/or the EBT Contractor.
 - Any damages or losses suffered by a Federal or State agency due to negligence on the part of the EBT Contractor.
 - Any loss of benefits caused by fraud or abuse by the EBT Contractor or its representatives or subcontractors.

5.2 Invoicing for Cash & SNAP EBT Services

The EBT Contractor shall separately invoice each WSEA State. Each State shall make separate monthly payments to the EBT Contractor for services rendered during the previous calendar month. At the end of each calendar month, the EBT Contractor shall prepare an invoice for services rendered during the month and submit an invoice to each individual State. Invoices must be received by each State within two (2) weeks of the close of the month being billed. The invoice must be accompanied by supporting documentation that substantiates each individual line item on the invoice. Invoice charges must be

validated and substantiated, including pass-through expenses to the State, in order for payment to be approved. Each State shall determine its invoicing requirements. However, at a minimum the EBT Contractor's invoice shall include the period of service covered by the invoice and shall itemize the following: total number of active cases served for the State segmented by SNAP cases, cash only cases, combined SNAP and cash cases, and WIC cases, the cost per case per month (CPCM) for SNAP, cash and combined cases, total CPCM pricing for all cases (excluding WIC) served; equipment by type, number of units and cost per unit, and total cost by type of equipment; any other fees or services, adjustments, applicable State and local taxes and total amount due. The base CPCM paid by each State shall be based on the total active WSEA caseload which shall be reported on the invoice.

A "case" shall be defined as a single beneficiary unit receiving benefits through a single EBT account for one or more SNAP/cash benefit programs. For invoicing purposes, active cases shall be those cases for which a benefit authorization has been posted to the account during the month. Disaster cases, if any, shall be included in the total billing month case count. For clarification, the following examples of active cases by case type (SNAP only, cash only, and SNAP and cash combined) are provided.

- **Example 1 - SNAP Case:** Client has a SNAP benefit authorized and posted to their EBT account on the 2nd of the month. On the 15th of the month, a supplemental food benefit is authorized and posted the same EBT account. The EBT Contractor would bill for one active SNAP case at end of the month.
- **Example 2 – Combined Case:** Client has a SNAP benefit posted to their EBT account on the 2nd of the month. On the 15th of the month, cash benefits are authorized and posted to the same account. The EBT Contractor would bill for one active combined case at the end of month.
- **Example 3 – Combined Case:** Client SNAP benefit authorized and posted to their EBT account on the 2nd of the month. On the 15th of the month, supplemental food benefits are posted to the same active account, a new cash case is opened and cash benefits are authorized and posted to the client's EBT account. The EBT Contractor would bill for one active combined case at the end of the month.
- **Example 4 – SNAP or Combined Case:** Client has a closed case. No benefits are posted for the billing month. However, due to a fair hearing, client is awarded back food and/or cash benefits for the last 8 previous months. The EBT Contractor would bill for one active SNAP case if only SNAP benefits are posted or one active combined case if both SNAP and cash benefits are authorized and posted.
- **Example 5 – SNAP and Cash Direct Deposit Case:** Same scenarios as examples 2 and 3 but the household has opted to have its cash benefits processed via ACH direct deposit by the EBT Contractor. The EBT Contractor would bill for one active SNAP case and for each ACH deposit processed for that household at the end of the month.

5.3 Invoicing for WIC EBT Services

A WIC EBT account shall be defined as a single beneficiary household unit receiving benefits through a single WIC EBT account. An active case month is defined as the period in which the household (cardholder) has the ability to access benefits. Benefits may be issued on a calendar month or a rolling-month basis. Benefits for the current month and up to two additional months may be issued concurrently. Benefits expire within one month of their issuance date. If additional benefits are issued to the household during the benefit period, they will expire on the same date as the other benefits issued for that benefit period. If benefits are issued on a rolling-month basis, then the one month period of availability may straddle two calendar months. Under no circumstance shall the State be invoiced for two months for a 30-day period of benefit availability.

Occasionally future months' benefits may be voided prior to their activation date. Under no circumstances shall the State be invoiced for future months' benefits if they are voided prior to becoming available for redemption by the client. The EBT Contractor may only invoice for a one calendar month period if benefits are available for redemption during that one month period.

The Offeror shall explain in its response how the calculation for the number of active cases will be performed.

At a minimum the EBT Contractor's invoice shall include the period of service covered by the invoice and shall itemize the following: total number of active cases served for WSEA segmented by SNAP cases, cash only cases, combined SNAP and cash cases, and WIC cases, the CPCM for WIC cases; equipment by type, number of units and cost per unit, and total cost by type of equipment related to WIC EBT processing; any other fees or services, adjustments, applicable State and local taxes and total amount due for WIC EBT processing. The base CPCM paid by each State shall be based on the total active WSEA caseload which shall be reported on the invoice.

5.4 Accounting and Audit Requirements

The books, records, documents, and accounting practices of the EBT Contractor relevant to the contract shall be subject to audit at any reasonable time and upon reasonable notice by WSEA, USDA, or their duly appointed representatives. These requirements are found in the FNS regulations at 7 CFR 277.17 and 7 CFR 277.18(k). These requirements include the records and facilities of any subcontractors. In the event of any audit, claim, negotiation, litigation or other action, records shall be retained for the duration of the event.

Financial and accounting records pertaining to the contract shall be maintained for the duration of the contract and for three (3) years following the end of the Federal fiscal year during which the contract is terminated or until State and Federal audits of the contract have been completed, whichever is longer.

The EBT Contractor shall have an annual audit which will be a Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization, performed on its EBT operations and shall provide an electronic version and one hardcopy of the report to each WSEA State. Annual SSAE 16 audits may be shared if other States' EBT systems are under the same control environment and on the same platform.

5.5 Contract Performance Requirements

To ensure that the EBT Contractor provides uninterrupted services to clients and meets the performance standards set forth in USDA FNS regulations, the WSEA States have established a set of EBT system and service performance standards. It is the intent of the WSEA States to remedy EBT Contractor non-performance through specific remedies and a payment "hold-back" protocol. In addition, at a State's option, WSEA States may include additional performance remedies, including liquidated damages, in their individual State contracts to recoup State losses incurred due to EBT Contractor non-conformance with performance standards. As liquidated damages are not a requirement for each WSEA State, the core Cost Per Case Month pricing (see *Section #11.2.2*) shall not reflect the inclusion of liquidated damages and/or Letters of Credit. The option to include liquidated damages as a remedy for non-compliance with performance standards shall be priced as an option. Specifics regarding liquidated damages are provided in *Section 5.5.4*.

5.5.1 WSEA Performance Standards

The EBT Contractor shall ensure that the EBT system and services comply with the FNS performance and technical standards as specified in CFR § 274.8(b) and the WIC performance standards in the Standard Operating Rules. The following tables define FNS and WSEA performance operating and conversion standards for the delivery of EBT services and the performance deficiencies that may trigger the invocation of hold-back or other remedies (refer to RFP *Section 5.5.2*).

Table 8: Operating Performance Standards

Operating Performance Standard	Performance Deficiency
EBT Central Computer Uptime The EBT Central Computer shall be up and available 99.9% of the scheduled uptime, 24 hours per day, seven days per week measured on a monthly basis, in accordance with processing specifications and requirements (refer to <i>Section 10</i>). Scheduled uptime shall mean the time the database is available and accessible for transaction processing and excludes scheduled downtime for routine maintenance. The EBT Central Computer consists of all system functions over which the EBT Contractor/ Subcontractor has direct control, either directly or through a subcontractor relationship.	Failure of EBT Central Computer to be up and available 99.9% of the scheduled uptime measured on a calendar monthly basis.
EBT System Uptime The total EBT system, including the host computer, any network, intermediate processing facilities or gateway, shall be available 99% of scheduled uptime, 24 hours per day, seven (7) days per week, in accordance with processing specifications and requirements (refer to <i>Section 10</i>).	Failure of the total EBT system within the EBT processor's control to be "up" 99% of the scheduled uptime measured on a monthly basis.
EBT System Modifications The EBT System shall not be unilaterally modified without providing prior notification to the States.	Modification to the system without prior notification to the State which adversely affects State operations or their clients.
Scheduled Maintenance. Scheduled maintenance of the WIC EBT system shall not exceed two (2) hours per month unless other timeframes are agreed upon by the State's WIC Program.	Exceeding two hours of scheduled maintenance downtime in a calendar month unless in receipt of advance approval from the State's WIC Program
Downtime Scheduling Schedule downtime during early morning hours only, i.e., between 1:00 AM and 5:00 AM local time.	Failure to schedule downtime during early morning hours, i.e., between 1:00 AM and 5:00 AM local time.
EBT Switching Services The Debit Switch service shall be available 99.8% in any calendar month after deducting for scheduled downtime or failure of communication lines or telecommunications equipment out of the reasonable control of the EBT Contractor, in accordance with contract requirements.	Failure to provide Debit Switch availability 99.8% of the time in any calendar month.

Operating Performance Standard	Performance Deficiency
Settlement and Reconciliation The timeframe for ACH settlement window shall be met 100% of the time measured within a 30-day rolling window. AMA entries shall be made with 100% accuracy. STARS daily redemption totals shall be provided to the Benefit Redemption System Branch (BRSB) at least weekly with 100% accuracy. The EBT Contractor shall notify the State of any settlement or reconciliation discrepancies within 12 hours.	Failure to meet timeframe for ACH settlement window 100% of the time measured within a 30-day rolling window. Two or more errors in providing AMA data to the FRB of Richmond within a rolling 60-day period. Two or more errors in the daily redemption totals provided to the BRSB within a 60-day rolling period. Failure to provide notice of discrepancy with 12 hours.
Acceptance of Data or File Transmissions The EBT Contractor's system shall be available to accept account set-up or benefit authorization files or data transmissions 24 hours per day; seven days per week. The EBT System shall be made available within 60 minutes of being notified by the State that their system was not available to accept a file or data transmission.	Failure of the EBT System to be available to accept account set-up or benefit authorization files or data transmissions 24 hours per day; seven days per week.
Card Specifications The EBT Contractor shall provide each WSEA State with an annual attestation indicating that all cards provided to the State during the preceding year, including disaster card inventories, meet the card specifications required in this RFP. In addition, on an annual basis, the EBT Contractor shall have cards randomly selected by the State from the State's card inventory tested by an independent lab and shall provide the results of the test to the State. In particular, the test results should indicate the coercivity level and oversted rating of each tested card.	Failure to provide annual attestation. Failure to meet card specifications required in this RFP. Failure to conduct annual test of randomly selected cards within 90 days of the contract anniversary date. Failure to provide independent test results within 90 days of the contract anniversary date.
Benefit Availability WSEA States' time zones vary widely. The benefit availability time shall be set within each State's individual contract with the EBT Contractor. The SNAP benefit availability time shall be set individually by the States. The benefit availability requirement for WIC can be found in <i>Section 10.21: WIC EBT Requirements</i>.	Failure to have benefits available by the State's specified benefit availability time 100% of the time.
Benefit Availability - Daily and Overnight Batch Files or Records - New or Expedited Cases (SNAP/Cash only) The EBT Contractor must process daily or overnight batch files or records and make benefits available to clients/providers within one hour of receipt or as specified by the State.	Failure to make benefits available to clients/providers within one hour of receipt of daily or overnight batch files or records or as specified by the State 100% of the time.

Operating Performance Standard	Performance Deficiency
Cardholder Account Adjustments The EBT Contractor shall investigate and complete State or retailer initiated cardholder adjustments within 10 business days of the date the adjustment request is initiated. The EBT Contractor shall provide 15 calendar days advance notice to the State prior to posting an adverse (debit) adjustment to a cardholder account.	Failure to investigate and complete an adjustment within 10 business days. Failure to provide 15 calendar days advance notice to the State before posting an adverse adjustment to a cardholder account.
Inaccurate Transactions No more than two (2) inaccurate transactions per every 50,000 EBT transactions processed including all types of SNAP transactions permitted at POS terminals and processing through the host computer, manual transactions entered into the system, credits to household accounts, and funds transfers to retailers. Accuracy shall be measured on a monthly basis.	Failure to maintain an accuracy standard of no more than two (2) errors per every 50,000 EBT transactions within a calendar month.
Customer and Retailer Help Desk Performance 85% of all calls answered within four (4) rings measured over a 2-month period. (4 rings are defined as 25 seconds.) 99% of all calls for Customer Service Representatives (CSR) answered within 2 minutes measured over a 2-month period.	Failure to answer 85% of calls within four (4) rings measured over a 2-month period. Failure to answer 99% of all calls to CSRs within 2 minutes measured over a 2-month period.
Customer Service Complaints The EBT Contractor must respond to customer service complaints within the following timeframes: • Priority One: four (4) hours (e.g., card and account issues that negatively impact a cardholder's ability to access benefits). • Priority Two: three (3) business days (e.g., rudeness or other issues that do not impact a cardholder's ability to access benefits).	Priority One: Failure to respond within four (4) hours. Priority Two: Failure to respond within three (3) business days.
Host Response Time for Administrative Terminal Transactions Host response time for administrative terminal transactions and WIC/MIS-EBT transactions shall not exceed two (2) seconds 98% of the time measured on a monthly basis.	Failure to respond to administrative terminal transactions within two (2) seconds 98% of the time measured on a monthly basis.
Equipment Installation for EBT-only Retailers 100% of POS terminals shall be installed and operational within 14 calendar days after the EBT Contractor receives notification of retailer authorization from FNS measured within a 90-day rolling period. Retailer initiated delays are not included. This requirement is now limited to only those categories that are exempt from the Agricultural Act of 2014 provision regarding EBT-only terminals, i.e., farmers' markets, direct-marketing farmers, military commissaries, non-profit food buying cooperatives, group living arrangements, treatment centers, and prepared meal services (except restaurants participating in State-option restaurant programs).	Failure to install 95% of the terminals within 14 calendar days of the EBT Contractor's receipt of notification of retailer authorization from FNS measured within a 90-day rolling period, not including a delay in signing the contract by the retailer. Failure to follow up with a retailer who has not returned a contract within the allotted 10 calendar days.

Operating Performance Standard	Performance Deficiency
EBT-Only POS Equipment Replacement The EBT Contractor must ship, via overnight express, replacement POS equipment within one (1) business day of a request for a replacement of faulty equipment.	Failure to ship replacement POS equipment via overnight express within one (1) business day of a request 98% of the time measured within a 30-day rolling period.
PIN Selection Equipment Replacement The EBT Contractor must ship, via overnight express, replacement PIN selection terminals within one (1) business day of a request for a replacement.	Failure to ship a PIN selection terminal via overnight express within one (1) business day of a request for a replacement terminal 98% of the time measured on a monthly basis.
PIN Selection Device User ID/Password Reset The EBT Contractor shall provide PIN Selection devices that allow the State employees to manage user security locally without any need for assistance from the EBT Contractor.	Any failure to allow State employee to manage user security, measured on a monthly basis.
Access to System by Retailers Using a Third Party Processor or Driving Their Own Terminals When a retailer chooses to employ a third party processor to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within a 30-day period or a mutually agreed upon time, to enable any required functional certification to be performed by the EBT Contractor.	Failure to provide access to the system within a 30-day period, or within the mutually agreed upon time period, to 95% of the retailers using third party processors or driving their own terminals.
Card and PIN Issuance When the cards are issued by mail, the EBT Contractor shall mail cards no later than the next business day after receipt of a card issuance request. If the EBT Contractor is required by the State to supply PINs by mailer, a corresponding system generated PIN shall be mailed under separate cover and should follow the mailing of the card by one (1) to three (3) days, as designated by the State.	Failure to mail cards and PINs in accordance with contractual requirements 98% of the time measured on a monthly basis.
Project Status Reporting – After Conversion or Implementation After system conversion, a monthly Status Report shall be provided once a month as specified by the State.	Failure to deliver status reports to the State on a monthly basis.

Operating Performance Standard	Performance Deficiency
Response to Enhancement/Change Requests The EBT Contractor shall respond to Enhancement/ Change requests with the estimated hours and time frame to complete the Enhancement and/or Change Request within two weeks of receiving the request. All change requests shall have an approved start and completion date. In consultation with the State, the EBT Contractor shall designate Enhancement/Change Requests as low, medium or high priority. Low priority changes shall be initiated within 180 calendar days of written approval by the State. Medium priority changes shall be initiated by the EBT Contractor within 60 calendar days of written approval by the State and high priority changes shall be initiated by the EBT Contractor within 30 calendar days of written approval by the State (refer to <i>Section 10.17.7</i>). Progress on open change requests must be included in the regularly scheduled Status Reports (refer to <i>Section 6.5.1</i>).	Failure to provide a response to any Enhancement and/or Change request within the specified timeframe. Failure to initiate a low priority request within 180 calendar days of written approval by the State. Failure to initiate a medium priority request within 60 calendar days of written approval by the State. Failure to initiate a high priority request within 30 calendar days of written approval by the State. Failure to complete any change request by the approved completion date. Failure to report progress in Status Reports.
Response to Reported Defects The EBT Contractor shall respond to reported defects/system issues in a timely manner based upon defect priority. Critical priority defects (defects impacting state operations with no work around) shall have a response within two (2) hours of being reported, and shall be resolved as quickly as possible. Medium priority defects (impacting operations but a work around exists) shall have an initial response within four (4) hours, and shall also be resolved as soon as possible. Low priority defects (defects not impacting operations) shall be resolved within one (1) month of being reported. Status of all reported defects shall be included in the monthly status report until resolved.	Not responding to defects in a timely manner, as specified by defect priority. Not including the reporting of defects in the Monthly Status Report.
End of Contract Transition After Completion of the contract established through this solicitation, the EBT Contractor shall cooperate with the State, its designees, and a different EBT Contractor during conversion to a different party (see <i>Section 7.4</i>).	Failure to provide information requested by the State, its designees or a different Contractor, that impairs in any way the transition of EBT services to a subsequent contractor.
ALERT The EBT Contractor shall provide an ALERT file to FNS on a daily basis. The EBT Contractor shall correct data, as required, within one (1) month of a State request to correct data in the ALERT file.	Failure to provide the ALERT file within two (2) business days. Failure to correct data within one (1) month of receipt of a request by the State.

Operating Performance Standard	Performance Deficiency
Four-Digit Year Compliance The EBT Contractor shall warrant that it will provide only four-digit year compliant equipment, software, deliverables, and/or other services. This includes standardizing all screens and other graphic presentation of dates to a four-year digit. Four-digit year compliant equipment, deliverables and/or other services can accurately process, calculate compare and sequence data, including without limitation, date data arising out of or relating to leap years and changes in centuries.	Failure to provide four-digit year compliant equipment, software, deliverables, and/or other services.
Viruses and/or Bombs The EBT Contractor shall warrant that the software provided by the EBT Contractor to the WSEA States, including software provided by third parties under this contract, shall contain no viruses, backdoors, bombs, or other software mechanisms, techniques, or devices designed to intercept and retransmit data, provide unauthorized use of system resources, disrupt, disable, or stop its processing of data. Any third-party software warranties against viruses or disruptive software which are provided by the manufacturer, licensor, or seller of such software shall include the State as a direct beneficiary.	Failure to provide software, including third-party software, free of disruptive viruses, bombs, backdoors or other invasive or destructive techniques. Failure to include the State as a direct beneficiary of any third-party software warranties.

Table 9: SNAP/Cash EBT Conversion Performance Standards

Conversion Performance Standard	Conversion Deficiency
EBT-only Retailer Conversion 100 percent of EBT-only Retailer POS equipment must be transitioned to the new EBT system one week prior to database conversion.	Failure to transition 100 percent of EBT-only Retailer POS equipment one week prior to database conversion.
Transition and Conversion Timeframes Once established and approved, the EBT Contractor shall be required to complete conversion and transition activities within agreed upon timeframes.	Failure to meet agreed upon transition and conversion timeframes.
Database Conversion Once database conversion timeframes are established and approved, the EBT Contractor shall be required to complete conversion and transition activities within agreed upon timeframes.	Failure to meet agreed upon database conversion timeframes.
Data Warehouse Conversion For States utilizing the data warehouse, five years of transaction data shall be loaded into the data warehouse prior to the conversion date. Final catch-up of transaction data from the previous EBT Contractor shall occur within two weeks following the database conversion and processing on the New EBT Contractors platform.	Failure to meet agreed upon data warehouse conversion timeframes.

Conversion Performance Standard	Conversion Deficiency
Project Status Reporting – Prior to Conversion Prior to conversion, a weekly Status Report shall be provided to the State.	Failure to deliver status report to the State on a weekly basis.

Table 10: WIC Implementation Performance Standards

WIC Implementation Performance Standards	Performance Deficiency
Implementation of Stand-beside Solutions 98% of stand-beside solutions, approved by the WIC State Agency for specific authorized WIC vendors, shall be installed in a region's WIC vendor locations at least one (1) week prior to a region implementing WIC EBT.	Failure to install 98% of stand-beside solutions one (1) week prior to a region implementing WIC EBT.
Implementation Timeframes Once the schedule is established and approved, the WIC EBT Contractor shall be required to complete implementation milestones and provide deliverables per the established schedule. Deliverables to include written deliverables, test bed, WIC vendor and clinic hardware, cards and training materials, the IVR and the client and WIC vendor web portals.	Failure to meet agreed upon implementation timeframes for milestones and deliverables.
Project Implementation Status Reporting Prior to the completion of statewide rollout, a weekly Status Report shall be provided to the WIC State Agency.	Failure to deliver status report to the WIC State Agency on a weekly basis.

5.5.1.1 Right to Inspect, Correct or Stop Services

The deliverables and services being provided by EBT Contractor and its subcontractors, if any, shall be available for inspection and review at any reasonable time by representatives of the State.

In addition to its other remedies described herein, the State shall have the right, at any time, to order the services of the EBT Contractor or any of its subcontractors or suppliers to be fully or partially suspended or stopped, if, in the judgment of the State, the deliverables or services fail to conform to specifications and requirements. The State shall also have the right to fully or partially suspend or stop services for its own convenience. The EBT Contractor shall receive notice of the reasons for such an order. The project shall be delayed on a day-for-day basis if the State has issued a stop work order to the EBT Contractor and such stop work order is causing delays in completing services in accordance with the Project Work Plan.

5.5.1.2 Deductions for Errors in Processing Benefits

The EBT Contractor shall be liable to the State for any errors in processing benefits or reimbursements, including without limitation any overpayments or duplicate payments, except to the extent such errors arise from the actions of the State or Federal agencies. Such liabilities may, at the State's option, be deducted from the EBT Contractor payments. This liability of the EBT Contractor shall be in addition to any other liability for processing errors established by operation of law.

5.5.2 Hold Back Remedies for Non-Compliance

Performance deficiencies in any of the above listed performance standards shall be subject to remedy through hold-back provisions. The remedies set forth do not preclude the use of any other remedy provided by State contracts or applicable laws. The States agree to invoke the hold-back remedies as their first avenue in seeking to resolve performance deficiencies, except in instances set forth in the Contract Terms and Conditions or as negotiated in the individual State contracts with the EBT Contractor. A State's election not to invoke hold-back remedies in any instance of performance deficiency shall not be deemed to be a waiver of the State's right to invoke hold-back remedies in any other instance.

The State will notify the EBT Contractor of any deficiency in meeting one or more of the defined performance standards. It may be necessary for the EBT Contractor to correct a deficiency immediately through a remedial change. Remedial change processes are described in *Section 10.17.3.1*. For all other deficiencies, the State will request a corrective action plan and will set a due date for submission of the plan. If the State does not receive the plan by the due date and no extension has been granted, the State may invoke hold-back remedies per the schedule set forth in this section.

If the State receives the plan by the due date, it will work with the EBT Contractor to mutually agree on a final corrective action plan and a schedule to correct the deficiency. The State may invoke hold-back remedies if the EBT Contractor does not meet the schedule and no extension has been granted.

The State will notify the EBT Contractor when it is satisfied that the problem has been corrected. If the State determines that the deficiency has not been corrected according to the schedule specified in the corrective action plan, the State may invoke hold-back remedies until such time the deficiency is remedied. The following are the hold-back remedies that shall be applied to EBT Contractor payments if deficiencies are not corrected within the timeframes specified in the corrective action plan:

- First month – in the first month in which a deficiency is not corrected within the timeframe specified in the corrective action plan, the State may hold-back payment of twenty-five percent (25%) of the total payment owed to the EBT Contractor by the State.
- Second consecutive month – the State may hold-back payment of fifty percent (50%) of total payments owed to the EBT Contractor by the State.
- Third and additional consecutive months – the State may hold-back payment of one hundred percent (100%) of total payments owed to the EBT Contractor by the State.

Payments may be held-back until the State is reasonably assured that the EBT Contractor has fully complied with the performance standards. Upon such assurance the deficiency has been remedied, the State shall promptly pay the EBT Contractor all outstanding payment amounts previously held-back. Payments for SNAP/cash EBT will not be held back for performance deficiencies in providing WIC EBT services. Payments for WIC EBT will not be held back for performance deficiencies in providing SNAP/cash EBT services.

5.5.3 Financial Remedies for Conversion or Implementation Delays

An on-time, successful, and problem free transition from the existing EBT Contractor to the new EBT Contractor or implementation of WIC EBT services is critical to the EBT programs within the WSEA States. Because of the importance of the conversion, several deliverables (refer to *Section 6.5*) are considered critical: 1) the State specific approved Project Work Plan; 2) the State specific approved

Conversion Plan or WIC Implementation Plan and 3) the conversion of the State's EBT database from the existing EBT Contractor's EBT system to the new EBT Contractor's EBT system.

For each design, development, implementation and conversion task, the State will impose a remedy of \$1,000 per day for each day of delay beyond the date specified in the State's approved Project Work Plan, schedule and/or Conversion Plan for any delays caused by the new EBT Contractor. The State will impose a remedy of \$5,000 per day for each day of delay in the conversion of the State's EBT database beyond the date specified in the approved Project Work Plan and /or Conversion Plan. Any additional costs incurred by the State as a result of the failure by the new EBT Contractor to convert the database on the scheduled conversion date, including, but not limited to, additional costs for the continuation of EBT services, shall also be the responsibility of the new EBT Contractor. These remedies shall apply to all EBT programs and benefit delivery methods including EBT card, direct deposit and branded debit card (refer to *Section 10.1*).

For each design, development, and implementation task and deliverable for WIC EBT Implementation, the State WIC Program reserves the right to impose a remedy of \$1,000 per day for each day of delay beyond the date specified in the EBT Contractor's approved Project Work Plan for delays due to EBT Contractor errors, omissions, or inability to meet contracted readiness or implementation activities. Deliverables include required documentation, cards, test bed and hardware.

5.5.4 Optional Financial Remedies for Non-Compliance

This section contains financial remedies in the form of liquidated damages for non-compliance with performance standards which WSEA States may include in their individual State contracts at their option. Therefore, costs associated with these potential financial remedies shall NOT be included in Pricing Schedule 1: Core CPCM. Pricing shall be identified in Pricing Schedule 7: Optional Financial Remedies for Non-Compliance where the Offeror must indicate a price for each State.

Any delay or failure by the EBT Contractor in the timely execution of its obligations in accordance with dates in a State's approved Work Plan and/or in accordance with the specified performance standards will interfere with the proper and timely implementation of the EBT system and services, to the loss and damage to the State. Further, the State will incur significant costs to maintain the functions that would have otherwise been performed by the EBT Contractor. The following sections describe the liquidated damages WSEA States may impose at their option as a result of delay or failure of the EBT Contractor to perform its obligations.

For the amount of any such damages, the WSEA States shall have the right to reduce the amount of payment to the EBT Contractor for monthly payments and/or require direct payment from the EBT Contractor to the State. Damages are difficult to establish and the below stated damages are a reasonable approximation of the damages.

The following represent circumstances under which liquidated damages may be imposed on the EBT Contractor by the State:

5.5.4.1 Downtime

In any week(s) where the EBT Contractor's unscheduled downtime, i.e., unavailability for the EBT host processor, is in excess of 30 minutes, the liquidated damages shall be as follows:

- | | |
|------------------|--------------------------------|
| • 31-60 minutes | • \$1,000 each minute over 30 |
| • 61-90 minutes | • \$2,000 each minute over 60 |
| • 91-120 minutes | • \$2,500 each minute over 90 |
| • 121+ minutes | • \$3,000 each minute over 121 |

5.5.4.2 Benefit Availability

Liquidated damages for the following failures shall be \$500 per hour or portion of an hour up to \$2,500 per incident, with a maximum of \$10,000 per month for each failure to:

- Begin processing a file within one hour of receipt;
- Confirm receipt of a valid file within one hour of successfully processing the file;
- Request a replacement file if unable to process a file and confirm receipt of subsequent transmissions within 30 minutes until successful transmission has been completed;
- Provide benefits to clients according to the benefit availability schedule specified by the State;
- Batch process up to 1,000 benefit records every 60 minutes and post benefits to a client account within 60 minutes thereafter for emergency batch transactions; and
- For each failure to process on-line transmissions immediately and post benefits within 30 minutes of receipt of a valid transmission.

5.5.4.3 Inaccurate Transactions

For each failure of the EBT Contractor to limit inaccurate transactions to no more than two inaccurate transactions per 50,000 transactions, measured and reported on a rolling 30 day basis, the State may delay payments to the EBT Contractor according to the following schedule:

- For the first month the EBT Contractor does not meet this Performance Standard, the State may delay payment of twenty-five percent (25%) of total payments then owed to the EBT Contractor by the State.
- For the second consecutive month the EBT Contractor does not meet this Performance Standard, the State may delay payment of fifty percent (50%) of total payments then owed the EBT Contractor by the State.
- For the third consecutive month the EBT Contractor does not meet this Performance Standard, the State may delay payment of one hundred percent (100%) of total payments then owed the EBT Contractor by the State.
- Payments may be delayed until the State is reasonably assured that the EBT Contractor shall comply with this Performance Standard. Upon such assurance, the State shall promptly pay to the EBT Contractor all outstanding payment amounts being delayed under this Section.

5.5.4.4 Late Deliveries

In the event the EBT Contractor fails to receive a deliverable acceptance from the State by the due date specified in the State's approved Work Plan due to the EBT Contractor's fault, the State may impose liquidated damages of \$1,000 per day each day beyond the scheduled due date for the deliverable.

5.5.4.5 Failure to Meet Transaction Response Time

In the second consecutive month and in successive consecutive months following a failure to meet the system processing speed standards for EBT transactions as specified in 7 C.F.R. § 274.8(b), the State may hold-back payments of twenty-five percent (25%) of total payments then owed to the EBT Contractor. Payments may be held-back until the State is reasonably assured by the EBT Contractor that the system will meet the system response time Performance Standards. Upon such assurance, the State shall promptly pay all outstanding payment amounts to the EBT Contractor.

In any calendar month in which the EBT Contractor's EBT host processor fails to process and respond to transactions as specified in 7 C.F.R. § 274.8(b), measured on a monthly basis, the State may impose liquidated damages equal to five percent (5%) of the total invoice amount for that month's transaction processing. The maximum liquidated damages assessable in a one month period for failure to meet the EBT host transaction processing speed requirements will be \$25,000.

5.5.4.6 Overpayment of Benefits

In the event of an overpayment of benefits due to an inaccurate transaction in the EBT Contractor's reasonable control, the EBT Contractor shall be responsible for all incurred costs resulting from the overpayment and may not seek to recover such costs from benefit recipients unless the overpayment can be removed prior to the availability date. The EBT Contractor shall also be responsible for actual damages, if any, suffered by the State resulting from the overpayment, including all expenses incurred that would not have been incurred but for the EBT Contractor's overpayment of benefits.

5.5.4.7 Customer Service Performance Standards

During any consecutive two-month period in which 85% of all client, retailer and State calls to the EBT Contractor's toll free call center are not answered within four rings and a CSR does not respond to 100% of all calls within two minutes of a call being put on hold, the EBT Contractor shall submit a corrective action plan. The corrective action plan shall be submitted to the State within 15 days following the end of the second month. The EBT Contractor shall achieve full compliance with this Performance Standard within 15 days of the submission of the corrective action plan. If the EBT Contractor does not meet this Performance Standard within 15 days of submission of the plan, the State may hold back 25% of total payments then owed to the EBT Contractor by the State. Payments may be held back until the State is reasonably assured that the EBT Contractor shall comply with this Performance Standard. Upon such assurance, the State shall promptly pay to the EBT Contractor all outstanding payment amounts being held back under this Section.

5.5.4.8 Maximum Liquidated Damages

The maximum liquidated damages assessable in one calendar month will be \$100,000 unless superseded by a State's contract.

5.5.4.9 Payments

Amounts imposed by the State as liquidated damages may be deducted by the State from any money payable to the EBT Contractor, or the State may bill the EBT Contractor as a separate item therefore and the EBT Contractor shall immediately, and in all cases within 30 days of receipt of such bill, make full payment on such bills. The State shall make its claims against the EBT Contractor for liquidated damages in a reasonable time after discovery of an instance of non-conformance with performance standards.

5.5.4.10 Payment Hold Backs

The State shall have the right to hold back payments to the EBT Contractor if the EBT Contractor fails to perform its obligations, to the extent of amounts in dispute from such failures to perform, until the dispute is resolved.

5.5.4.11 Reductions in Payments

If the EBT Contractor's nonconforming performance results in State expenses or liquidated damages, the State shall be entitled to offset those expenses from the amount due the EBT Contractor.

5.5.4.12 Procurement of Cure Services

If, in the reasonable judgment of the State, a default by the EBT Contractor is not so substantial as to require termination, reasonable efforts to induce the EBT Contractor to cure the default are unavailing, and the default is capable of being cured by the State or by another resource without unduly interfering with continued performance by the EBT Contractor, the State may provide or procure the services reasonably necessary to cure the default, other than with respect to the EBT host processor, in which event the EBT Contractor shall reimburse the State for the actual cost of the services. This remedy is not

available for curing any defaults with respect to the EBT host processor or access to the software used on the EBT host processor.

6 Project Deliverables and Documentation

6.1 Standardized Deliverables and Documentation

In order to mitigate costs, project deliverables and documentation shall be standardized for the WSEA States to the extent possible. In a standardized document, State specific information may be provided as a footnote, chapter, or in an appendix, to clearly delineate between standard system or services information and State specific requirements. A standardized document may be provided at contract execution; the State-specific information must be provided by the due date and time indicated on the approved project schedule. There may be exceptions to standard documentation, for example, a State specific transition or implementation schedule.

6.2 Deliverable and Documentation Provision and Format

Deliverables and documentation shall be updated throughout the contract period to reflect changes in system design or operations. Updates to deliverables and documentation should be completed within one month of any system change. Unless otherwise specified by the State, the EBT Contractor shall provide four draft and four final hard copies of all documentation and deliverables to each State. All deliverables and documentation and their updates shall be provided in MS Office 2010 or more recent version as required by the individual State. Electronic copies shall be sent by email or uploaded to a State's SharePoint site, as required by the individual State.

6.3 Deliverable and Documentation Reviews

All documentation and deliverables provided to the WSEA States are subject to State and Federal review and approval. Unless otherwise specified, State comments will be provided to the EBT Contractor within two weeks of the receipt of the draft. Because WSEA States are accepting standardized deliverables and documentation, the WSEA States' expectation is that such deliverables and documentation are written in a professional manner, without any grammatical, mathematical and/or spelling errors. All section headings in a deliverable shall be numbered. Deliverables shall indicate their date and version number on the document and in the file name.

6.4 Deliverable Acceptance

The following describes the WSEA deliverable acceptance criteria.

- Delivery timeframe - must be submitted on or before the date indicated in the project schedule, unless a schedule change is mutually agreed upon between the EBT Contractor and the State
- Format and Media - must meet the format and media requirements described in *Section 6.2*.
- General quality items - must be correctly spelled and use accepted grammar. The writing style must be clear and use plain language.
- Content – must be:
 - Complete, with the deliverable requirements and any additional topics needed to understand the discussion.
 - Accurate – the deliverable presents facts, figures, arguments, and conclusions with appropriate accuracy and free of mathematical errors.

- Verifiable – as applicable, the deliverable includes a list of authoritative sources for the discussion which can be independently verified.

6.5 Deliverable and Documentation Due Dates

Each WSEA State will have its own transition or implementation schedule and it is understood that the transition period may be slightly different for each State. In general, the WSEA States assume that the transition or implementation period will be approximately seven to nine months from contract signing to system conversion or pilot (for WIC EBT).

The Offeror shall include the following Table 11: Deliverable and Documentation Response Table in its response. Where not specified, the Offeror shall indicate a proposed time span for deliverables in its response (e.g., within 6 weeks following contract execution). The Offeror shall also commit to provide each deliverable by responding “Will provide” in the column labeled “Commitment to Provide”. Actual due dates will be derived from the EBT Contractor’s approved project schedule for a specific State.

Table 11: Deliverable and Documentation Response Table

RFP No.	Deliverable or Documentation	Due Date	Commitment to Provide
6.5.1	Status Reports	Weekly prior to system conversion; monthly after system conversion.	
6.5.2	Project Work Plan and Schedule	Draft due within three weeks of contract execution; Final due within ten business days following receipt of State comments.	
6.5.3	Transition and Implementation Plans	Draft due within three weeks of contract execution; Final due within ten business days following receipt of State comments.	
6.5.4.1	Functional Design Document	Final due no later than three months after signing of a contract with the State	
6.5.4.2	Detailed Design Document	Final due no later than four months after signing of a contract with the State	
6.5.4.3	Integrated Voice Response (IVR) Scripts		
6.5.4.4	Card Design		
6.5.5	Systems Operations and Interface Procedures Manual		
6.5.6.1	System Life Cycle Test Plan		
6.5.6.2	User Acceptance Test Plan and Test Scripts		
6.5.6.3	Test Reports		
6.5.7	Back-up and Contingency Plan		
6.5.8	System Security Plan		
6.5.9	Training Plans and Materials		
6.5.10	Report Manual		
6.5.11	Retailer and Third Party Processor Agreements		
6.5.12	Settlement and Reconciliation Manual		

RFP No.	Deliverable or Documentation	Due Date	Commitment to Provide
6.5.13	Administrative Functionality Manual		
6.5.14	End-of-Contract Transition Plan		
DELIVERABLES SPECIFIC TO WIC EBT			
When implementing WIC EBT, the EBT Contractor shall provide the deliverables above as well as the WIC EBT specific deliverables below.			
6.5.15.1	WIC EBT Retailer Enablement Plan		
6.5.15.2	WIC EBT – Integrated Vendor Interface Specifications	Within one week of contract execution	
6.5.15.3	WIC EBT Retailer Test Scripts		
6.5.15.4	WIC EBT – WIC MIS Interface Specifications Document		

6.5.1 Status Reports

The EBT Contractor shall provide regular status reports and attend regular status meetings (calls) on a weekly basis during the transition/implementation period. At the project kick-off meeting the due date for status reports (e.g., each Friday by COB) and the date and time of status calls will be agreed upon between the State and the EBT Contractor. After transition/implementation the EBT Contractor shall provide written status on a monthly basis at a date agreed upon with the WSEA State and shall participate in status calls on an as-needed basis.

Status reports shall be succinct but comprehensive and include the following information, as applicable to the WSEA State.

- Tasks accomplished during the previous period
- Deliverables submitted during the previous period
- Updated Project Schedule, indicating baseline and actual start and completion dates
- Risk log with status, mitigation, probability and severity
- Issues and progress on resolution
- Status of change requests and changes
- Status of reported defects
- Miscellaneous items of import (e.g., the Project Manager will be on vacation and his/her replacement designee)
- Performance standards not met with corrective action plan
- Next period's activities/tasks and deliverables
- Programming hours available and used
- Customer Service Center ticket status

During transition/implementation the weekly status report shall also include:

- Conversion activities and tasks
- Progress in retailer conversion activities, third party processor agreements and retailer availability
- Progress in POS deployment (for WIC EBT and/or approved SNAP EBT Only retailers)

- ATM availability for states using the EBT card for cash benefits
- Training plans and activities
- EBT/branded debit card replacement or provision activities, as applicable
- Direct deposit banking information conversion

6.5.2 Project Work Plan and Schedule

These two deliverables provide the basis for managing the transition/implementation of WIC EBT.

6.5.2.1 Project Work Plan

The Project Work Plan shall contain the following information:

- EBT Contractor staffing and organization
- Deliverable acceptance process
- Change management plan
- Communication management plan
- Risk and issue management plan
- Contact information

The change management plan shall provide the EBT Contractor's approach to addressing design issues, remedial changes, and state-initiated change requests; conformance to Federal regulations, QUEST® Operating Rules (SNAP/cash), Standard Operating Rules for WIC EBT, WIC MIS-EBT Universal Interface; and self-initiated changes. The plan shall define roles and responsibilities and assure the States that no changes to the EBT system shall be undertaken without the State's prior knowledge and procedures. Refer to *Section 10.17: Change Management Process*.

The communication management plan shall identify the types of communication that will be used, when communication will occur and who will be communicated with and under what circumstances.

The risk and issue management plan shall contain the processes for risk identification, risk evaluation and prioritization, issue management, and risk and issue tracking.

6.5.2.2 Project Schedule

The EBT Contractor shall provide a State-specific project schedule for each transition or implementation of EBT services. At a minimum, the project schedule shall contain the following:

- Task and subtasks to be undertaken in order to successfully transition/implement EBT
- Draft and final deliverables or documentation
- Milestones
- Anticipated invoice dates (as applicable)
- Go/no go decisions
- State Agency and contractor activities

For each of the items above, the project schedule shall identify:

- The work breakdown structure (WBS) number
- The baseline start and end dates or completion dates
- The EBT Contractor staff role with primary responsibility (e.g., Project Manager, Test Lead)

In addition to the baseline, the updated Project Schedule, submitted with the weekly status report, shall contain actual completion dates as well as changes (if any) to future completion dates.

A similar schedule shall be provided to the WSEA State when initiating a system change based on a change request. The schedule shall be maintained with weekly updates until the system change has been accepted by the WSEA State.

As an appendix or attachment to its proposal, the Offeror shall provide a draft SNAP/cash EBT transition schedule and a draft WIC EBT implementation schedule. Draft schedules shall be based on an assumed nine-month transition or implementation period.

6.5.3 Transition and Implementation Plans

Each WSEA State's SNAP/cash programs will be transitioning from JPMorgan Chase to a new EBT Contractor's system. Each WIC State Agency using this acquisition for a contract vehicle will be implementing WIC EBT for the first time. Therefore, the content of the plans for these agencies will be slightly different. The plans shall address the processes to be used for transition or implementation, how the processes will be tested, and contingency plans for problems and issues that may occur during transition or implementation. At a minimum, the plans shall include the EBT Contractor's approach to transition/implementation activities in enough detail so that the WSEA State fully understands the approach and has confidence that the approach will support a timely and successful transition or implementation.

6.5.3.1 SNAP/Cash Transition and Conversion Plan

The succeeding EBT Contractor shall prepare a Transition and Conversion Plan that complies with the FNS EBT Transition Guide, Version 2.0., dated June 6, 2005 or the most recent version issued by FNS. The Transition and Conversion Plan must address the verification and validation of the transition process, in particular the validation of the clients' account balances and cardholder PINs that are converted to the new system.

- Transition of transaction acquirers and retailers including the retailer database;
- Transition of each State's client database to include account aging information including expungement and escheatment dates, where appropriate, and transfer of the State's transaction history;
- Establishment of a Data Warehouse and acceptance and conversion of a minimum five-year transaction history from the current EBT Contractor to populate the Data Warehouse (refer to *Section 10.15.3: Data Warehouse Functionality*);
- Establishment of interfaces with State and FNS systems to include timelines, milestones, roles and responsibilities, and level of work effort to be expected by State IT staff;
- Transition plan for EBT switch;
- Transition of card production and distribution center;
- Maintain the ability of customer service representatives (CSRs) to complete card status functions reported to Customer Service during the conversion "downtime";
- Acquisition and transfer (if feasible) of the toll-free Customer Service telephone number used by clients;
- Acquisition and transfer (if feasible) of the toll-free Customer Service telephone number used by retailers;
- Replacement of EBT and branded debit cards, as required;
- Conversion settlement and reconciliation processes and activities from the current EBT Contractor's system including the migration of automated clearinghouse (ACH) data;
- Coordination with FNS, the Treasury Department and the FRB (Federal Reserve Bank) in transferring State ASAP (Automated Standard Application for Payments) system account balances to the succeeding EBT Contractor;

- Support of EBT system user and client training;
- Administrative Terminal application connectivity;
- Data conversion dry runs; and
- Client notices.

The Transition and Conversion Plan must also contain a contingency fallback plan in case the conversion cannot be completed in a timely manner due to conversion issues.

As an appendix or attachment to its proposal, the Offeror shall provide an example of a Transition and Conversion Plan used for a prior State. If the Offeror has not conducted a Transition and Conversion, the Offeror shall provide a draft Transition and Conversion Plan.

6.5.3.2 WIC EBT Implementation Plan

The EBT Contractor shall provide a WIC EBT Implementation Plan that includes, but is not limited to the Offeror's approach to the following:

- Outlining deliverables and milestones
- Coordinating with the MIS contractor to identify placement of EBT functions;
- Establishing the test environment;
- Establishing State Agency user roles and access to the test and production environments;
- Establishing interfaces with the State Agency's MIS and funding systems;
- Transferring databases such as the local agency/clinic, WIC vendor, category/subcategory, UPC and/or family demographic data prior to Pilot and rollout;
- Enabling and supporting the certification of WIC authorized vendors for WIC EBT;
- Establishing card production and distribution for pilot and rollout;
- Coordinating State and clinic equipment purchasing, delivery, and installation;
- Providing required State Agency, local agency/clinic, WIC vendor and participant training and/or training materials; and
- Establishing funding/settlement processes.

The Implementation Plan shall include checklists that can be used by the State to assess User Acceptance Test (UAT) readiness, pilot readiness and regional rollout readiness.

As an appendix or attachment to its proposal, the Offeror shall provide an example of a WIC EBT Implementation Plan used for a prior State. If the Offeror has not conducted a WIC EBT implementation, the Offeror shall provide a draft WIC EBT Implementation Plan.

6.5.4 Functional Design and Detailed Design Documents

Acknowledging that system documentation will be standardized, the EBT Contractor may provide separate Functional Design and Detailed Design Documents or combine these deliverables into one document. Together, these documents shall provide the State Agency with sufficient detail to assure the State Agency that all functional requirements shall be met and that the system is capable of performing these functions.

6.5.4.1 Functional Design Document

The functional design describes the logical system flow, data organization, system inputs and outputs, processing rules, and operational characteristics of the product from the user's point of view. The functional design is not concerned with the software or hardware that shall support the operation of the product or the physical organization of the data or the programs that shall accept the input data, execute the processing rules, and produce the required output.

6.5.4.2 Detailed Design Document

The detailed design describes the system requirements, operating environment, system and subsystem architecture, files and database design, input formats, output layouts, human-machine interfaces, detailed design, processing logic, and external interfaces.

6.5.4.3 Integrated Voice Response Scripts

The EBT Contractor shall provide client/participant and retailer integrated voice response (IVR) scripts for State approval. IVR response wording shall be consistent, grammatically correct and written at a fifth grade level. The IVR shall support both English and Spanish.

6.5.4.4 Card Design

The EBT Contractor shall work with each WSEA State to develop a card design unique to the State and unique to the program (e.g., SNAP EBT, WIC EBT, and debit branded cards). The card design shall be provided to the WSEA State in a PDF format for initial approval and then in production proofs for final approval.

6.5.5 System Operations and Interface Procedures Manual

The EBT Contractor shall provide a Systems Operations and Interface Procedures Manual. This manual shall include:

- Batch Files and the times of transmission;
- Administrative terminal configuration;
- Problem resolution and escalation procedures;
- Batch maintenance record formats; and
- Host-to-host functionality.

The problem resolution and escalation procedures shall define the process by which the WSEA States 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 State. The procedures shall include a priority scheme for identifying the relevant severity of the problem and the expected timeframes for resolution based upon the designated severity. At a minimum, a severe problem is considered “critical,” as it results in no transactions and operations have stopped completely. A problem defined as “moderate,” affects productivity or quality but transactions can continue. When an incident affects monitoring, reporting and management, it is classified as minor. Despite severity, the EBT Contractor shall be expected to respond in writing with plans and schedule for resolution in accordance with *Section 10.19.8: Incident Reporting*.

The EBT Contractor shall be expected to respond to severe problems immediately, to moderate problems within two weeks and to minor problems within four weeks.

6.5.6 Test Documentation

6.5.6.1 System Life Cycle Test Plan

The EBT Contractor shall provide a System Life Cycle Test Plan. The plan shall include, at a minimum, the tests identified in *Section 8: System Testing Requirements*. The System Life Cycle Test Plan shall address the extent of system and integration testing that is to occur to ensure that all system components properly interface and operate as designed. For the transition of SNAP/cash services, the Test Plan shall include the plan to test EBT data conversion (dry runs) prior to the actual conversion.

6.5.6.2 User Acceptance Test Plan and Scripts

The EBT Contractor shall develop a User Acceptance Test Plan and Scripts that cover all the system test requirements identified in *Section 8: System Testing Requirements*. For each test the plan shall, at a

minimum, outline the test purpose, methodology, environment, and approval rating system. The test scripts shall insure that all system functionality is tested.

6.5.6.3 Test Reports

The EBT Contractor shall document test results in system test reports. The report shall include any corrective actions or plans to remedy system errors or deficiencies identified during the test. Corrective actions to remedy system errors identified during testing must be completed and re-tested prior to system conversion (SNAP/cash EBT) and prior to being placed into production

6.5.7 Back-up and Contingency Plan

The EBT Contractor shall provide description of the types of service interruptions that may impact the EBT system's operations and therefore require the use of a backup and recovery process (refer to *Section 10.19.1: Back-up and Contingency Requirements*). For each potential interruption type, the EBT Contractor shall, at a minimum, detail the steps to be taken to survive and recover from the interruption. The plan shall include provisions to ensure that benefits continue to be accessible to cardholders, in either instances of system outages or in localized disasters. In addition, the EBT Contractor shall outline the resources committed (i.e., people, systems, networks, and operation sites) and indicate whether the contingency plan has been tested under real or simulated conditions.

In addition, the EBT Contractor shall also be required to support each WSEA State in developing a disaster plan and approach and shall participate in the annual review of the plan, in accordance with *Section 10.18: Disaster Support*.

6.5.8 System Security Plan

The EBT Contractor shall develop a plan for the implementation and maintenance of a comprehensive security program. The Security Plan shall describe the administrative, physical, technical and systems controls to be implemented for the EBT system and how the EBT Contractor shall address deficiencies or security breaches if they are identified during the course of the contract. The security plan should reflect the guidance of FNS Handbook 901 and FNS EBT Security Manual and the security requirements specified in *Section 10.19: System Security*. The security plan should address State-specific security requirements.

In addition to describing the planned controls to meet the security requirements, the EBT Security Plan shall provide for the ongoing certification and examination of the EBT Contractor's operations and control system. The EBT Contractor may use OMB Circular A-130 and 90-08 (appendix to A-130) as references in preparing the Security Plan (see <http://www.whitehouse.gov/omb/circulars/index.html>). The System Security Plan acceptance is contingent upon State and FNS approvals.

6.5.9 Training Plans and Materials

6.5.9.1 Training Plan

The EBT Contractor shall develop a Training Plan that addresses the training requirements of State and local staff, retailers and clients as described in *Section 7: Transition/Conversion and Implementation* of this RFP. The Training Plan shall describe the following:

- Types of training;
- Approach to training various stakeholders;
- Training materials that will be developed;
- Training materials that will be delivered in hard copy or DVD; and

- How training materials will be distributed during transition/implementation and throughout the contract period.

The EBT Contractor shall provide all training materials in hard copy and electronically in an editable format.

6.5.9.2 State Agency Training Materials

The EBT Contractor shall provide training materials appropriate to State Agency functions. These materials shall be used during transition/implementation training sessions and are in addition to the manuals required as part of this RFP; where applicable training materials shall include information from applicable manuals. The EBT Contractor shall maintain training materials throughout the contract, making revisions when EBT system functionality is modified.

6.5.9.3 Local Training Materials

If local staff has access to the EBT system or screens, then the EBT Contractor shall provide EBT system training materials and instructions for local staff. For **all** local offices, the EBT Contractor shall provide instructions on card issuance, care and use of the card, use of PIN selection and card swipe terminals, access to customer services and other functions necessary to train new clients/providers and participants on EBT. States will require instructions in print-ready formats. As an option, the States may choose to print and distribute training material printed instructions for their local offices, instead of the EBT Contractor (refer to *Pricing Schedule 5: EBT Optional Services*).

6.5.9.4 Client/Provider and Participant Training Materials

The EBT Contractor shall develop print-ready client/provider and participant training materials. The training materials must be written in easy to understand language – at a fifth grade reading level. Training materials must be provided in pamphlet format. Training materials must be prepared in both English and Spanish. The States must approve all client/provider and participant training materials. Training materials shall also be available in PDF format at the cardholder customer service website (refer to *Section 10.8.6: Cardholder Website*).

Training topics will be specified by the State to meet their EBT program requirements and may include but are not limited to:

- Use of the EBT card at the point-of-sale, including the type of benefit transactions that can be processed at POS terminals;
- Descriptions of approved food items;
- Use of the EBT card at ATMs, including the type of benefit transactions that can be processed on ATMs and ATM transaction fees;
- Use and safeguarding of the card and PIN;
- Card replacement and PIN change methods and procedures;
- Use of the branded debit card;
- Direct deposit;
- Information on stale account handling;
- QUEST® signage or WIC EBT signage (as appropriate) or other indicators to identify where EBT is accepted;
- Guidance on reporting problems with the card or its use and on reporting a lost or stolen EBT card;

- Information regarding adjustments and a household's rights to notice, fair hearings, and provisional credits. The material must also state where to call to dispute an adjustment and request a fair hearing.
- Use of the transaction receipt to track balances;
- Use of the IVR;
- TANF program restrictions (e.g., ineligible goods and services; intended use of program benefits; etc.);
- 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;
- Customer service functions, including a prominent display of the toll-free Customer Service help desk number;
- Bill paying and/or any other services offered to cardholders; and
- Non-discrimination statement per 7 CFR §274.2(e)(5) for SNAP, and 7 CFR §246.8 for WIC: "The USDA is an equal opportunity provider and employer."

The EBT Contractor shall accept orders from States and/or local offices for client/provider and participant training materials. The client/provider and participant training materials are to be distributed to the States on a quarterly basis, or upon State request, to locations designated by the respective State. As an option, a State may choose to print the EBT Contractor provided training materials themselves (refer to *Pricing Schedule 5: EBT Optional Services*.)

6.5.9.5 Client Training Digital Media

As an option, the EBT Contractor shall provide client training material in digital media (CD, DVD, video, or other media) as specified by the State. The specified digital training media shall be available to clients on the client customer service website and shall be distributed to the State and to every local agency office. Local agency offices and addresses will be provided at the appropriate time. Digital training content should be no more than 15 minutes in length and must cover the use and care of the EBT card. Training content should be directed to a fifth grade education level, and must be provided in both English and Spanish with at least one open-captioned version of each. (Refer to *Pricing Schedule 5: EBT Optional Services*.)

6.5.9.6 Retailer Training Materials

Retailer training materials shall be developed by the EBT Contractor in English and Spanish at the State's option, and be provided to any authorized retailer upon request. Training materials shall cover the program(s) applicable to the contract, SNAP and/or cash and WIC. All retailers shall be provided with the following information:

- Retailer Customer Service operations and functions including a toll free number;
- Use of the retailer website, URL and website functions including toll free number to call if the retailer is having a problem accessing the website; and
- Use of the Retailer IVR.

WIC retailer training information shall also include the download of the Approved Product List (APL). WIC State Agencies will train retailers on the new policies and procedures, which include the procedure for submitting new UPCs to the State Agency.

During the implementation of WIC EBT, the State Agency may support the provision of stand-beside EBT terminals. During operations of SNAP/cash and WIC EBT, stand-beside terminals may be provided to WIC authorized retailers, farmers markets, group homes, etc. The EBT Contractor shall provide training

materials, including a guide and a tip sheet on the use of the stand-beside EBT terminal. Such materials shall be shipped with the stand-beside EBT terminal.

As an optional service, the EBT Contractor shall develop an informational video for training and information on WIC EBT for WIC retailers.

6.5.10 Report Manual

The EBT Contractor shall provide each WSEA State Agency with a manual that details all reporting requirements, methods and reporting schedules. The Report Manual shall include report descriptions, a definition of the data elements and report formats. The Report Manual shall include a description of the EBT Contractor's Data Warehouse functionality including ad hoc reporting functionality.

6.5.11 Retailer and Third Party Processor Agreements

The EBT Contractor shall provide copies of the retailer and Third Party Processor (TPP) agreements that will be utilized within the State for review and approval by the State and FNS.

6.5.12 Settlement and Reconciliation Manual

The EBT Contractor shall provide a Settlement/Reconciliation Manual that provides the procedures required for a State to perform a daily reconciliation of the EBT Contractor's EBT system. For SNAP, reconciliation shall be performed as defined within 7 CFR 274.4. For WIC, reconciliation and settlement shall be performed as defined in the Standard Operating Rules for WIC EBT. The manual shall identify the specific settlement and reconciliation reports including formats and data elements.

6.5.13 Administrative Functionality Manual

The EBT Contractor shall provide an Administrative Functionality Manual, developed in cooperation with the State, which provides guidance and procedures for State and local staff on Administrative functions based on pre-defined permission levels and roles.

6.5.14 End-of-Contract Transition Plan

Within the last year of the EBT Contractor's contract period and at a time requested by the State Agency, the EBT Contractor shall provide an End-of-Contract Transition Plan that shall delineate the contract closeout activities and time frames necessary for the successful transition of services and data conversion to a new EBT Contractor.

6.5.15 WIC-Specific Deliverables and Documentation

The following deliverables and documentation shall be provided to the WIC State Agency to support WIC EBT implementation.

6.5.15.1 WIC EBT Retailer Enablement and Certification Plan

The WIC EBT Retailer Enablement and Certification Plan shall include but not be limited to the EBT Contractor's approach to:

- Ensuring sufficient WIC vendors are enabled and certified for WIC EBT prior to pilot and rollout.
- Identifying which WIC vendors are prepared for WIC EBT.
- Identifying which WIC vendors require additional support for WIC EBT.
- Identifying what type of support is required for each applicable WIC vendor.
- Obtaining WIC vendor and third party processor agreements.
- Supporting WIC vendors and COTS providers when modifying integrated electronic cash register (IECR) systems.

- Providing stand-beside terminals for qualified WIC vendors as per Federal Regulations.
- Tracking and reporting WIC vendor enablement through implementation.
- Supporting the WIC State Agency in the testing and certification process.
- Alaska Mail-out Vendor (MOV) program requirements

The WIC EBT Retailer Enablement and Certification Plan shall contain a schedule for conducting and completing these activities.

6.5.15.2 WIC EBT Integrated Vendor Interface Specifications

The EBT Contractor shall provide Integrated WIC EBT Integrated Vendor Interface Specifications that shall contain sufficient detail so that value added retailers (VARs), IECR COTS providers and WIC vendors with IECR systems will have the requirements necessary to modify their systems and exchange files with the WIC EBT system. Specifications shall conform to the Standard Operating Rules for WIC EBT.

6.5.15.3 WIC EBT Retailer Test Scripts

The EBT Contractor shall provide IECR test scripts that align with the test scripts developed by the USDA FNS sponsored retailer test script work group. The test scripts shall enable the State or its representative to test all IECR functions necessary for supporting WIC EBT transactions.

6.5.15.4 WIC EBT-WIC MIS Interface Specifications Document

The WIC EBT Contractor shall provide a WIC EBT - WIC Management Information System (MIS) Interface Control document that contains sufficient detail so that State's MIS contractor or IT staff will have the specifications necessary to enable the MIS to exchange files with the WIC EBT system. Specifications shall conform to the WIC Universal MIS-EBT Interface.

7 Transition/Conversion and Implementation

7.1 Requirements for SNAP/Cash and WIC EBT

7.1.1 Project Initiation

The EBT Contractor shall convene an initiation meeting at a location designated by the State. The meeting shall be scheduled within one (1) week of contract execution, to occur within three (3) weeks of contract execution or at the discretion of the State. The EBT Contractor's Project Manager and other key EBT Contractor staff, as deemed necessary by the State's Project Manager shall attend the meeting.

The EBT Contractor shall review the project plan, schedule and deliverables; establish the project communications structure; and discuss the management of change orders. In addition, the meeting shall include a discussion of the required deliverables, submission of those deliverables and confirmation of acceptance criteria. The agenda shall include a discussion of the content and structure of recurring status calls and status reports including establishing status reporting schedule. Within five (5) business days of the initial meeting the EBT Contractor shall deliver a technical memorandum documenting all agreements, understandings and contingencies arising from the project initiation meeting.

Upon agreement between the State and the EBT Contractor, requirements validation sessions may also begin during the EBT Contractor's time on site for the initiation meeting.

7.1.2 Requirements Validation Sessions

The EBT Contractor shall facilitate requirements validation and design sessions at a location designated by the State. Prior to the sessions, the EBT Contractor shall provide session agendas and electronic copies of all materials to be distributed at the sessions. Five (5) business days subsequent to each session, the EBT Contractor shall deliver a technical memorandum documenting all agreements, understandings and contingencies arising from the session.

7.1.3 System Configuration

Following the approval of the system requirements and design specifications by the State, the EBT Contractor shall modify and/or configure its EBT system to conform to the approved system design.

7.2 Transition and Conversion of SNAP/Cash EBT

This section provides the requirements for the transition and conversion of SNAP/cash EBT only. For clarity, JPMorgan Chase is referred to as the "existing EBT Contractor" and the selected Offeror is referred to as the "new EBT Contractor".

7.2.1 Continuity of Services

Upon finalization of the contract, the new EBT Contractor shall work with the State and any other organizations designated by the State to ensure an orderly transition of services and responsibilities under the previous contract and to ensure the continuity of those services required by the State. The new EBT Contractor shall be expected to work in a businesslike manner with the State's existing EBT Contractor for the purpose of effecting a smooth and timely transition of services.

In the event of a delay in the completion schedule for any deliverable under this contract caused by a State or by the State's existing EBT Contractor, and if the new EBT Contractor has provided advance

notice indicating that the State or the State's existing EBT Contractor has caused a delay, the new EBT Contractor shall be entitled to a reasonable extension of the completion dates for that particular deliverable.

The new EBT Contractor shall not proceed to the operational phase of the EBT contract until the conversion has been approved by the State and FNS in writing.

7.2.2 Retailer Conversion

As part of the conversion effort, the new EBT Contractor must establish agreements with all EBT-only retailers, third party processors, self-processing retailers, and ATM networks. Throughout this RFP, both WIC and SNAP retailers who are eligible for government supplied point-of-sale equipment per each Program's definitions and requirements will be referred to as EBT-only. For SNAP, this is defined in the Agricultural Act of 2014 and the Implementing Memoranda. The agreements must be approved by the WSEA States and FNS. It is critical that clients not be impacted negatively in their ability to access their benefits due to the conversion to the new EBT system and during the conversion of POS terminals for EBT-only retailers (exempted retailers such as farmers markets and group homes). Refer to *Section 10.11.5: EBT-Only Retailer Support* for the number of EBT-only retailers by WSEA State. As the number of retailers requiring POS terminal conversion will be limited, the WSEA States require that all State-supported terminals be converted prior to system conversion. Replacements may be sent by mail with appropriate training materials. The new EBT Contractor's retailer help desk must provide installation and training assistance via phone, if requested by the retailer. As an option, a State may request or authorize in-person installation and training. (Refer to *Pricing Schedule 4: EBT Fee for Service - Optional Services*.)

The EBT-only POS terminals provided to retailers or providers by the new EBT Contractor shall meet or exceed the existing levels of service. The new EBT Contractor must assure that deployed EBT-only POS terminals are capable of supporting the benefit redemption transactions or use required of them by the State. Devices which cannot be adapted or up-graded to keep pace with a State's transaction requirements must be replaced by the new EBT Contractor. If requested by the retailer, the POS terminal configuration shall include a separate PIN pad.

7.2.3 Database Conversion

Database conversion (conversion from existing EBT Contractor's database to the new EBT Contractor's database) shall take place overnight on a weekend. In preparing for each State's database conversion, the new EBT Contractor shall analyze monthly transaction volumes and select a mutually agreed upon date and time when the least number of retailers, providers, and recipients would be impacted. The entire conversion for an individual State shall be completed in ten (10) hours or less. During conversion no transactions shall be conducted. At both two (2) months prior to conversion and at one (1) week prior to conversion, the new EBT Contractor shall notify all authorized retailers of the scheduled outage.

The new EBT Contractor shall:

- Perform significant testing of the conversion process, including performing test transactions against the converted database in the Test System. Testing shall also validate that PINs have been converted successfully. Accept a minimum of five (5) full FNS audit years of transaction history to be converted from the existing EBT Contractor.
- Have checkpoints and reconciliation procedures built into the conversion process to ensure that no benefits or records are dropped.
- Have a contingency fallback plan in case the conversion cannot be completed in a timely manner due to issues with the conversion. (Refer to *Section 6.5.3.1*.)

The new EBT Contractor shall be required to work with the States and the existing EBT Contractor to clean up the database prior to conversion, if necessary. The FNS Transition Guide recommends a minimum of two trial runs of the data conversion prior to the actual database conversion.

7.2.4 EBT Card Conversion

It is the preference of the WSEA States to retain use of the cards in circulation, remaining card stock, and disaster EBT cards during and after conversion. The new EBT Contractor shall provide subsequent card stock as necessary for new card issuance and replacements. As described in *Section 6.5.4.4*, some WSEA States may re-design their EBT cards. Re-designed cards and cards with changes or updates in information shall be replaced through attrition. Offerors should propose methods for continuing to use the current cards and for accommodating required changes in return addresses or customer service numbers through an attrition process. The new EBT Contractor shall ensure that sufficient card stock is available before EBT conversion.

7.2.5 Establish Interfaces to State and FNS Systems

Recognizing that the establishment of an interface(s) between the new EBT Contractor, the State's systems and FNS systems may have significant impact on the State's IT Departments, the EBT Contractor shall work with the State to establish definitive roles, responsibilities and schedules toward the establishment of the interfaces. The EBT Contractor shall be required to provide direct connections between the EBT Contractor's primary and back-up systems and the State's primary and back-up systems. For the interface to State Administrative systems, the EBT Contractor shall be required to assess administrative functionality and provide appropriate screens for use by State and local staff. Timelines, milestones, roles and responsibilities, and level of work effort to be expected by State IT staff shall be clearly defined within the Transition and Conversion Plan (*Section 6.5.3.1*).

7.2.6 Staff Training

Within one month of contract execution, the WSEA States will require a training session on what to expect during transition and conversion. The training session shall include but not be limited to: database cleanup, data mapping, conducting dry-run tests, monitoring the conversion, and anticipated impacts to local staff, retailers and clients during the transition. The training session may be provided via webinar; the presentation used for training shall be provided to the State in soft copy.

The WSEA States will also require the following levels of staff training before transition to the new system.

Table 12: State Staff Transition Training

State	Staff Transition Training Requirements
Alaska	Alaska will require the EBT Contractor to provide two train-the-trainer sessions, one in Juneau and one in Anchorage. The training sessions will be broken out for staff participation based on roles/permissions on the EBT Contractors administrative system, security administration (password resets/state staff account administration), settlement & reconciliation, fraud, card issuance, reports and data analysis such as ad hoc reporting. Two additional train-the-trainer sessions are required specifically on the use of the EBT Contractor's Data Warehouse. Two train the trainer training session will also be required for WIC EBT to cover these aspects as outlined in 8.3.3.1
Arizona	Arizona will require the EBT Contractor to provide three train-the-trainer sessions, one each in Phoenix, Flagstaff and Tucson.
Colorado	Colorado will require a regional statewide training approach and anticipates that the EBT Contractor will be required to conduct between 15-20 regional training sessions for approximately 1,100 local staff as well as two (2) training sessions for State staff.
Guam	Guam will require the EBT Contractor to provide one train-the-trainer session and one staff training session.

State	Staff Transition Training Requirements
Hawaii	Hawaii will require the EBT Contractor to provide two train-the-trainer sessions. Hawaii will also require regional training as follows: seven sessions in Oahu, (one training session for fiscal management, one training session for investigators, and five training sessions for line staff), two sessions in Hilo, two sessions in Kona, two sessions in Maui and two sessions in Kauai.
Idaho	Idaho will require the EBT Contractor to provide three train-the-trainer sessions with one session in Boise, one session in Pocatello, and one session in Lewiston. The EBT Contractor will be required to provide two State staff training sessions.
Nebraska	Nebraska will require the EBT Contractor to provide two training sessions for State staff on use of the EBT Contractor's administrative system in Lincoln, Nebraska. An additional two training sessions are to include in-depth training on how to use the Data Warehouse. Nebraska also requires an additional training session on the card issuance functions of the EBT Contractor's administrative system.
Wyoming	Wyoming will require the EBT Contractor to provide five train-the-trainer sessions, one each in Cheyenne, Casper, Riverton, Rock Springs and Gillette.

The WSEA States shall approve any trainer provided by the EBT Contractor. Upon a State's request, the EBT Contractor shall replace any trainer who is conducting training on behalf of the EBT Contractor, and if the State so requests, the EBT Contractor shall make arrangements for additional training to compensate for the situation(s) which caused the State to request the replacement.

7.3 Implementation of WIC EBT

WIC EBT implementation encompasses all the activities necessary to successfully provide WIC participants with electronic access to their food benefits by using a WIC EBT card. Implementation activities encompass State Agency staff, local agency/clinic staff, retailers, participants, and the MIS contractor and/or State IT staff.

7.3.1 Coordination with the MIS Contractor

The EBT Contractor shall support the interface between the MIS and the EBT system. To facilitate this support, the EBT Contractor shall coordinate development, integration, testing, pilot and rollout activities with the State and the MIS contractor.

7.3.2 Clinic Enablement

The EBT Contractor shall support clinic enablement by providing clinics with the hardware (e.g., magnetic swipe terminals and PIN selection terminals) and materials (e.g., cards, card sleeves and brochures) in sufficient time and quantities to begin EBT operations according to the approved rollout schedule.

7.3.3 WIC Vendor Enablement and Certification

The EBT Contractor is responsible for WIC vendor participation in EBT. This effort shall be carried out in such a manner as to ensure WIC vendor readiness for the pilot and rollout activities. The EBT Contractor shall strive for 100% participation and readiness of authorized WIC vendors for the Pilot and each rollout area.

The EBT Contractor shall support WIC vendor enablement and certification by performing, at a minimum but not limited to, the following implementation functions:

- Identify the level of WIC EBT readiness and type of enablement and certification support needed by each WIC vendor, WIC vendor chain and TPP.

- Provide interface specifications to WIC vendors, WIC vendor chains, value added resellers (VARs), COTS retail system developers and TPPs as applicable.
- Establish agreements with WIC vendors and TPPs, as applicable.
- Provide the State Agency with a comprehensive list of WIC vendors that includes the level of support required, which may include: provision of one (1) or more stand-beside terminals; schedule for IECR system enhancements; schedule for retailer system certifications; and readiness of WIC vendor chains. This list and updates to this list shall be provided with the weekly status report beginning from the time of contract initiation.
- As approved by the State Agency, install stand-beside POS terminals and train WIC vendors on their use on site at the WIC vendor location.
- Support the State Agency with test cards, the establishment of a test environment and back-end system monitoring to enable the WIC vendor system certification testing. This shall include on-site support during testing at the vendor location if requested by the State Agency.
- During the pilot and subsequent statewide rollout, ensure a minimum of 98% of the WIC vendors within a pre-determined geographic area are enabled for WIC EBT prior to that area going live.

7.3.4 Training

This section provides an overview of the State Agency's expectations for stakeholder training. A high-level description of the training approach is provided below in Table 13: Training Approach.

Table 13: Training Approach

Group to be Trained	Training Focus	How Provided	Training Provider
UAT Team	UAT	Instructor-led	EBT Contractor
State-level WIC Staff	• System Operations • Security Administration • Settlement & Reconciliation • Reports, Data Analysis, Ad Hoc Reporting • Fraud Investigation • Clinic WIC EBT Operations • WIC Vendor WIC EBT Operations/Procedures • WIC Retailer Enablement and Certification	• Instructor-led • Hands-on	EBT Contractor
State Trainers	• Clinic WIC EBT Operations • Participant Training Information	• Instructor-led • Hands-on	EBT Contractor
Clinic Staff (Pilot Area)	• Clinic WIC EBT Operations • Participant Training Information	• Instructor-led • Hands-on	State Trainers
Clinic Staff (Rollout)	• Clinic WIC EBT Operations • Participant Training Information	• Instructor-led • Hands-on	State Trainers
IECR WIC Vendors	• File Transfers • Settlement and Reconciliation • Updates to the APL	As determined by retailer's corporate management	May be one of the following: • Corporate Trainers • VARs • TPPs

Group to be Trained	Training Focus	How Provided	Training Provider
Stand-beside WIC Vendors	- File Transfers - POS Equipment Operations - Settlement & Reconciliation - Updates to the APL	In order of need: - Training Materials - Help Line - Hands-on	EBT Contractor
EBT Contractor Customer Service, WIC Vendor and User Support Staff	Cardholder, WIC vendor and Authorized User Help Desk Services	To be determined by EBT Contractor	EBT Contractor
WIC Participants/ Cardholders	- Use of the WIC EBT Card - WIC EBT Points of Customer Service (Clinic, Phone, Web)	One-on-one Instruction	WIC Clinic Staff (with materials provided by the EBT Contractor)

7.3.4.1 Training Expectations

The EBT Contractor is required to submit for approval a comprehensive training plan per *Section 6.5.9.1*. Training expectations include the following:

- Training shall be directly related to the applicable WIC EBT functions.
- Trainees shall demonstrate the capability of performing their applicable WIC EBT functions at the completion of training.
- Training and training materials shall provide content that is appropriate for the needs of the target stakeholder group.
- Training shall be conducted at an appropriate time; this means training has to occur prior to a stakeholder using the system, but not so far in advance that training is forgotten prior to the stakeholder using the system.

If training provided by the EBT Contractor is not effective or does not address training objectives, the EBT Contractor shall modify its training materials or training methodologies. The EBT Contractor shall replace trainers that do not meet the State Agency's training expectations.

7.3.4.2 Types of Training

This section provides a description of each type of training.

7.3.4.2.1 UAT Training

In order to participate in the UAT, members of the UAT Team shall need to understand the end-to-end operations and functions of the WIC EBT system and the UAT protocols. The EBT Contractor shall provide UAT training during the week prior to the UAT, using the test scripts and other materials prepared specifically for the UAT training session.

7.3.4.2.2 Systems Operations Training

The EBT Contractor shall provide appropriate State Agency staff with in-person training in the following areas:

- System operations
- Security administration
- Settlement and reconciliation

- Reports, data analysis and ad hoc reporting
- Fraud investigation
- WIC clinic WIC EBT operations
- WIC vendor WIC EBT operations/procedures
- WIC Retailer Enablement and Certification

Training shall be provided prior to the implementation of the Pilot Test and shall incorporate appropriate training materials. To support ongoing operations, the EBT Contractor shall provide and maintain the following:

- Reports Manual (Section 6.5.10)
- System Operations and Interface Procedures Manual (Section 6.5.5)
- Settlement & Reconciliation Manual (Section 6.5.12)
- Administrative Functionality Manual (Section 6.5.13)

7.3.4.3 Train-the-Trainer Training

The EBT Contractor shall provide in-person training to State Agency trainers on clinic operations and WIC vendor operations/procedures. Training shall be provided prior to the pilot in sufficient time for State Agency trainers to train pilot area clinic staff and shall include the appropriate training materials. Training shall be sufficient so that State Agency can train clinic staff to conduct business in a WIC EBT environment and provide training on WIC EBT to participants and the State's WIC vendors.

The EBT Contractor shall provide State Agency trainers with training including, but not limited to:

- Card control/card audit procedures
- Card issuance for cardholders
- PIN selection
- Benefit issuance
- Card status updates and card replacement
- Access to current benefit balance
- Access to transaction data
- Use of the participant training materials
- Participant (cardholder) activities, including:
 - Care of the card
 - Conducting a purchase transaction
 - Reporting lost, stolen or damaged cards
 - Obtaining a replacement card
 - Obtaining a new PIN
 - Obtaining a transaction history
 - Obtaining an account balance

The EBT Contractor shall provide State Agency trainers with WIC vendor training including, but not limited to:

- Upload and download of files and data
- Maintaining/updating UPCs/PLUs
- Operation of the stand-beside WIC EBT solution
- Settlement and reconciliation

7.3.4.4 WIC Vendor Training

The EBT Contractor is responsible for providing training to WIC vendors (retailers) and their TPPs sufficient for the WIC vendor to correctly process WIC EBT transactions.

7.3.4.4.1 File Transfers and Reconciliation

The EBT Contractor shall provide all applicable WIC vendors with informational materials on downloading the APL file from the WIC EBT system to the WIC vendor's ECR system or stand-beside POS terminals. Training shall also include WIC vendor reconciliation between the WIC vendor system and the approved payment from the WIC EBT system, settlement policies as they pertain to authorized transactions and the APL.

The State Agency will provide all WIC vendors with information pertaining to the importance of downloading the current APL, of updating information within the State's APL and the process for providing the State Agency with updates to the APL contents. If requested, the EBT Contractor shall support the State Agency by reviewing the State Agency's WIC vendor materials (e.g., vendor contract, newsletters) for accuracy as the content pertains to WIC EBT.

Upon request of a WIC vendor that uses a TPP to acquire WIC EBT transactions, the WIC vendor shall be provided with WIC EBT information to support corporate training.

7.3.4.4.2 Stand-beside POS Terminals

The EBT Contractor shall train WIC vendors that are provided with stand-beside POS terminals. WIC vendor training shall occur upon completion of solution installation and shall cover areas such as log on/log off, using the terminal for all types of WIC EBT transactions, downloading the APL, and settlement and reconciliation. WIC vendors shall be provided with a user guide for managers, a tip sheet to provide managers and cashiers with an easy reference during transactions and the toll-free number for equipment support. The EBT Contractor's retailer help desk must provide installation and training assistance via phone, if requested by the retailer. As an option, a State may request or authorize in-person installation and training. (Refer to *Pricing Schedule 4: EBT Fee for Service - Optional Services*.)

7.3.4.5 Help Desk Staff Training

The EBT Contractor shall provide a training course for its customer service representatives (CSRs), WIC vendor support staff and user help desk staff to ensure access to participant data is secure, participant, WIC vendor and system user questions or requests are answered, and participants, WIC vendors and system users are treated with respect.

7.4 End of Contract Transition

At the end of the contract term, the EBT Contractor shall be required to support an orderly transition to a new EBT Contractor if a new EBT contractor is awarded the contract. The EBT Contractor shall support the requirements for SNAP/cash transition as specified in the FNS EBT Transition Guide Version 2.0, June 6, 2005 or the latest conversion guidance issued by FNS. Where applicable, the EBT Contractor shall work with the WSEA State WIC Programs and any other organization designated by the WSEA State WIC Programs to facilitate an orderly transition of services at the end of the contract term. At a minimum, the EBT Contractor shall:

- Work with the WSEA States and any other organization(s) designated by the WSEA States to facilitate an orderly transition of services at the end of its contract term.
- Work in a professional manner with the WSEA's new EBT Contractor/processor to execute a smooth and timely transition at the end of its contract term.

- Coordinate with the next contractor/processor on migration of customer service functions on the night of database conversion. This may require both to develop special IVR/ARU messages approved by the respective WSEA State for use during database conversion.
- Provide the WSEA States the right to serve as a mediator between the old and new contractor/processor, subcontractors, retailers, and TPPs. WSEA's decision will be final.
- Provide back-up plans and dates in case of database conversion failure.
- At the end of the contract resulting from this RFP, the EBT Contractor shall transfer the client and retailer toll-free numbers to the new EBT Contractor.
- Provide a minimum of five, full FNS fiscal audit years of transaction history to be transferred to the new EBT Contractor.

8 System Testing Requirements

The EBT Contractor shall provide system life cycle testing services for the duration of the contract. The life cycle system test approach requires that the EBT system, including any changes made to the EBT system during the contract period, shall be properly tested prior to being introduced into the production environment. The EBT Contractor shall be required to meet the FNS system testing requirements, including the User Acceptance Testing (UAT) requirements, specified in the FNS Electronic Benefits Transfer (EBT) Request for Proposal (RFP) Guidance, Version 2.0 dated December 19, 2007, or the most recent RFP or applicable testing guidance issued by FNS.

Each WSEA State will conduct comprehensive system testing with the EBT Contractor. System testing shall be performed on all components and functional areas of the EBT Contractor's EBT systems and interfaces. Any deficiencies identified during system testing must be corrected and re-tested. Both the State and FNS must formally accept and approve the EBT system before the system is introduced into production and the operations phase can begin.

The test scripts shall be developed by the EBT Contractor with input from the State and shall be reviewed by FNS and approved by the State. The scripts shall detail step-by-step instructions on the actual test and system functions to be demonstrated. Test scripts shall describe the desired system outcomes and test results. The EBT Contractor and the State shall jointly develop test data.

The EBT Contractor shall conduct required system tests and demonstrations with participation by designated State and/or FNS contractors. The testing requirements and schedule include:

System Test Requirement	Schedule of Test Activities
Connectivity Testing	2 weeks prior to start of Interface Testing
Interface Testing	Start 1 months prior to the functional demonstration
Functional Demonstration	4 weeks prior to the start of UAT
UAT Test Scripts (refer to <i>Section 6.5.6.2</i>)	4 weeks prior to the start of UAT
UAT	Start UAT 6 weeks prior to Conversion
Performance Testing	In conjunction with UAT
IVR Testing	In conjunction with UAT
Test Reports (refer to <i>Section 6.5.6.3</i>)	Within two weeks of completing tests
Revised System Design Documents	Within one month of completing UAT
Contingency Testing	Conducted twice annually at 6 month intervals

8.1 Connectivity Testing

Connectivity testing shall be conducted between the State and the EBT Contractor's EBT systems. This includes testing of all interfaces between the EBT Contractor's primary and back-up systems and the State's primary and back-up systems. The EBT Contractor shall be required to provide all necessary hardware and software to ensure connectivity.

8.2 Interface Testing

Interface testing is conducted to ensure that all files sent between the State and EBT Contractor systems are properly received, accepted, and are accurately processed. Interface testing shall demonstrate rejection of duplicate files or records and correction of transmission errors.

8.3 Functional Demonstration

The Functional Demonstration shall provide State and FNS representatives the opportunity to review and observe planned EBT system operations. The EBT Contractor shall prepare a report of the demonstration results including any system modifications that were identified. The Functional Demonstration is conducted to ensure the system configuration is proceeding according to the expectations of the State and EBT Contractor.

8.4 User Acceptance Test

The UAT provides both State and Federal representatives the opportunity to test the EBT system functionality and ensure compliance with the system design requirements. This test shall consist minimally of functional requirements, security, recovery, system controls, and "what if" testing. In addition, as part of the system acceptance testing the EBT Contractor must demonstrate the methods and processes for performing daily reconciliation between the State and EBT Contractor interface and processing activities including financial settlement. During the formal test script portion of the acceptance test, testing representatives will follow detailed test scripts developed by the EBT Contractor with input from the State. The test scripts should 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 UAT shall also include unapplied benefit testing.

The ad hoc or "what if" portion of the acceptance test provides the State and Federal representatives and/or designated State or Federal technical assistance contractors with the opportunity to include various transaction sets, to include ACH testing, and sequences that have not been included in the test scripts and to challenge the system's operations and design. The UAT shall be conducted at location identified by the individual WSEA State.

In the UAT Plan, the EBT Contractor shall describe the hardware, software and connectivity that is needed for the UAT (e.g., PCs and/or laptops, printers)

8.5 Performance (Stress) Testing

The purpose of this test is to ensure that there is sufficient capacity within the EBT system to handle the expected transaction volume. The EBT Contractor shall use results from the stress test to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so that the EBT system can accommodate the anticipated transaction volumes.

For the SNAP/cash transition, the EBT Contractor may, as an option, choose to use the most recent available production data in order to develop a system capacity model for modeling the anticipated transaction volumes. If the Offeror is anticipating utilizing this option, the Offeror shall describe how the modeling shall be performed and how the results of the modeling exercise shall be reported to the State.

8.6 IVR Testing

The IVR system shall be tested to ensure the system properly accepts, processes, and transfers both retailer and client calls per the system requirements and within the specifications defined in *Section 10.8.5: Integrated Voice Response*.

8.7 Contingency Testing

Contingency planning and testing ensures that essential (mission-critical) EBT operations shall continue if normal operations are disrupted at either the EBT Contractor's or the State's primary site. The WSEA States have back-up sites and require that the EBT Contractor establish a "hot back-up" site, with full computer systems and complete or near-complete backups of user data, for continued operations in case of failure at the primary operations site. The EBT Contractor shall specify the amount of time (length of outage) expected for the transition from the primary to the back-up system. The EBT Contractor shall also specify the amount of time (length of outage) expected to move operations back to the primary system from the back-up. The WSEA States also require an escalation process that includes notification of State EBT managers. Post-incident recovery procedures and responsibilities should also be required to facilitate the rapid restoration of normal operations at the primary site or, if necessary, at an alternate facility, following destruction, major damage or other significant interruptions of the primary site. During the operations phase, contingency testing shall be conducted twice annually at six-month intervals to ensure that back-up operation plans are adequate, unless the WSEA State waives a contingency test.

9 Comprehensive Overview of the EBT System Solutions

Offerors shall include a comprehensive overview of their proposed SNAP/cash and WIC EBT system solutions. The systems overview must clearly describe the EBT systems configuration including all processing components, databases, interfaces, and participating entities. In particular, the Offeror shall clearly describe how the proposed system solutions meet each of the system requirements as specified in *Section 10: Technical and Functional Requirements*.

The Offeror shall recommend the most effective and efficient technical configuration. Consideration must be given to the stability of the proposed configuration and the future direction of technology, confirming to the best of the Offeror's ability that the recommended approach is not short lived, has the flexibility to support changes in program requirements and is extendable to other programs that may be added to the WSEA EBT platforms over the life of the contract.

Several approaches may exist for hardware configurations, other products, and software. The Offeror shall provide 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 identified herein. The Offeror shall provide a clear description of any options or alternatives proposed.

10 Technical and Functional Requirements

This section of the RFP specifies the technical and functional requirements to support the ongoing operations of an EBT system that is in conformance with Federal regulations, national standards and specified WSEA performance standards. The systems deployed to support WSEA EBT services must be an industry standard applications primarily relying on the commercial networks and available commercial ATMs and POS terminals. However, as described herein, in certain instances, the EBT Contractor is required to install and maintain POS equipment on behalf of the WSEA States.

10.1 EBT Benefit Delivery Methods

WSEA clients have access to SNAP and WIC benefit via an EBT card and to cash benefits through several benefit delivery methods including:

- State issued EBT card;
- Direct deposit into a client bank account; and
- Branded debit card which carries a commercial mark (e.g., MasterCard or VISA).

WSEA States are acquiring EBT services to support SNAP and cash benefit delivery via the State issued EBT card through this procurement. Throughout this RFP document, these services are referred to as core services. Direct deposit, branded debit card, child care time & attendance, and WIC benefit delivery services may be acquired through this procurement at the option of the States. Throughout this RFP document, these services are referred to as optional services.

Table 14: Current EBT Programs and Method of Benefit Delivery

State or Territory	State -Specific Benefit Delivery Method		
	EBT Services (State EBT Card)	Direct Deposit Services	Branded Debit Card Services
Alaska	SNAP and TANF WIC (separate card, future program)	TANF, Senior Benefits Program and GA	Child Support, Unemployment Insurance Benefits
Arizona	SNAP, TANF, RA, JOB TRE, TB Control, and TPEP	TANF, Child Care, Foster Care, RA, JOB TRE, TB Control, and TPEP	
Colorado	SNAP, TANF, OAP, AABD, AND, Child Care, Child Welfare, HCA, LEAP, and Old Age Assistance	TANF, OAP, AABD, AND, Child Care, Child Welfare, HCA, LEAP, and Old Age Assistance	
Guam	SNAP, TANF, AABD, GA, and Old Age Assistance		
Hawaii	SNAP, TANF, AABD, Child Care, First to Work, GA, Repatriate Payments, TAONF, Training Related Expenses WIC (separate card, future program)	TANF, AABD, Child Care, First to Work, GA, Repatriate Payments, TAONF, Training Related Expenses	

State or Territory	State -Specific Benefit Delivery Method		
	EBT Services (State EBT Card)	Direct Deposit Services	Branded Debit Card Services
Idaho	SNAP, TANF, AABD	TANF, AABD	
	WIC (separate card, future program)		
Nebraska	SNAP		
	WIC (separate card, future program)		
Wyoming	SNAP		

10.2 EBT Account Structure

WSEA EBT clients may be eligible to receive SNAP and/or cash benefits from one or more programs. Benefit programs supported by WSEA States are described in *Section 2.2, State EBT Profiles*. EBT Account Structure requirements apply to benefits which are accessed by a state-issued EBT card. For other benefit delivery methods, including direct deposit and branded debit cards, please refer to *Sections 10.13: ACH Services* and *10.14: Branded Debit Cards*.

The EBT Contractor shall design the EBT Account Structure to ensure that: 1.) benefit balances are accurately maintained; 2.) benefits accessed by clients are drawn from the appropriate benefit account; and 3.) benefit accounts are not overdrawn. The EBT Contractor shall be liable for any funds drawn from an incorrect account or program, for overdrafts against EBT benefit accounts including allowing access to program benefits prior to the availability date or after the expiration date, and for EBT host transaction processing errors.

10.2.1 Benefit Types

The EBT Contractor shall establish an EBT account structure that supports the characteristics and restrictions of each of the benefit programs. The EBT Contractor's EBT account structure must support SNAP, WIC and cash benefit programs including both prefunded and day-of-draw cash benefits. WSEA States reserve the right to modify program requirements in response to changes in State or Federal program regulations or add other Federal or state-administered programs. Therefore, the EBT account structure must have the flexibility to accommodate and support additional nutrition, cash, health or other benefit programs that may be added to the EBT program during the contract period.

10.2.1.1 Cash Benefits

Cash benefits are administered by State agencies and may be either day-of-draw or prefunded. Day-of-draw benefits credited to the cash account represent credit balances only. The EBT Contractor initiates fund transfers subsequent to benefit access by clients. Prefunded benefits are funded at the time benefits are authorized. The EBT Contractor shall be required to maintain an interest bearing bank account to hold and maintain prefunded benefits. Prefunded benefits are subject to Regulation E compliance. The EBT Contractor shall retain interest earned on prefunded benefit accounts to offset the cost of maintaining the account and Regulation E. The EBT Contractor shall be liable for all funds deposited into prefunded benefit accounts.

The EBT Contractor shall maintain a pooled cash account for each eligible family or person. Both day-of-draw cash and prefunded child support are posted to the pooled cash account. For audit and control purposes, the EBT Contractor shall be required to track cash benefit transactions and balances by benefit type and must ensure that cash benefits are not commingled with SNAP benefits.

10.2.1.2 SNAP Benefits

SNAP benefits are federally-funded, state-administered, day-of-draw benefits, funded subsequent to benefit access. Benefit amounts for which the client is eligible shall be authorized by a benefit authorization file or record transmitted by the States to the EBT Contractor's EBT host system. SNAP benefits transmitted to the SNAP account by the State represent credit balances only. Fund transfers are initiated by the EBT Contractor subsequent to benefit access by cardholders. For audit and control purposes, the EBT Contractor shall be required to track SNAP benefit transactions and balances by SNAP benefit type. Refer to *Appendix H* for a list of SNAP types by State. The balance available to cardholders for SNAP purchases or balance inquiries shall be the sum of all Federal and State SNAP benefits in the SNAP account.

SNAP benefits may be accessed via POS terminals using a valid state-issued EBT card at retail locations authorized by the FNS. SNAP clients are not limited to retailers in the State or Territory in which they reside. SNAP benefits are portable across State lines. Clients must be able to access SNAP benefits at an authorized retailer in any State or Territory. SNAP benefits may only be used to purchase eligible food items and may not be used to purchase non-food or ineligible food items. SNAP benefits may not be accessed at ATM terminals and may not be commingled with either cash or WIC benefits in the EBT account.

10.2.1.3 WIC Benefits

WIC benefits are federally funded, state-administered, day-of-use benefits, funded after benefit access. WIC benefits transmitted to the WIC account by the State represent credit balances only. Fund transfers are initiated by the EBT Contractor subsequent to benefit access by cardholders. For audit and control purposes, the EBT Contractor shall be required to track WIC benefit transactions by UPC or PLU and WIC benefit balances by food subcategory. The balance available to cardholders for WIC purchases or balance inquiries shall be the quantity, unit of measure (UOM) and subcategory of food items or cash value benefits (CVB).

WIC benefits may be accessed via POS terminals integrated with a WIC certified ECR, or via a stand-beside WIC POS solution, at WIC vendor locations authorized by the State Agency. WIC benefits are not portable across State lines, with the possible exception of border stores in another State authorized by the State Agency. WIC benefits may only be used to purchase specific food items and may not be used to purchase ineligible food items.

10.2.2 Primary Program Designation

When a cardholder has benefits from multiple cash or SNAP benefit types, the EBT Contractor shall use a Primary Program Designation (PPD) to determine the benefit type from which funds shall be drawn for disbursement to the client and for settlement. The PPD is based on a benefit type hierarchy, which represents the order in which funds shall be disbursed and drawn for settlement. Within this hierarchy, funds within a benefit type shall be drawn on a first-in-first-out basis. Each WSEA State will provide the EBT Contractor with their PPD hierarchy.

All Offerors must stipulate that they will use the PPD to allocate withdrawals to the appropriate benefit type.

10.3 Account Set-up and Benefit Authorization

The WSEA States generate the account set-up and benefit authorization files and records by benefit type based upon activity occurring within State eligibility or certification systems. To establish an EBT account and post benefit authorizations, the States transmit account set-up and benefit authorization files and records to the EBT Contractor through on-line, host-to-host and batch processes. The EBT Contractor's

EBT system must accommodate the States' interface requirements and shall be available 24 hours per day; seven days per week to accept account set-up and benefit authorization records and file transmissions from the States. During the contract period, the EBT Contractor shall be required to accommodate changes in interface requirements resulting from modifications to the State's eligibility or certification system and changes to standards and FNS rules and guidelines. The EBT Contractor shall be available to accept file and record transmissions within 60 minutes of being notified by the State that their system was not available to accept a file or record transmission. Refer to *Appendix E* for State specific file formats and data elements.

The EBT Contractor shall be required to establish high performance connectivity between the EBT Contractor's primary and back-up EBT systems and each State's primary and back-up systems. The EBT Contractor shall be required to provide all necessary hardware and software to ensure connectivity. The Offeror's response shall indicate the services and hardware that shall be provided to ensure high performance connectivity between all sites which may include the use of FTP sites. The EBT Contractor shall be required to have a back-up procedure to transfer and accept account set-up and benefit authorization files and records should the normal file and/or record transfer process fail. In their response, Offerors shall specify their approach for providing a back-up file or record transfer capability.

10.3.1 Set-Up EBT Account

To set-up an EBT account, WSEA States generate account set-up records containing specific client demographic data necessary for the establishment of an EBT account and transmit these records to the EBT Contractor's EBT host system. Each case is created with a primary card holder. In the EBT Contractor's EBT system, the screen which displays the primary cardholder, or Head of Household's information should contain active links to the cardholder screens of all other cardholders connected to the case, i.e. authorized representatives, protective payees, etc. The EBT system must create EBT accounts upon the receipt of the account set-up record.

10.3.2 Pending Account Status

The EBT account shall have no benefit value until the State sends a benefit authorization record and the EBT Contractor processes and posts the benefit to the account. An EBT Account that has been created but to which no benefits have been posted shall be held in a pending status.

10.3.3 Benefit Authorization

To authorize benefits the WSEA States generate benefit authorization records containing case number, benefit type, amount, and availability date information. The WIC record shall also contain the expiration dates, UOM and food item subcategories. The EBT Contractor shall be required to check the benefit availability date of each benefit file and record to ensure that it is not older than a State specified date. In addition, the EBT Contractor shall be required to develop a file edit procedure to detect duplicate files and/or records. The EBT account is the record kept and maintained by the EBT Contractor for each benefit type (SNAP, cash or WIC) that the client receives.

For established cases, the WSEA States generate SNAP/cash benefit authorization batch files once per month. In addition, WSEA States generate multiple daily files and overnight SNAP/cash batch files and records for transmission to the EBT Contractor to set up accounts and authorize benefits. In addition to batch files, the EBT Contractor must be able to accept account set-up and benefit authorization records sent through administrative terminals or from the WIC MIS throughout the day.

Account set-up and benefit authorization records received must be processed and benefits made available to clients on the benefit availability date by the time specified by the State and agreed upon with the EBT Contractor. 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. Batch records received during the day must be processed and benefits made available to clients within one (1) hour of receipt. Records sent on-line must be processed and benefits made available to clients immediately.

10.3.4 EBT Account Number

The EBT Contractor is required to establish a unique EBT account number for use in identifying each EBT account in the EBT Contractor's system. Offerors must specify the approach for development of the EBT Account Number and indicate how it will be used within the EBT system and EBT Account Structure to identify cases and programs for which cases are certified. Offerors must also specify the approach for validating the EBT Account Numbers included in the State's batch files and on-line transmissions.

10.3.5 EBT Account Maintenance

The EBT Contractor shall maintain an account for each household or case. The primary purpose of client account maintenance is to ensure that clients have access to their authorized benefits, the States have administrative access and tools to manage client accounts, and that accurate and timely information is maintained regarding client transactions, account balances and client demographic information. The EBT Contractor shall not make changes or updates to account demographic information unless authorized to do so by the State. WSEA States will send updates to account demographic information through batch or on-line processes. Depending on State preferences, the EBT Contractor may or may not be required to return a confirmation for updates to account demographic data.

10.3.5.1 Maintain Account Balances

Authorized clients may be eligible for benefits under SNAP, cash, and WIC programs. As described under Account Structure, benefit balances for cash benefit programs shall be maintained in a pooled cash account. Cash, SNAP and WIC benefits shall not be commingled. The EBT Contractor must ensure that benefits are available on the benefit availability date and time designated by the WSEA State that any unused SNAP and cash balance are carried over from month-to-month, and that WIC benefits cannot be accessed after their expiration date.

10.3.5.2 Maintain Transaction History

The EBT Contractor shall be required to maintain and provide access to current account balances and a rolling five-year transaction history for each account. The EBT Contractor shall provide the WSEA States with on-line access through administrative terminal functionality with a minimum of three years of transaction history. However, transaction history data must be maintained as required by State, FNS, Federal Reserve Board, QUEST® Rules or Federal law. Access to data older than five (5) years must be made readily accessible to authorized entities as required for investigative and auditing purposes. The Offeror's response shall specify:

- Their approach for maintaining and providing access to current account balances and a rolling five-year transaction history;
- Their capabilities for providing on-line access to current account balances and transaction history data; and
- Their approach for providing access to data older than five years for investigative and auditing purposes.

At the termination of the contract, the EBT Contractor shall transfer the most recent five (5) full Federal fiscal years of transaction detail to an entity specified by the State and ensure accuracy and readability of such information at the new location, or maintain the transaction detail in such a format that it supports timely access to that data by authorized State and Federal staff. At a minimum, data within the transaction history inquiries shall include:

- PAN (card number);

- EBT account number;
- Recipient case identification numbers;
- Benefit program identifier;
- Retailer identification numbers (both USDA-FNS and acquirer);
- Terminal identification number;
- Transaction type;
- Transaction amount;
- Transaction date;
- Transaction time;
- Transaction results (approval code or denial reason);
- Store name and address;
- Account balance after the transaction; and
- ACH transaction history.

WIC transaction histories shall include:

- PAN (card number);
- EBT account number;
- Participant case identification numbers;
- Benefit program identifier;
- WIC Vendor identification numbers (both State and acquirer);
- Terminal identification number;
- Transaction type;
- Transaction details;
 - Units of measure
 - Quantities
 - Subcategories
- Transaction date;
- Transaction time;
- Transaction results (approval code or denial reason);
- Transaction payment request amount by food item;
- Transaction payment amount (after NTE adjustment) by food item;
- Store name and address; and
- Account balance after the transaction

10.3.5.3 Aging Accounts

A WSEA client's SNAP EBT account shall be flagged and reported to the State if there has been no debit transaction posted against the SNAP account for a ninety (90) day period, although there may be a balance in the account and benefits may have been deposited into the account within that same time frame. If funds have been withdrawn from the SNAP account during the ninety (90) day period, the SNAP account is considered active. SNAP benefits may be moved off-line after six (6) months of inactivity; however the household must be notified in writing when benefits are moved off-line. SNAP benefits not accessed by a household for 12 months (365 days from date of initial availability) shall be expunged.

Similarly, a client's EBT cash account shall be considered stale if there has been no financial withdrawal posted against the cash account for a specific period as designated by the State although there may be a balance in the account and benefits may have been deposited into the account within that same time frame. If funds have been withdrawn from the cash account during the period specified by the State, the cash account is considered active.

Any non-financial transactions by the client, such as balance inquiries, do not affect the aging of the account. The flag to move stale accounts off-line shall be parameter driven and shall be specific to each WSEA State. States may elect to set the flag to move a benefit off-line at a period greater than the 90-

day period. The Offeror must demonstrate the capability to reinstate accounts that have been moved offline for a period of up to one year.

WIC benefits are issued with a 'begin' and 'end' date. Once the end date is reached, the benefits cannot be accessed by the WIC participant..

10.3.5.4 Benefit Aging

On a daily basis the EBT Contractor shall send each WSEA State an extract file of all benefits falling into the aging periods as specified by the State. The WSEA States require a minimum of four (4) aging flags or periods for each client's SNAP account and four (4) aging flags or periods for each client's cash account. These flags shall be parameter driven and shall be specific to each WSEA State. Parameters and aging flags can differ by account type (SNAP or cash). No aging flags are required for WIC accounts. The file shall include a header record, a detail record for each benefit being reported on, and a trailer record. The detail record shall contain sufficient data, as determined by the State, to identify the client, benefit type, aging period and the balance being aged or expired.

10.3.5.5 SNAP and Cash Expungements

The system flags to expunge SNAP and cash accounts shall be parameter driven and shall be specific to each WSEA State. States may have differing expungement flags for SNAP and cash benefit programs. The Offeror must demonstrate the capability to support parameter driven SNAP and/or cash account expungements as specified by the State. The EBT Contractor shall ensure that all EBT accounts meeting the State specified expungement rules are expunged in the timeframes specified. If a client case becomes active after his/her benefits have been expunged, the system must automatically reactivate the account and change the flag to begin the aging process. The EBT Contractor shall be required to produce an Expungement Report (refer to *Section 10.15.5.20*).

The Contractor must track aging at both the account and benefit levels. Each benefit begins aging at the time it becomes available to the client (by meeting both of the conditions defined in Benefit Availability – see below). The SNAP account begins aging at the point that the first benefit becomes available. Subsequently, each time that the client completes an approved debit [or credit] 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 are not expunged. They must remain online until each has reached full expungement age. If an account that has had all benefits expunged is reactivated because the client has again become eligible, the account must be treated in the same manner as a new account in terms of benefit aging and expungement timeframes.

10.3.5.6 Open and Closed Accounts

EBT accounts shall remain open unless the State directs the EBT Contractor to close an account.

10.3.5.7 Pending Account Purge

Some WSEA States issue pending cards, set-up pending account demographics or pending benefits for individuals whose accounts have not yet been established. In some instances, these individuals will not be certified. The EBT Contractor shall be required to provide the administrative capability (refer to *Section 10.7*) to search for pending cards, demographics or benefits and shall be required to provide periodic reports on pending cards, demographics or benefits (refer to *Section 10.15.7.5*). In addition, the EBT Contractor shall periodically automatically purge pending cards, demographics or benefits dependent upon parameters specified by the States. The EBT Contractor shall also provide the States

with the administrative capability to purge accounts and benefits or deactivate a card. These parameters may vary by benefit type or program.

10.3.5.8 Pending Benefit Void

The EBT Contractor shall provide States with the capability to purge or void pending benefits that have been authorized but have not yet reached their benefit availability date. States will submit benefit detail record(s) for processing that purges or voids the same record that is held in the pending benefit file or in the WIC household account. The EBT Contractor shall accept the file, identified by an action code, for processing and submit a return file that confirms that the action was completed.

10.3.5.9 Hold SNAP Funds

Under specific conditions (i.e., EBT system downtime or a disaster), a manual SNAP transaction may be performed by a retail merchant. When manual SNAP transactions are performed, the merchant will obtain a voice authorization. The EBT Contractor shall hold funds authorized by voice authorization. The number of days that funds shall be placed on hold will be specified by the State but the maximum hold period shall be 30 calendar days (the acquirer shall be required to convert the manual SNAP transaction to electronic transaction for transmission to the EBT Contractor). If the manual transaction is presented for settlement within the State specified number of calendar days from the date of the manual authorization, the EBT Contractor shall debit the amount from the cardholder account and settle the transaction. If the manual transaction is not presented within the specified number of calendar days from the authorization date, the EBT Contractor shall release the hold on funds and make them available for cardholder access.

A hold may also be placed on a cardholder account in anticipation of a potential debit adjustment to the account to correct a system error. Each WSEA State will determine whether or not to implement a hold for a potential debit adjustment.

WIC vendors will not be using manual vouchers, unless the WSEA State has a specific requirement for manual vouchers.

10.3.5.10 Benefit Transfers

If requested by the State, the EBT Contractor shall provide the State with administrative functionality to transfer benefits from one EBT account to another EBT account. In the debited account, the system shall post a debit memo to identify the EBT account to which the benefits have been transferred. In the credited account, the system shall post a credit memo identifying the EBT account from which the credit was transferred. Benefit transfers are non-settling transactions. Access to this functionality shall be limited to designated State staff.

If a WIC local agency or clinic needs to move benefits, it will do so by first voiding current benefits and then reissuing the benefits to a different EBT account. Benefits are assigned at the participant level but the account is at the household level. If one participant leaves the household, the void may be a portion of the benefits held in the household account.

10.3.6 WSEA File and Record Formats

The WSEA States have defined formats established with the current EBT processor for the exchange of Case/Client Maintenance records and Benefit Issuance records. To minimize changes to State systems, the new EBT Contractor shall utilize the existing file and record formats for the exchange of this data, unless otherwise stipulated by the State. See *Appendix E* for State specific file formats. WIC State Agencies are currently using a banking contractor for voucher/check editing. The file formats and data elements for WIC EBT shall align with the USDA FNS WIC Universal MIS-EBT Interface (WUMEI) and Technical Implementation Guide (TIG).

10.3.7 Authorized Representatives and/or Alternate Cardholders

The WSEA States may provide clients with the option of selecting one or more authorized representatives or alternate cardholders. In addition to the client, the authorized representative or alternate cardholder shall have a unique identifier and have access to benefits. A client can restrict the authorized representative/alternate cardholder's access to either their SNAP or cash account and may designate a different authorized representative/alternate cardholder for SNAP and cash. The EBT Contractor shall provide a card for the authorized representative/alternate cardholder that has a unique card number and PIN. The client shall have the option of canceling or changing their authorized representative/alternate cardholder. Offerors shall propose a method for identifying and providing WSEA States with reports on authorized representative/ alternate cardholder benefit transaction activity. At a State's option a client's ability to perform this function may be restricted.

WIC State Agencies may have authorized representatives but will not have alternative cardholders.

10.3.8 Protective Payees

For some clients, a State may assign a protective payee. The protective payee, rather than the client, will have access to client benefits as designated by the State and shall have a unique identifier. The EBT Contractor shall provide a card for the protective payee that has a unique card number and PIN. In some instances, the State may require that a single protective payee have access to multiple client accounts. The client shall not have the capability of canceling or changing the protective payee. Only the State or the designated protective payee shall have the option of canceling or changing a protective payee's access to the EBT account.

10.3.9 Fraud Investigative Accounts

The EBT Contractor shall provide the capability to create and maintain EBT accounts and issue EBT cards for use in SNAP fraud investigations and WIC compliance investigations. Fraud accounts and compliance accounts and benefit authorizations may be set up through either the batch or administrative terminal (on-line) interface to the EBT Contractor's EBT system and should have unique identifiers. The States, if desired, should have the ability to create an identifier that is readily distinguishable from "normal" case identifiers or numbers. SNAP fraud accounts shall only contain a primary client. The WIC EBT account should support the Type Code for the WIC MIS account type as defined in the WUMEI.

10.4 EBT Card Production and Management

The EBT Contractor shall produce and supply magnetic stripe cards for issuance to EBT clients. The EBT Contractor shall work with each State to develop a card design unique to the State. If a State elects to implement WIC EBT, the SNAP card and WIC card designs shall be different. The EBT Contractor shall:

- Perform all necessary processes and functions to design a State's EBT card;
- Distribute/deliver cards to designated State and local offices for over-the-counter issuance;
- Issue, replace and distribute/deliver cards to cardholders by mail; and
- Maintain a centralized card issuance management database on behalf of each WSEA State.

The EBT Contractor shall ensure that the WSEA States' EBT cards are designed and comply with specifications including the QUEST® Operating Rules (SNAP/cash), Operating Rules for WIC EBT (WIC), the International Standards Organization (ISO) and American National Standards Institute (ANSI) specifications and standards relating to cards used for financial transactions. The SNAP/cash EBT card must carry the QUEST® service mark.

10.4.1 State Specific EBT Cards

Each WSEA State has a State-specific, State-owned Bank Identification Number (BIN). EBT card designs are state-specific, having State specified graphics and information. The State will specify information contained on the back of the card. Each WSEA State will have the option to retain their current card or select a new card design. Any required changes in design or updates in information printed on the cards should be distributed through attrition. Offerors should propose methods for continuing to use the current cards and for accommodating required changes in return addresses or customer service numbers through an attrition process. Each WIC agency will have a separate BIN unless approved by FNS in accordance with the WIC EBT Operating Rules.

10.4.2 EBT Card Design

The EBT Contractor shall be required to update or maintain a card design for each WSEA State. During the contract period, the State shall be allowed one card design (WIC) or re-design (SNAP) at no additional cost to the State. States will provide input to the design process for their State's card and absolutely reserve the right for prior approval of any changes in their State's card design or in information printed on the card. Card samples must also be submitted to the State whenever the card is redesigned or changed in any aspect. Redesigned cards will be replaced through attrition. Prior to finalizing card design and prior to card issuance, the Contractor shall submit samples of the card to the State for State approval. The Offeror's proposal must describe in detail its capabilities to design and/or manufacture the States' EBT cards and identify any third party or subcontractor involved in the process.

10.4.2.1 Card Security Features

The design for WSEA State cards incorporates card security features. Card security features are incorporated into the card design to deter counterfeiting and lifting of data from the magnetic stripe. Security features are also designed to assist in investigations. As an option, WSEA card security features may include ultra violet ink, four-color and fine line printing and/or a hologram. Currently WSEA has no plans to adopt the Europay, MasterCard and Visa (EMV) card standard. If, in the future, WSEA decides or is required to adopt the EMV standards, or any other changes in security requirements, the Change Request process will be followed. The EBT Contractor shall comply with changes to security standards dictated by Quest® rules or federal regulations, and work with the respective WSEA States to implement such changes in a timely manner.

10.4.2.2 Card Obverse

The obverse of the card must have the following features:

- Graphics approved by the State using a four-color printing process;
- The Primary Account Number (PAN) must be on the front of the card with contrasting color for readability; an embossed PAN is an optional feature; and
- In cases where the EBT Contractor issues a card via mail (such as client-requested card replacement), the Contractor may be required, as an option, to emboss the cardholder name depending on State preference.

10.4.2.3 Card Reverse

The reverse of the card shall have the following features:

- FNS abbreviated non-discrimination statement if State does not print on card sleeve (refer to *Section 10.4.7: Non-Discrimination Language*);
- QUEST® logo if a SNAP/cash card;
- Tamper-evident signature panel;
- Return address;

- High coercivity magnetic stripe; and
- Other printed information as specified by the State.

Due to waivers from the FNS, the return address is not required to be printed on the SNAP/cash EBT card for some WSEA States (refer to *Appendix G – WSEA Waivers*).

10.4.3 Compliance with FNS Regulations

The EBT Contractor shall be required to issue and replace EBT cards and PINs in compliance with FNS regulations 7 CFR §274.1-8, WIC policy or regulations, or guidance provided in the Operating Rules for WIC EBT, as applicable.

10.4.4 High Coercivity Magnetic Stripe

All EBT cards produced for WSEA States must have a high-coercive magnetic stripe. This requirement applies to both standard and disaster EBT cards. States have an interest in assuring that the EBT cards supplied by the Contractor do, in fact, meet the quality standards set forth in this RFP. Accordingly, the EBT Contractor shall be required to produce card specifications and test results to confirm the card meets the RFP specifications and that the stripe for both standard and disaster cards is high-coercive. The EBT Contractor shall provide each WSEA State with an annual attestation indicating that all cards provided to the State during the preceding year, including disaster card inventories, meet the card specifications required in this RFP. In addition, the Contractor shall provide, at no additional cost to the States, for an annual certification test of card quality by an independent third party. This test shall involve six cards pulled at random by the State from a State's vault card inventory. The State should submit those six cards directly to an independent card-testing facility and the facility shall report back directly to the State, with a copy to the Contractor. In particular, the test results shall indicate the coercivity level and coercive rating of each tested card. The card test and the test results shall be provided to the State within 90 days of the State's contract anniversary date.

10.4.5 Track 2 Format

Track 2 of the EBT card shall be encoded in accordance with ISO 7813. The maximum character count in Track 2 shall not exceed 40 characters, including all control characters. The layout of Track 2 for the current EBT card is as shown in this table.

EBT Card: Track 2 Layout		
Field No.	Field Name	Field Length
1	Start Sentinel	1
2	Primary Account Number	16
3	Field Separator	1
4	Expiration Date	4
5	Service Code	3
6	Card Authorization Value	3
7	Discretionary Data	2
9	Longitudinal Redundancy Check	1

The EBT cards currently have a non-expiring expiration date of "4912" encoded on Track 2. The Service Code field is encoded with a value of 120. Cards have a Card Authentication Value (CAV) encoded. The encryption keys utilized by the current Contractor shall be transferred to the new Contractor. The new Contractor shall continue to encode the CAV field on Track 2 with a cryptographic value to validate the Track 2 data contents.

10.4.6 Primary Account Number (PAN)

PAN Layout		
Position	Length	Description
1-6	6	BIN
7-8	2	Discretionary

The Primary Account Number (PAN) is a 16 digit numeric field that provides the means of identifying

9-15	7	Sequence Number
16	1	Check Digit

the client to whom the card was issued. The new Contractor shall issue EBT cards containing a 16 digit PAN that utilizes the States' current BIN/Issuer Identification Number (IIN). The process by which the new EBT Contractor calculates the PAN for new cards shall not duplicate card numbers in use in the WSEA States' existing card base. The Offeror must describe the process by which it will generate the PANs for new EBT cards. The layout of the PAN shall be as shown in this table.

The discretionary field is a three-digit number that may be used by the EBT Contractor with State approval. Some WSEA States have used this field to identify the State's disaster cards; the EBT Contractor must be able to accept the State's current inventory of EBT disaster cards (refer to *Section 10.18.3.1*). The sequence number is a six-digit number that uniquely identifies the card that is issued.

The BIN/IIN is a six-digit number encoded on the magnetic stripe that begins immediately after the start sentinel. Each State has its own designated BIN/IIN that will be used by the EBT Contractor only to provide access to the specified government benefits. At the end of the contract period, the BIN/IIN shall revert back to the State. The BIN/IIN shall comply with ISO 7813. This table provides the individual BIN/IIN for each WSEA SNAP Agency. WIC State Agencies will each acquire a BIN/IIN prior to implementing WIC EBT.

State Bank Identification Numbers for SNAP/Cash EBT	
State	BIN
Alaska	507695
Arizona	507706
Colorado	507681
Guam	578036
Hawaii	507698
Idaho	507692
Nebraska	507716
Wyoming	505349

10.4.7 Non-Discrimination Language

The EBT Contractor shall print on SNAP/cash cards a statement of nondiscrimination which reads as follows: "The USDA is an equal opportunity provider and employer." In lieu of printing the required information on the EBT card, the State may elect to provide each household a card jacket or sleeve containing the nondiscrimination statement.

10.4.8 Card Sleeve

As an option, the EBT Contractor shall produce/provide a card sleeve to accompany WSEA EBT cards. The card sleeve (envelope) must be produced from a rugged material, such as Tyvek or Mylar, to endure normal wear and tear in the use of the EBT card. The card sleeve shall contain a separate pocket so that a client will be able to store transaction receipt(s) with the card. As an additional option for the WIC Program, the card sleeve may fold out to indicate WIC-eligible food items and other state-specific WIC information.

The Contractor shall be responsible for securing, maintaining and providing card sleeves to designated WSEA State, county or local offices. SNAP/cash card sleeves or jackets shall not contain the name of any State or local official. Neither EBT informational nor EBT training materials shall indicate association with any political party or other political affiliation.

10.4.9 Personal Identification Number

The PIN is made up of four (4) alphanumeric characters or digits. PIN verification shall be conducted at the EBT host. The PIN offset shall not be encoded on the magnetic stripe of the card. The EBT Contractor shall be required to follow the EBT QUEST® Operating Rules or the Operating Rules for WIC

EBT as applicable, regarding PIN entry, encryption, transmission and key management processes and procedures.

10.5 Card and PIN Issuance

The EBT Contractor shall be required to provide the necessary data, processes, tools, equipment and supplies to meet the card and PIN issuance requirements of the WSEA States. Each State has specific requirements as described below. The EBT Contractor shall also be required to provide the capability to monitor, control and manage the card and PIN inventory and distribution processes.

10.5.1 State Specific Card and PIN Issuance Requirements

The EBT Contractor shall be required to support the card and PIN issuance requirements of each of the WSEA States as described in the following table. To prevent fraud, the EBT Contractor shall be required to provide a method to verify client identity prior to issuing or changing a PIN via the IVR. Currently, some States may require that the client's social security number, date of birth or other unique identifier be provided prior to issuing or changing the PIN. However, the States would like to implement stronger security measures that would prevent fraud. The Contractor shall provide a deactivation method for daily or bulk card stock missing (lost/stolen) card inventory that would prevent further linkage of the card to any State's client identifier number. The Offeror shall describe its approach for fraud prevention (both internal and external fraud) and identity verification.

The WSEA WIC Programs will issue cards over-the-counter. The WSEA WIC Programs have not yet defined which identifying information will be used to identify a cardholder for a PIN change via the IVR. The data used for verifying identity will be determined during the WIC EBT design phase.

The following table provides card and PIN issuance for the WSEA SNAP Agencies.

Table 15: Card and PIN Issuance Requirements

WSEA SNAP Card and PIN Issuance		
State	Card Issuance	PIN Issuance
Alaska	The State's DPA Systems Operations Unit produces and mails all EBT cards. The EBT Contractor provides two flat file printers for centralized high volume card issuance.	The EBT Contractor shall be required to mail PINs to Alaska clients that includes instruction on PIN changes. There are no PIN selection devices in the local offices. The EBT Contractor shall provide clients with the capability to change PINs through the Customer Service IVR or the cardholder website provided by the Contractor.
Arizona	Cards are issued over the counter (OTC) and by mail by the EBT Contractor. Cards have an embossed PAN. The cardholder name is not embossed on cards issued OTC as there is no card embossing equipment in local offices. The cardholder name is embossed on cards issued by mail by the EBT Contractor.	The EBT Contractor shall provide the capability to select and change PINs through a PIN selection option at the IVR. For cards mailed by the EBT Contractor, the PIN is mailed in a separate mailer with instructions for PIN change or the PIN is selected through the IVR.

WSEA SNAP Card and PIN Issuance		
State	Card Issuance	PIN Issuance
Colorado	Cards are generally issued OTC, although cardholders have the option of being mailed a card. Cards issued OTC have an embossed PAN but the cardholder name is not embossed. There is no card embossing equipment in local offices. Replacements for cards reported lost or stolen are mailed by the EBT Contractor, although cardholders have the option to pick up a card at a county office. Cards mailed by the Contractor must have an embossed name and PAN. Replacement cards mailed by the EBT Contractor are not embossed with the client name.	PINS are issued via PIN selection devices at each local office. PINS may be changes via IVR or Web Site. PINS may also be issued by mail by the Contractor.
Guam	All cards, including replacement cards, are issued OTC at a Central Office. Cards have an embossed PAN but the cardholder's name is not embossed. There is no embossing equipment in the local office.	PINs are issued through PIN selection devices in the local office. Brochures given to cardholders at the time of issuance provide instructions for PIN change via IVR, web or during business hours via the PIN selection device at the Issuance Section.
Hawaii	Cards are generally issued OTC, although cardholders and EBT specialists have the option of having a card mailed by the EBT Contractor. Cards issued OTC have an embossed PAN but the cardholder name is not embossed. There is no card embossing equipment in local offices. Replacements for cards reported lost or stolen are mailed by the EBT Contractor, although cardholders have the option to pick up a card at a local field office. Cards mailed by the Contractor must have an embossed name and PAN	For cards issued OTC or to change a PIN, the PIN is issued through PIN selection terminals in the local offices. For cards mailed by the EBT contractor, the cardholder can request to keep same PIN, change PIN via IVR or cardholder website, or have a new PIN mailed by the EBT Contractor.
Idaho	Cards are issued OTC or by mail. Cards issued OTC have an embossed PAN but the cardholder name is not embossed. There is no card embossing equipment in local offices. Cards designated for mail issuance by EBT Specialists and replacements for cards reported lost or stolen are mailed by the EBT Contractor, although cardholders in specific situations have the option to pick up replacement cards at a local field office. Cards mailed by the Contractor must have an embossed name and PAN.	PINs are issued through the EBT Administrative Terminal or through the IVR, although if a replacement card is mailed, the client can also request a new PIN be generated and provided through a PIN mailer.

WSEA SNAP Card and PIN Issuance		
State	Card Issuance	PIN Issuance
Nebraska	The Nebraska Department of Health and Human Services mails all EBT cards, including replacement cards, and training materials from its centralized Issuance and Collection Center in Lincoln, Nebraska. No cards are issued or replaced at local offices. Pre-embossed, pre-encoded EBT cards are provided by the EBT Contractor. NE WIC cards will be issued over-the-counter. A decision has not been made on how replacement WIC EBT cards will be issued. The client's name is never printed on the card. The State prints all training materials mailed with the EBT cards.	Clients select or change their PIN via the IVR.
Wyoming	Wyoming's EBT cards are issued over-the-counter or mailed, along with training materials, by the EBT contractor. Mailed cards have an embossed name and in addition to the embossed PAN.	PINs are selected and changed via the IVR.

10.5.2 Card Distribution and Inventory Controls

To support State and OTC card issuance, the EBT Contractor shall deliver EBT cards to designated distribution points in the State in blocks of sequentially numbered cards. The WSEA States maintain the option to change designated locations for receipt of card shipments over the life of the contract. The EBT Contractor shall track cards and link them to their distribution point via the card numbers. The EBT Contractor shall provide States with an automated tracking tool or report to enable the State and local offices to manage their card inventory. The WSEA WIC State Agencies have the ability to track card inventory through their MIS.

The Offeror's response shall describe the approach for secure card distribution to designated State/local locations and with card management and inventory and card issuance control capabilities. Card inventory is to be provided by the EBT Contractor quarterly or as needed, upon receiving a card stock order from the State or local offices using the following minimum security processes:

- Card boxes are to be shipped with a numbering system and accompanying inventory list in hard copy and electronic format that will indicate card numbering sequences, so that the contents of the box may be ascertained without inspection/opening the box.
- Cards are to be packaged in sleeves, not to exceed 400 cards per sleeve.
- Each sleeve shall be labeled with the card number sequence it contains and be sealed with security tape to identify unauthorized access.
- Sleeves should be packed in cartons in numeric sequence, i.e., from lowest sequence number in lowest carton number to highest sequence number in highest carton number.
- Sleeves are to be shipped in cartons that contain six card sleeves to facilitate handling, storage, and distribution by the State. (Less than six card sleeves is allowed if the card order does not have sufficient quantities to fill a carton.)
- Cartons should be sealed with a security tape to identify unauthorized access.
- Cartons should not be labeled in a manner that reveals their contents, but should be labeled with their sequence: "1 of 20", "2 of 20", and so on.
- Produce a single flat file, formatted to display the destination of each card numbered sequence mailed for the quarterly card manifest.

10.5.3 Magnetic Stripe Swipe Terminals

To reduce errors in OTC card issuance and/or to improve the efficiency of county/local office operations, the EBT Contractor shall provide each State office with sufficient card readers to meet the office's business practices. The card reader (magnetic card swipe terminal) shall enable the State and county/local staff to swipe the EBT card, read the PAN and link the PAN to the designated client record or to assist in accessing a client file. Not all SNAP agencies use the card reader and the WSEA WIC Agencies have not yet made a determination as to whether they will use them. For purposes of responding to this RFP, the Offer may assume that approximately 500 card readers will be required across all WSEA SNAP and WIC State Agencies.

10.5.4 PIN Selection/Change Terminals

The EBT Contractor may be required to provide card activation and PIN selection terminals and any associated supplies if requested by the respective WSEA State. The EBT Contractor shall be required to ship replacement PIN selection terminals via overnight express within one business day of receiving the request for a replacement. The States prefer to have a State designated employee process password changes and set-up new users. However, if EBT Contractor intervention is required, the Contractor shall reset PIN selection device user IDs and passwords immediately and shall provide a user ID and password for new users within two business days. Currently none of the WSEA States are using PIN Selection/Change terminals.

10.5.5 Issuance Timeframes for Cards Mailed by the EBT Contractor

Requests to issue cards by mail must be processed promptly. Cards should be placed in card mailers and received at the U.S. Postal Service for mailing on the next business day following receipt of the request. If not printed on the card, the FNS nondiscrimination statement (refer to *Section 10.4.7*) shall be printed on a section of the card mailer that can be detached and folded into a jacket or sleeve for the card. Each WSEA State requiring mail issuance will work with the EBT Contractor on the design and content for the mailer.

Appendix C contains a table showing the number of EBT cards issued on behalf of the WSEA States for the previous six (6) months (November 2015 through April 2015). Cards issued by mail shall be sent active so that the cardholder does not have to engage in card activation procedures. For security reasons, certain programs, such as child support, may require the card to be mailed inactive. In that case, the client will be required to activate the card. If required by the State, corresponding system generated PIN numbers shall be mailed under separate cover and should lag the mailing of the card by one (1) to three (3) days, as designated by the State.

As noted, not all WSEA State Agencies use mailed card issuance/replacement services and WSEA WIC Programs may not require mailed card replacements. In Pricing *Schedule 5, EBT Optional Services* indicate the reduction to the CPCM if mailed cards/card replacements are not required by the WSEA State Agency.

10.5.6 New and Replacement Cards Issued by the State

The EBT Contractor shall provide cardholders with 24 hour per day, 7 days per week capability to report lost, stolen or malfunctioning cards and shall provide or support the card replacement function as described above. Cards reported lost, stolen or malfunctioning must be deactivated immediately. New and replacement cards may be mailed by the EBT Contractor (refer to *Section 10.5.5*) or may be issued by a State or local office.

If a WSEA SNAP State Agency requires, the EBT Contractor shall deduct a card replacement fee from client accounts according to parameters established by the State. The EBT Contractor shall provide a user-friendly method for States to reverse or cancel a card replacement fee assessed against a client's account. Card replacement fees shall be included in the Administrative Activity Report (refer to Section 10.15.7.1). Replacement card fees collected by the EBT Contractor shall be remitted to the State on a monthly basis or applied as a credit against monthly charges to the State for EBT services. The number of cards issued per month by WSEA State is contained in Appendix C.

10.5.7 Mass Reissuance of EBT Card Base

As an optional service, a State may request the EBT Contractor to reissue the current outstanding active card base. The EBT Contractor would reissue and mail out all new cards to existing EBT clients with active cards on the Contractor's EBT System. The PIN number for the new card would be the same as the old card. For a period of time after the mass reissue, the old cards would continue to stay active on the EBT System until one of the following actions occurs:

- The client uses the new card for a transaction, at which time the old card should be locked and its status changed to inactive.
- The client selects a new PIN for the new card,

After a period of time to be determined by the State, the EBT Contractor shall provide the State with a report of all new cards that have not activated yet. The Report shall include the cardholder name and a cross-reference to the old card. At a date determined by the State, the EBT Contractor shall change the status of all old cards that are still active to inactive and lock the old card from any future use.

10.5.8 Alternative Card Technologies

WSEA State programs and agencies have an interest in alternate card technologies including, but not limited to, integrated circuit chip (smart card), hybrid (combined chip and magnetic stripe) and proximity technologies. In addition, at some time in the future, FNS may require that EBT cards use the Chip and PIN (EMV) standards. At the discretion of the State, the EBT Contractor, as a contract amendment, shall be required to support the deployment and integration of alternative card technologies with the EBT system. If required, alternative card technologies will be deployed and integrated through normal Change Order processes.

10.6 Transaction Processing

To the maximum extent possible, the WSEA States seek to use the existing commercial transaction processing infrastructure for the transmission and processing of EBT transactions. The EBT Contractor shall have the capability to receive, process and authorize client transactions from both ATM and POS devices. The EBT Contractor shall ensure that cardholders access their SNAP benefits only at POS terminals in FNS-authorized food retailer locations and WIC benefits at State-authorized WIC vendor locations. Cash benefits may be accessed through participating ATMs and POS terminals.

Cardholders may be entitled to benefits under a number of programs. Each transaction must be allocated to either the cash or SNAP account. Benefits within the EBT account should be spent on a first in, first out basis, subject to the Primary Program Designation (PPD - refer to Section 10.2.2). WIC benefits will be associated with a separate WIC EBT card with a unique BIN. Participants will be trained to offer their WIC EBT card for payment prior to offering their SNAP/cash EBT card as WIC benefits are more restrictive than SNAP or cash.

EBT Contractor EBT transaction processing requirements shall include:

- Accepting transactions coming from an authorized transaction acquirer;

- Authorizing or denying transactions;
- Sending response messages back to the transaction acquirer authorizing or rejecting client transactions;
- For WIC transactions, if a requested amount for a food item is greater than the not-to-exceed (NTE) amount for the food item, the EBT Contractor shall pay the NTE amount.
- Providing the information so that the retailer's system or POS can print a cardholder receipt with the account balance after the transaction (the card number shall be truncated on the receipt); and
- Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through transaction history.

The EBT Contractor shall comply with the software and automated data processing equipment ownership rights prescribed in Federal regulations and as further clarified or negotiated with the State and the Federal government. The Contractor is responsible for ensuring that the EBT system meets the processing requirements and criteria established by FNS. In order of precedence, the Contractor shall process EBT transactions in compliance with:

- Federal regulations;
- QUEST® EBT Operating Rules (SNAP/cash) or FNS Operating Rules for WIC EBT (WIC); and
- Prevailing industry performance standards.

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

In processing EBT transactions, it is the responsibility of the EBT Contractor to ensure that the EBT system meets technical standards and regulations in the areas of:

- System processing speeds;
- Availability and reliability;
- Security;
- Ease-of-use;
- Minimum card requirements;
- Performance; and
- Minimum transaction set.

The EBT Contractor shall comply with all relevant processing speed requirements as stated in 7 CFR §274.1-8 and as specified in *Section 5.5.1* and the FNS Operating Rules for WIC EBT. The Contractor shall provide back-up purchase procedures for FNS authorized retailers when the EBT system is unavailable, both for unscheduled and planned outages (refer to *Section 10.6.9.2*). Responses shall define both the back-up procedures to be used by the Contractor, and the method by which the WSEA States and retailers will be notified that the back-up procedures are being utilized. Due to the complexity of the transaction, WSEA WIC State Agencies do not require back-up purchase procedures for unscheduled and planned outages.

The Contractor's EBT host system shall be available 99.9% of scheduled uptime, 24 hours a day, seven days per week. Scheduled uptime shall mean the time the database is available and accessible for transaction processing, and excludes scheduled downtime for routine maintenance. The total system, including the system's central computer, any network or intermediate processing facilities under the control of the Contractor (either service provider or subcontractor to the Contractor), shall be available

99% of scheduled uptime, 24 hours per day, 7 days per week (refer to RFP *Section 5.5.1*, WSEA Performance Standards).

The State shall be notified in advance of scheduled downtime for routine maintenance, which shall occur during off-peak transaction periods. In addition, the EBT Contractor must provide the States with advance notification of any scheduled downtime outside of the time required for routine maintenance. Such downtime must be pre-arranged with and approved by the State. The EBT Contractor shall provide WSEA States with an annual schedule for maintenance downtime no later than December of the preceding calendar year. The WSEA States shall be provided with a minimum of 30 calendar days advance notice for proposed downtime beyond the routine maintenance schedule. At the discretion of the State, shorter notice may be considered depending on the urgency of the situation.

The EBT system central computer shall permit no more than two (2) inaccurate EBT transactions for every 50,000 EBT transactions processed. The transactions to be included in measuring system accuracy shall include:

- All SNAP, cash and WIC transactions occurring at ATM and/or POS terminals and processed through the host computer;
- Manual transactions entered into the system; and
- Credits to EBT accounts.

The EBT Contractor shall resolve all errors in a prompt manner and in accordance with FNS Adjustment Rules, FNS Operating Rules for WIC EBT, and in accordance with State waivers, as applicable. (Refer to RFP *Section 10.6.10* and *Appendix G – WSEA Waivers.*)

10.6.1 Transaction Interchange Specifications

The EBT Contractor shall be responsible for the authorization of cardholder initiated SNAP, cash and WIC transactions. The Contractor shall comply with ANSI X9.58-2013 and X9.93-2014, and shall comply with all updates to ANSI X9.58-2013 and X9.93-2014 at no additional cost to the WSEA States.

10.6.2 Transaction Validation

The EBT system shall go through a series of checks and processes to determine whether a cardholder's transaction should be approved. These checks should include determining whether:

- The merchant has a valid FNS authorization number if the transaction is a SNAP transaction.
- The merchant has a valid State authorized WIC Vendor ID number if the transaction is a WIC transaction.
- The card number (PAN) is verified and the card is active.
- The number of consecutive failed PIN tries has not been exceeded.
- The PIN is verified as being entered correctly.
- The account is active.
- The EBT account holds a sufficient balance in order to satisfy the transaction request.
- For SNAP and cash refund transactions, a benefit record exists so that the transaction can be properly posted. (Refund transactions are not allowed for WIC.)

If any one of the above conditions is not met, the Contractor shall deny the transaction. The Contractor shall ensure that client/provider benefit accounts are not overdrawn and shall assume all liability if an account overdraft does occur. If the transaction is denied, the system must return a message to the retailer/provider indicating the reason for denial (e.g., invalid PAN, invalid PIN, insufficient funds [NSF], etc.).

10.6.3 Encryption

The EBT Contractor shall comply with FNS Regulation at 7 CFR 274.8 regarding communications network security and, at a minimum, shall utilize the Data Encryption Standard (DES) algorithm or better to encrypt the PIN during EBT transactions from the point of entry. (Refer also to the Operating Rules for WIC EBT.) Other security features include authentication of the CAV value on the magnetic strip, as well as authentication codes and check-sum digits, 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 data security approach and security measures used to secure EBT transactions.

10.6.4 POS SNAP Transactions

The EBT Contractor shall process, at a minimum, the following SNAP transaction types:

- SNAP purchase (swiped or key entered);
- SNAP merchandise refund or credit;
- Manual authorization;
- Manual voucher clear (including interoperable transactions);
- Balance inquiry;
- Voids or cancellations; and
- System reversals.

FNS regulations prohibit the charging of a fee for any SNAP transactions. Therefore, cardholders may not be charged for any SNAP transaction. After conducting a SNAP purchase, merchandise return, or balance inquiry, the retailer shall provide a printed receipt showing the available account balance to the cardholder. The card number shall be truncated on the receipt.

10.6.5 POS Cash Transactions

The EBT Contractor shall process, at a minimum, the following cash transaction types:

- Cash purchase;
- Purchase with cash back;
- Cash withdrawal;
- Balance inquiry;
- Voids or cancellations; and
- System reversals.

Current program provisions within the WSEA States prohibit the charging of any fee for POS transactions, including cash benefit access transactions. Therefore, cardholders may not be charged for any POS cash transaction. After conducting a POS transaction or balance inquiry, a printed receipt showing the available account balance shall be provided to the cardholder. The card number should be truncated on the receipt. Under no circumstances are manual transactions allowed for cash.

10.6.6 ATM Transactions

The EBT Contractor shall process and authorize cash withdrawal transactions originating from ATMs. The Contractor must have the capability to process the following ATM transaction types:

- Withdrawal from cash account;
- Balance inquiry from cash account;
- Full or partial reversals; and
- Cancellations.

The Contractor must ensure that the EBT system will deny transactions if the balance of the Cash Account will not support both the requested withdrawal/transaction and all allowable charges or fees. Within WSEA, ATM transactions will be conducted at cardholder expense. The Offeror's response shall specify the amount of the fee that the Offeror will charge to cardholders for ATM transactions. This fee shall be no greater than the network interchange fee charged to the Offeror. 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 shall be truncated on the receipt.

10.6.7 POS WIC Transactions

The EBT Contractor shall process, at a minimum, the following WIC transaction types:

- Benefit Inquiry;
- Purchase;
- System reversal (Refer to the WIC TIG, page 75, Section 12.4 for reversal of WIC transactions); and
- Void.

Operating Rules for WIC EBT prohibit the charging of any fee for POS transactions. Therefore, cardholders may not be charged a fee for the transaction. After conducting a WIC purchase or balance inquiry, the WIC vendor shall provide a printed receipt showing the food balance and benefit expiration date and time to the cardholder. The card number shall be truncated on the receipt. Receipts shall meet the requirements of Section 5.5 of the FNS Operating Rules for WIC EBT.

10.6.8 SNAP Refund Transactions

The EBT Contractor shall provide for real time processing of SNAP refunds or credits to preclude the creation of unapplied benefits and approval of excessive funds. Regarding manual SNAP merchandise refund transactions, the EBT Contractor shall meet Federal and State restrictions on transaction dollar limits, number of transactions and total value of transactions per month. The WSEA States prefer that transaction activity be immediately updated to the Contractor's host database at the benefit level, although Offerors may propose alternate update methods. At a minimum, however, the process must meet the real-time requirements described for refunds. The Contractor must update its host database with transaction activity on a real-time basis. Offerors are required to describe in their technical proposals the process by which they update transaction activity on their host databases.

The EBT Contractor must provide FNS authorized retailers with functionality to process POS SNAP refund transactions. The Contractor must confirm, in real-time, that there is an existing benefit linked to that account, otherwise the transaction must be denied. The WSEA States prefer that the Contractor also have in place a process to return funds to each individual benefit so that the total value of each benefit does not exceed its original value, and that the value of the refund does not exceed the total value of benefits previously debited. A transaction amount limit, as well as monthly limits on the total number and value of refunds, will be placed on the SNAP refund transactions by the State as defined by the State's detail design. The transaction must only be applied to the cardholder SNAP account.

10.6.9 Manual SNAP Transactions

The EBT card must be present for a retailer to conduct a manual transaction. Manual transactions shall be permitted under three circumstances: 1.) in instances of system failure that prevent processing of on-line SNAP authorizations; 2.) in instances of disaster (refer to *Section 10.18*); and 3) in Alaska only, manual transactions are done to accommodate the Long Distance Purchasing Agreements (LDPA). This is an over-the-phone mail-order SNAP purchasing service provided for home bound and long distance client purchases.

The EBT Contractor shall provide retailers with a separate toll free number to obtain voice authorizations for manual SNAP transactions. WSEA desires that manual SNAP transactions be interoperable across State lines. In their response, Offerors shall specify their approach for allowing out of State EBT cardholders to conduct manual transactions, including clients served by a different EBT service provider.

Retailers may utilize their own authorization forms as long as the forms meet the minimum data requirements as specified by federal regulation or policy, the State, and/or the EBT Contractor.

10.6.9.1 SNAP Voice Authorizations

Retailers are required to complete the manual voucher form and call the EBT Contractor's retailer customer service to obtain a voice authorization prior to completing a manual SNAP sale. The cardholder is required to sign the paper voucher and the EBT Contractor shall require the cardholder's signature on the voucher as a condition for processing. The EBT Contractor shall provide retailers with a separate toll-free telephone number to obtain voice authorizations for the manual vouchers 24 hours per day; 7 days per week. The manual transaction authorization process should be automated as part of the help desk IVR functionality.

Vouchers submitted for payment without prior telephone authorization shall be rejected. The retailer shall be liable for declined transactions in the event the retailer fails to obtain prior authorization and the EBT account has insufficient funds to cover the purchase.

10.6.9.2 Hold for Manual Transactions

Upon providing a telephone authorization for a manual SNAP transaction, the EBT Contractor shall place a "hold" on the amount of benefits necessary to fund the transaction. The EBT Contractor shall maintain the hold on SNAP benefits for a maximum of 30 calendar days or as the State specifies, until the voucher transaction is "cleared". A retailer has a maximum of 30 calendar days to submit and/or clear the voucher. Vouchers must be submitted electronically through a POS voucher clear transaction. If the retailer fails to submit the voucher for clearance within the 30 calendar-day period, the hold shall 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 within 30 calendar days.

10.6.9.3 Re-Presentation of Manual Transactions

Re-presentation of manual retailer vouchers shall not be permitted. The Contractor's system shall be designed to prevent merchants from re-presenting manual vouchers.

10.6.9.4 Emergency Stand-In Processing

If an FNS authorized retailer cannot access the SNAP EBT host system because the host system is unavailable, the EBT Contractor shall allow retailers to conduct emergency "stand-in" processing of SNAP purchases of up to \$50 per cardholder per retailer per day (from 12:00 AM until 11:59 PM). The EBT Contractor shall be liable for up to \$50 per transaction for insufficient funds resulting from stand-in manual transactions. The retailer is required to complete a manual voucher and must obtain the cardholder's signature on the voucher. If the retailer processes an emergency stand-in transaction for more than \$50, the EBT Contractor shall process the transaction if there are sufficient funds in the cardholder's account to cover the transaction. If there are not sufficient funds in the cardholder's account, the retailer shall be liable for any amount over \$50. When the system becomes available, the retailer shall electronically clear the manual transaction through a POS voucher clear transaction.

Offerors shall define in their proposal under what circumstances they would consider their EBT system unavailable. Responses to this requirement shall specify the process used to notify retailers that "stand-in" processing is currently in effect, for both scheduled and unscheduled system outages and shall specify

how the processing and settlement of these transactions will be conducted. If there are insufficient funds in the cardholder's account when an emergency stand-in voucher is first presented, the EBT Contractor shall allow re-presentation of the voucher. Nebraska does not allow re-presentation of emergency stand-in manual vouchers.

10.6.9.5 Disaster SNAP Purchases

In a disaster situation, the manual SNAP voucher process can be invoked if the retailer is able to obtain a voice authorization. In that case, the transaction will be processed like any manual SNAP voucher transaction. If the retailer is not able to obtain a voice authorization due to system unavailability during a disaster, the transaction will be processed as an Emergency Stand-In Transaction under the conditions specified in *Section 10.6.9.2*. Each WSEA State will establish a ceiling on the value of SNAP transactions during a disaster and will establish processes for redemption and determining liabilities during a disaster. The EBT Contractor shall be required to work with WSEA States in developing disaster plans and processes (refer to *Section 10.18*). The Offeror's response must include its approach to supporting States during a disaster situation.

10.6.9.6 Alaska Quest Long Distance SNAP Purchases

The EBT Contractor shall be required to implement the processes and procedures necessary to support the Alaska Quest Long Distance SNAP Purchase Off-Line Voucher Program. The Alaska Program allows SNAP benefit recipients who live in remote locations or are home bound to conduct SNAP benefit transactions using an Off-line Voucher process when the EBT card is not available and the client is not physically present to sign a manual voucher.

In order to be eligible to participate in the Alaska LDPA Program, the client and the participating retailer must complete the Alaska Quest LDPA form and mail the agreement to the EBT Contractor. To set this up, the SNAP client contacts the retailer(s) from which they want to purchase food to request a LDPA form. Any FNS approved retailer can participate in the Alaska LDPA Program by contacting the State. The State will notify the EBT Contractor and the Contractor will contact the retailer to get them set up and provide the LDPA forms along with instructions to the authorized retailer. The agreement form is a multi-part form and must be pre-numbered and cannot be duplicated or photocopied. After the retailer completes their portion of the Agreement they will mail it to the EBT client who will complete their portion of the Agreement and mail it back to the retailer. The retailer retains the yellow copy, mails the white top original to the EBT Contractor, and mails the pink copy to the client. This process is completed once for initial set-up the client and retailer must be completed for each store from which the client wants to conduct long distance SNAP benefit purchases.

By signing the agreement, the client is authorizing the retailer to obtain a voice authorization from the EBT Contractor to conduct long distance food purchases using their SNAP benefits. To process a purchase transaction, the retailer obtains a voice authorization. Upon providing a voice authorization for the transaction, the EBT Contractor shall place a hold on funds for 15 days. The retailer may clear the transaction by: 1) completing and mailing a manual voucher to the EBT Contractor for processing; or 2) processing a voucher clear transaction through their POS terminal.

10.6.10 Account Adjustments

If the State so directs, the EBT Contractor shall make adjustments to a client's account. These adjustments are non-settling adjustments (e.g., money is not moved), sometimes referred to as repayments, that only impact the liability maintained on the EBT system. The EBT Contractor must be able to accept and process these adjustment transactions initiated by the States through the administrative terminal application (online, real-time) without impacting the daily settlement. For SNAP, these account adjustments are included in the "Return Other" field of the daily AMA. Adjustments to the

WIC account will be sent in a real-time message from the WIC MIS. (Note – WIC benefits have a 30-day period of availability. Adjustments to or from a WIC account are not made after the benefits in question have expired.)

The second type is adjustments that may be initiated by the EBT Contractor to resolve system errors and out-of-balances. Adjustments made by the EBT Contractor must be in compliance with the Federal regulations:

- SNAP Regulations 7 CFR 274.2(g)(2)
- WIC EBT Operating Rules, Section 14

Adjustments to correct system errors may result in debits (adverse action) or credits to cardholder accounts and will impact the daily settlement. Retailer initiated adjustments must be acted upon no later than 10 business days from the original date of error. The time apportionment is allotted as six (6) business days for the retailer/acquirer and four (4) business days for the EBT Contractor to report, approve and/or deny and process a correction request.

After investigation of system error incidents, adjustments that result in a credit to a cardholder account may be conducted by the EBT Contractor without prior notice to the State or the cardholder. The EBT Contractor's system must support an automated credit solution for EBT system, Third Party Processor or retailer-initiated adjustments that result in a credit to the client account.

However, the EBT Contractor shall be required to conduct an investigation and to provide the State with 15 calendar days advance notice, via the report specified below, prior to posting a debit transaction (adverse action) to a cardholder account to correct a system error. At the discretion of the State, a hold may be placed on funds in a cardholder account, up to the amount needed to correct the system error.² To support debit adjustment notification and fair hearing processes, the EBT Contractor shall be required to send a daily file to the WSEA States with sufficient data to support the debit adjustment transaction that will be posted to the cardholder account. This data includes:

- Claim reference number;
- Card number;
- Cardholder's first name;
- Cardholder's last name;
- Cardholder address;
- Cardholder State ID or case number;
- County or local office code number;
- Retailer name;
- Retailer location;
- Card acceptor ID;
- FNS authorization number for SNAP claims;
- Date the claim was received by the contractor;
- Reason for claim;
- Status of the claim (open/closed);
- Disposition of the claim (approved/denied);
- Initial dollar amount of the claim;
- Adjustment transaction type (credit/debit);
- Adjustment amount actually credited to or debited from the cardholder;

² All WSEA States have a retailer adjustment "no hold" waiver from FNS for SNAP adjustments.

- Program Type (Cash/SNAP);
- Who initiated the claim (retailer, TPP, cardholder, State or contractor; and
- Date claim resolved by contractor;

For tracking purposes, a transaction code should be established to designate debit adjustments in the daily activity file or, alternatively, a stand-alone electronic file for adjustments could be provided.

The State reserves the right to:

- Request all documentation associated with denied adjustment claims for either program type; and
- Work with the cardholder and retailer/acquirers to resolve human error adjustment issues.

The contractor must assist the State agency in resolving human error adjustment issues. The contractor may be required to provide retailer notices for certain adjustment actions and for research purposes. The State 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.

The EBT Contractor shall be required to work with WSEA States to develop appropriate adjustment solutions and procedures. The Offeror's response must demonstrate capability to provide the necessary systems and administrative capability to support both settling and non-settling adjustments.

10.6.11 Invalid PIN Attempts

The EBT system shall deny transactions if the PIN is input incorrectly. After four (4) consecutive invalid PIN attempts in one day, or as specified by the State, the card shall be temporarily locked from performing any PIN based transactions until midnight local time, at which time the failed PIN count shall reset to zero and the card unlocked. However, the EBT system shall have administrative functionality that will allow authorized state staff to unlock the EBT card for the respective client.

10.6.12 Interoperability Standard

The EBT Contractor shall support the Federal national interoperability requirement for processing interoperable SNAP transactions. The EBT Contractor shall also support national interoperability for cash transactions. The Offeror's response shall outline the plan for supporting interoperable transactions, including electronic voucher clears.

10.6.13 Restrictive Interchange

To protect the integrity of their benefit programs, the WSEA States reserve the right to prohibit cash EBT transactions at certain merchant locations that may include, but are not limited to, casinos, liquor stores, marijuana dispensaries, and adult entertainment locations. The EBT Contractor shall be required to work with the WSEA States to identify locations in each State where EBT transactions will be prohibited and adhere to all existing and future Federal and WSEA State regulations regarding program restrictions for TANF-only retailers. The Offeror's response shall address their capability to restrict access to cash benefits at undesirable locations.

10.6.14 Store and Forward Transactions

10.6.14.1 SNAP Store and Forward

A store and forward transaction is a SNAP transaction that is stored electronically with an encrypted PIN by a POS terminal when the POS terminal is unable to communicate with the EBT host until such time that communications is restored and transactions can be processed. Store and forward transactions may be conducted at State option and must comply with the requirements specified in 7 CFR § 274.8(e). If allowed, at its option and in accordance with the QUEST® Operating Rules, a retailer may store SNAP

EBT transactions for forwarding to the EBT Contractor at a future time, provided the retailer's equipment is capable of storing a client's encrypted PIN. EBT store and forward transactions shall be processed at the retailer's risk. The retailer shall be permitted to forward the transactions to the EBT host one-time within 24 hours of when the system again becomes available. However, retailers may opt to use the one-step process described at 7 CFR 274.8(e) to collect the remaining balance. If the retailer and/or TPP have been authorized to use the process and the store and forward transaction is properly identified as such, the EBT Contractor must process the transaction and return the available balance, if any, using the single transaction method described in the X9.58-2013 standards and subsequent versions. At State discretion, a length of time after database conversion may be allowed for implementation of this process. Re-presentation to obtain the uncollected balance from current or future months' benefits shall not be allowed for store-and-forward transactions. The EBT Contractor's system shall prevent the use of store and forward as a way of accessing the client's future months' benefits.

10.6.14.2 WIC Store and Forward

WIC store and forward transactions are similar to SNAP store and forward transactions. The Contractor shall comply with the FNS Operating Rules for WIC EBT, Section 9.4, Store and Forward Processing.

10.6.15 SNAP Voucher Clear Transactions

Manual vouchers, if accepted, shall only be cleared electronically. If the authorized retailer is using their own equipment, 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. EBT-only devices must be able to accept voucher clear transactions for all State BINs. The EBT Contractor must route these transactions to the cardholder's State processor and settle funds to the retailer, in the same manner as any real-time interoperable transaction. The Contractor must accept, process, and settle electronic voucher clear transactions from all sources, including those originating from out of State retailers. Offeror's response must describe the respondent's capabilities in clearing manual vouchers.

10.6.16 Key Entered Transactions

The EBT Contractor shall 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 client is damaged and/or the POS device is unable to read the magnetic stripe accurately. The EBT card must be present for a retailer to conduct a key-entered transaction. The validation of the client'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 shall deny the transaction.

The EBT Contractor shall adopt other security measures to prevent client and retailer abuse/misuse of the key-entry feature. The Contractor shall ensure that the PAN printed on the transaction receipt is truncated, and the Contractor must be able to selectively disable or deny the capability of an EBT-only POS device from completing key-entered transactions. Finally, the EBT Contractor shall track key-entered transactions by retailer, retailer address, device (terminal) number or ID number, FNS retailer number or State WIC vendor number, and card number. The EBT Contractor shall propose procedures for responding to client reports of malfunctioning or defective equipment at retailer sites, including both EBT-only POS devices and retailer-owned devices.

10.6.17 Congregate Living Transactions

The EBT Contractor shall be required to support the redemption of SNAP benefits in congregate living arrangements for drug/alcohol treatment centers, blind/disabled group living facilities or other group providers. To support these arrangements, the EBT Contractor shall provide the following options:

- An EBT account will be established for group home facilities and an alternate cardholder EBT card will be issued to the facility (refer to *Section 10.3.7*).
- The transfer of funds between client and group home accounts will be accomplished through State administrative terminal functionality (refer to *Section 10.7.2*).
- The transfer of funds from the client card to the group home will occur through POS terminals deployed in group home facilities. The terms and conditions for terminal deployment, technical standards and requirements, maintenance, and support of terminals at group home locations shall be as stated in *Section 10.11.5: EBT-only Retailer Support*.

Offerors are encouraged to propose other options to support congregate living facilities.

The EBT Contractor shall also be required to provide reports on congregate living transactions (refer to *Section 10.15.7.7*). Congregate living facilities shall also be provided with web access to their account information (refer to *Section 10.9.3*).

10.6.18 Other Exception Transactions

The ANSI X9.58-2013 standard has been updated to address new technology that eliminates the need to swipe the card or key-enter the card number (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 Contractor must accept and process EBT transactions that contain the new codes, record the new transaction types as part of transaction history, and identify the SNAP transactions to FNS as specified in the ALERT file instructions.

10.7 Administrative Functionality

The EBT Contractor shall provide administrative terminal or host-to-host access to State personnel and Federal agencies as designated by the States and arrange for such access when the State's EBT system is implemented. The administrative terminal functionality must be capable of running on the State's existing hardware. FNS also requires SNAP administrative software access and support as necessary for field and regional offices and other designated Federal agencies. The Offeror must detail its approach to support the requirement to supply WSEA States and FNS offices with administrative terminal functionality.

The Contractor shall provide EBT administrative terminal or host-to-host software and communication protocols to WSEA States and local offices. Administrative access shall include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access client/provider account information through EBT administrative terminals. WIC local agency and clinic staff will not have direct access to the EBT system but may have the ability to request data from the EBT system through the State Agency's MIS.

To support administrative access, the EBT Contractor shall provide a browser based administrative application utilizing Transmission Control Protocol/Internet Protocol (TCP/IP) as the communications protocol. This interface shall provide authorized users with a window/Graphic User Interface (GUI) environment that includes pull down screens and point and click capabilities. The Offeror's response must clearly explain the approach to provide the specified administrative access functionality, including the window/GUI user interface, access controls, and must specify the hardware and software that is necessary to support the Administrative function.

Administrative transactions are subject to the requirements for two (2) second host response (refer to *Section 5.5.1*).

10.7.1 User Security Profiles

The EBT Contractor shall provide security for administrative access whereby user profiles are established based upon the specific administrative functions the user requires to perform his/her respective job (role based security). Each administrative user, as he/she is granted access, shall be assigned a specific user profile based upon the requirements for his/her job. The WSEA States will define the user profiles with the assistance of the Contractor. The number of required State user profiles shall be parameter driven and will be specified by each WSEA State. The State's designated security personnel shall have the capability to set up newly authorized State employees, change user passwords, manage user profiles and modify the card set-up for the card issuance system. (WIC State Agencies may issue cards using the State Agency's MIS card issuance function.)

10.7.2 State Administrative Functions

Offerors shall describe their administrative functionality in terms of navigation and data presentation. At a minimum, the transaction set that shall be supported through the EBT administrative functionality includes:

- **EBT Account Set-up:** In addition to batch processes, the Contractor shall also provide the WSEA States with the capability to create SNAP and cash EBT accounts through Administrative functionality. Currently, all Arizona and Alaska account set-up transactions are processed through their host-to-host administrative functions while Colorado, Guam, Hawaii, Idaho, Nebraska, and Wyoming generally process account set-up transactions through batch processes. In these States, the administrative account set-up process is used primarily for emergency benefits or fraud investigations. WIC EBT account set-up is performed in the MIS and remitted in real time to the EBT system.
- **EBT Account Maintenance:** Appropriate State staff shall have the capability to update or correct EBT account information. Appropriate State staff shall also have the capability to deactivate an account and re-activate an account. WIC EBT account maintenance is performed in the MIS and remitted in real time to the EBT system.
- **Benefit Authorization:** Appropriate State staff shall add benefit authorizations through the administrative terminal. These accounts will be used primarily for emergency benefits or fraud investigations. WIC EBT benefit authorization is performed in the MIS and remitted in real time to the EBT system.
- **Benefit Cancellation (Removal of Pending Benefits):** Appropriate State staff shall have the capability to cancel benefits prior to availability date. WIC EBT benefit voids are performed in the MIS and remitted in real time to the EBT system.
- **Card Status Change:** Appropriate State staff shall have the capability to deactivate, issue or replace client, authorized representative, protective payee and group home cards.
- **Search:** Appropriate State staff shall have the capability to search by name, State ID or case number, PAN, SSN, EBT account number or FNS number to access account, benefit and retailer information or the on-line transaction history.

- **Claims Repayment Functionality:** Appropriate State staff shall have the capability to expunge benefits from cardholder accounts as repayment for over payment claims against the account.
- **Adjustment Functionality:** Refer to *Section 10.6.10* for adjustment functionality.
- **Benefit Transfer:** Appropriate State staff shall have the capability to transfer benefits between client, group home, group living arrangement or provider accounts. This shall be a non-settling transaction. WIC EBT benefit transfers are performed in the MIS by voiding benefits in one account and adding benefits to the “transfer” account. These transactions are remitted by the MIS to the EBT system in real time.
- **Congregate Set-up and Transfer:** For SNAP EBT, appropriate staff shall have the capability to enter congregate living demographic data and banking information and to transfer benefits to a congregate living arrangement account. The EBT Contractor shall provide the WSEA States with three (3) administrative screens to support congregate living transfers as follows: 1) Client to Facility Transfer; 2) Facility to Client Transfer; and 3) Facility-to-Facility Transfer (refer to *Section 10.6.17*).

Each of these screens must provide account information regarding both the client and facility(ies) on whose behalf the transfer is taking place. Transfers between facilities and clients must be traceable in the EBT Contractor's system. It must be clear from which account the transfer originated and to which account the transfer was posted. The daily activity file must identify congregate living transfers and must provide data to link debits and credits between the facility and the client accounts. The EBT Contractor shall ensure that proper aging of client accounts are reflected throughout this process. The EBT Contractor shall be required to work with the WSEA States to ensure that comprehensive congregate living transaction, administrative and reporting functionality is built into the EBT system design.

- **Retrieval of Transaction History Data:** The EBT Contractor shall be required to provide administrative access to on-line transaction history via administrative terminal functionality. At a minimum, the EBT Contractor shall provide real time, on-line access to five years of transaction history. Refer to *Section 10.3.5.2: Maintain Transaction History*.
- **Card or Pending Card Search:** The EBT Contractor shall provide authorized State users with the capability to use Administrative functionality to search for the card number, PAN or cardholder demographics to identify pending or active cards, demographics or benefit for which no account has been established.
- **Pending Card Purge:** The EBT system shall automatically purge pending cards based on parameters set by the State.
- **PIN Request:** The SNAP EBT system shall provide authorized State users with the capability to request that the EBT Contractor mail a PIN to a client.
- **Pin Unlock:** Approved State users shall have the ability to reset EBT cards that have been locked due to excessive PIN tries prior to the lock being released automatically at midnight

local time.

- **ACH Payment Set-up and Update Capability:** The EBT Contractor shall provide authorized State users with the capability to use Administrative functionality to set-up and update ACH payment information to support direct deposits to client and provider specified bank accounts.

10.7.3 FNS Administrative Functionality

For SNAP EBT, at a minimum, USDA staff will require administrative access for designated FNS Field and Regional offices, the FNS Compliance Office, and the OIG investigative office. The EBT Contractor shall also provide to FNS secure internet access to the EBT System via a browser based application. The Offeror must detail its planned approach for supporting these requirements.

The EBT system shall enable FNS to set up FNS user accounts with the capability to add, delete, deactivate and reactivate IDs, and to assign and reset passwords. Rights to updated Federal IDs must be partitioned so that FNS security administrators cannot access or affect State IDs. 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 State access to an existing centralized FNS security process.

10.8 Cardholder Customer Service

As a core requirement, the EBT Contractor shall provide EBT cardholders with access to a Customer Service Center (CSC) via a toll free number, 24 hours a day, 7 days a week. CSC services shall also be provided to branded debit cardholders at no cost to the States (refer to *Section 10.14*).

10.8.1 Basic Level of Service

As a base level of service, the total number of customer service calls, excluding calls for single call PIN selection/reset, provided to EBT cardholders per month in each WSEA State shall be equal to five (5) times the number of active cases. If the total number of calls exceeds five (5) times the number of active cases in the month, excluding calls for single call PIN selection/reset, the additional calls may be charged to the State on a per call basis. However, should call volume, excluding calls for single call PIN selection/reset, exceed five (5) times the number of active cases due to system failures, including inability to access the cardholder website, or errors by the EBT Contractor, the five (5) call limit will be waived in that month. There shall be no limit on the number of calls for single call PIN selection/reset and in no case shall the EBT Contractor limit service to cardholders if the total number of calls in a month exceeds five (5) times the number of active cases. See *Appendix F* for historical data concerning the EBT cardholder CSC usage.

10.8.2 Cardholder CSC Requirements

The EBT Contractor shall provide a cardholder CSC that meets or exceeds the customer service performance standards as specified in *Section 5.5.1*. For reporting purposes, the Contractor shall provide IVR and Customer Service Center activity data (refer to Customer Service Statistics Reports, *Section 10.15.13*). The Contractor must provide TTY (Teletypewriter) capability to cardholders with hearing disabilities, and help desk support for clients using rotary phones.

10.8.3 Cardholder Customer Service Functional Requirements

The Integrated voice response unit (IVR) and/or Customer Service Representatives (CSRs) shall support the following cardholder customer service functions:

- **Report a Lost/Stolen/Damaged Card, Unauthorized Use of a Card or the Non-Receipt of a Card:** The caller's identity must be confirmed prior to disabling the card. Prior to replacing a card, the client's address must be confirmed unless otherwise designated by the State. Refer to *Section 10.5.1* for each State's card replacement procedures. Procedures for changing the status of a Protective Payee card may differ (refer to *Section 10.3.8*).
- **Current Balance Inquiry:** "Current Balance" shall provide real-time account balance information (IVR function).
- **Transaction History:** "Transaction History" shall provide the last ten (10) transactions by benefit program, i.e., transaction number, amount, and date (IVR function).
- **Account History:** "Account History" shall enable a SNAP/Cash caller to request a two (2) month statement of account history by program to be mailed to the last known client/provider address within two (2) business days of the request.
- **PIN Selection or PIN Change:** Cardholders shall have the option of selecting or changing their PIN via a single call to the IVR.
- **Benefit Access/Service Points:** SNAP/Cash callers shall be given up to date information about POS/ATM locations where benefits may be accessed.
- **Benefit Availability Date:** SNAP callers selecting this option shall be given the date benefits will become available based on the issuance schedule supplied by the States.
- **Support for Customer Service Website:** Support shall be provided for clients having trouble accessing or using the Customer Service Website.
- **Other Optional Services:** The EBT Contractor may offer other services, such as bill pay, to cardholders. If offered, these services will be made available to cardholders at the option of the State.

10.8.4 Cardholder Customer Service Representatives

The Contractor shall provide English and Spanish speaking CSRs to resolve cardholder issues that cannot be resolved by the IVR, including requests for adjustments. The Contractor shall 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 (7) days a week. Most WSEA States allow CSRs to view account demographic data to verify identity of the caller. However, for Nebraska SNAP, the EBT Contractor shall ensure that their system does not allow CSRs to view client addresses. All updates to account demographic information shall be initiated by the States and CSRs shall not accept or modify client demographic information.

For WIC State Agencies, access to live customer service representative may not be required or may be required during limited hours, e.g., business hours only. Refer to Schedule 5 – EBT Optional Pricing Services to provide the reduction in the CPCM should 24x7 live customer service be reduced or eliminated.

As an option, States may request interpretive services for languages in addition to English and Spanish. The Contractor is encouraged to provide alternative approaches to the CSR that will provide a cost

savings to the WSEA States. The Offeror shall also describe their ability to allow State staff to listen to live calls to the CSR upon State request.

10.8.5 Integrated Voice Response

The States shall review and approve the transaction flow and content of all IVR messages, prompts, and customer service scripts. The EBT Contractor shall provide documentation and scripts to the States a minimum of 30 calendar days prior to their implementation. The EBT Contractor shall not change IVR messages, scripts or menu functions without prior written approval of the States.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the IVR which would represent an effective and economical application of this technology. The Offeror shall describe the IVR's access control to assure the security of cardholder account information. The Offeror shall also describe the process within the IVR by which a cardholder is able to reach a CSR.

10.8.6 Cardholder Website

The EBT Contractor shall provide a customer service website for cardholders. At a minimum, the functionality of the cardholder website shall be the same as the functionality for the cardholder CSC (refer to *Section 10.8.3*), and include printable PDF versions of client/participant training material. The States shall review and approve the web site before the EBT Contractor allows public access. The EBT web site shall contain links to the States' health and human services, and USDA FNS SNAP and WIC web sites and will also provide general EBT information.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the EBT web site which would represent an effective and economical application of this technology. The Offeror's response shall fully describe the functions that will be available through the cardholder website.

10.8.7 Payphone Block

The EBT Contractor shall block calls to the CSC from payphones unless otherwise designated by the State. Nebraska currently allows calls from payphones.

10.9 Retailer Customer Service

The EBT Contractor shall provide Retailer Customer Service support and program information via a toll-free number, 24 hours a day, 7 days per week. Retailer customer service support shall include support for all authorized retailers including farmer's market retailers.

10.9.1 Retailer Service Level Requirements

The EBT Contractor shall ensure through technical design, resource allocation, and staffing that each retailer call is answered in accordance with specified Performance Standards (refer to *Section 5.5*). Additionally, TTY (Teletypewriter) capability must be provided to retailers with hearing disabilities.

The Contractor shall provide a retailer CSC that is:

- Toll-free and without charge or fee to the retailers;
- Accessible to all retailers;
- Used exclusively for retailer support;
- Operated and staffed in a financial industry standard manner; and
- Not limited for the number of calls a retailer makes.

10.9.2 Retailer CSC Functional Requirements

The EBT Contractor's retailer CSC shall support the following functions:

- **Voice Authorizations:** The EBT Contractor shall equip and program the IVR to provide voice authorization for SNAP transactions. SNAP CSRs shall also support voice authorizations.
- **EBT-only Retailer Support:** The EBT Contractor shall provide, via the Retailer CSC, the following services for EBT-only retailers:
 - Support, training and problem resolution on EBT-only POS equipment;
 - Settlement information and reconciliation procedures;
 - Support on system adjustments and resolution of out-of-balance conditions;
 - General information regarding EBT policies and procedures;
 - Process requests for POS tapes and other POS supplies; and
 - Retailer EBT signage and posters.
- **Farmer's Market Retail Support:** The EBT Contractor shall provide customer support to farmer's market retailers using wireless or other POS technology.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the CSC and IVR which would represent an effective and economical application of this technology. The Offeror shall describe the access control to ensure the security of both retailers' and cardholder account information.

10.9.3 Retailer Customer Service Website

The EBT Contractor shall provide a customer service website for retailers. At a minimum, the functionality of the retailer website shall be the same as the functionality for the retailer CSC (Refer to *Section 10.9.2*). In addition, for EBT-only retailers, the website shall provide a transaction history. Client EBT card numbers shall be truncated in the transaction history. The States shall review and approve the web site before the EBT Contractor allows retailer access.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the EBT web site which would represent an effective and economical application of this technology. The Offeror's response shall describe fully the functions that will be available through the retailer website.

10.10 State and Local Office Assistance

The EBT Contractor shall provide State and local office staff with assistance via a toll-free number. If the EBT Contractor provides access through its client number, State and local office personnel shall be provided with a password so that the client IVR can be bypassed and staff will be provided with immediate and appropriate assistance from a live CSR. Technical assistance for State and local staff shall be available 8 AM through 5 PM local time, Monday through Friday, excluding State and Federal holidays. For States having offices located in two different time zones, the technical assistance shall be available for all State and local office staff from 8 AM in the time zone of the Eastern-most office to 5 PM in the time zone of the Western-most office. The EBT Contractor shall not place limits on the number of State and local staff members who have access to the CSC.

10.11 Retailer Management

The EBT Contractor shall be responsible for managing retailer participation in the WSEA States' EBT programs. The EBT Contractor's primary roles and responsibilities include:

- Providing every FNS-authorized retailer and WIC authorized vendor with the opportunity to participate in the applicable EBT system.

- Ensuring that the States' SNAP EBT systems are interoperable with other States' EBT systems as defined in 7 CFR § 274.8.
- Assuring that a sufficient number of retailers and vendors have agreed to participate in the applicable system to allow clients adequate access to cash and SNAP or WIC benefits, including those clients who normally shop across State borders in the so-called "border stores" and at "non-traditional" retailers such as farmer's markets.
- Accommodating FNS authorized Restaurant Hot Meal retailers where eligible elderly, homeless and disabled clients can purchase prepared meals.
- Signing either an EBT-only retailer agreement or a third party processor agreement for commercial retailers for all participating retailers and vendors. The EBT Contractor shall enter into an agreement with the retailer in accordance with 7 CFR § 274.3(c). The WSEA States and FNS must approve the agreements prior to being sent to retailers and third party processors.
- Certifying and de-certifying third party processors and ATM providers/networks.
- Assuring that the participating retailers and vendors understand their responsibilities with regard to policy, operating rules, and operations of the applicable EBT system.
- Maximizing the use of existing commercial POS terminals for WIC vendors, encouraging the use of integrated, WIC-certified systems.
- Installing, maintaining and otherwise supporting EBT Contractor provided EBT-only POS equipment as necessary in accordance with FNS policy for retailer participation as defined in 7 CFR § 274.3 and the Agricultural Act of 2014.
- Providing help desk services to SNAP retailers for resolving issues/problems on EBT Contractor supplied EBT-only POS equipment and helping to resolve settlement and dispute questions and issues.

10.11.1 SNAP Retailer Recruitment and Participation

USDA-FNS regulations require that retailers authorized by FNS to participate in SNAP must be provided the opportunity to participate in the SNAP EBT system. The EBT Contractor is responsible for retailer recruitment and participation. This effort must be carried out in such a manner as to involve retailers, community based organizations and minority businesses in an effort to ensure an adequate number of access points for clients in their community. The respective State and FNS will determine if access to SNAP benefits is adequate.

The EBT Contractor must take the necessary steps to provide access to the EBT system for those retailers who choose to acquire their own terminals. The EBT Contractor shall supply POS devices to all USDA-FNS authorized retailers who do not choose to purchase their own equipment and are qualified under the Agricultural Act of 2014 to receive government supplied equipment.

In addition to providing adequate access to SNAP benefits, the EBT Contractor shall also be required to recruit retailers and ATM networks to ensure that clients have adequate access to cash benefits as provided in *Section 10.11.15*. Individual States may require that clients must be able to obtain cash benefits through a single transaction in sufficient amounts to pay rent. The State will determine if access to cash benefits is adequate.

10.11.1.1 SNAP Retailer Recruitment Reporting

The EBT Contractor shall ensure that specific information, such as retailer/benefit provider contracts and retailer locations, is available upon a WSEA State's request to provide verification of adequate access. During conversion, the EBT Contractor shall provide weekly reports, as part of the weekly status report, to the States detailing the number of authorized SNAP retailers, the number of retailers providing full/partial

cash access, and the percent of retailers with signed agreements in relationship to the total number of authorized SNAP retailers. Following conversion, these reports must be provided on a quarterly basis.

10.11.1.2 SNAP EBT Service Requirements

The EBT Contractor shall comply with Federal regulations in 7 CFR § 274.3 concerning retailer management and support.

10.11.1.3 SNAP Retailer Database Management

The EBT Contractor shall develop a State FNS Retailer database management system that meets, at a minimum, the functional requirements listed below and FNS regulations. The EBT Contractor shall be responsible for maintaining the database.

For SNAP, the FNS' Anti-fraud Locator of EBT Retailer Transactions (ALERT) Subsystem utilizes data provided by the States' contracted EBT processors. The ALERT file shall be submitted daily to FNS. The file shall contain all of the retailer SNAP transactions for the day. The record layouts are shown (with validation criteria) in *Appendix I*. The EBT Contractor shall be able to accommodate standard FNS Anti-fraud Locator of EBT Retailer Transactions (ALERT) Subsystem file formats and supply ALERT files per the FNS schedule.

The EBT Contractor shall be able to accommodate standard FNS Retailer EBT Data Exchange (REDE) file formats and apply REDE files per the FNS schedule. REDE processing includes standard (regularly scheduled) nightly and monthly operations and ad hoc operations. Both types of REDE operations are performed at the FNS' specified secured location. The standard nightly operations are performed nightly, Monday through Friday, and create the State and national retailer data update files. The standard monthly operations are performed monthly (on the first Saturday of the calendar month) and create the full State and national retailer data files. These files must be retrieved and processed within 48 hours of communication. The State retailer data update files are used to update the Retailer EBT Data Exchange (REDE) database. Ad hoc operations are performed as requested when a State Agency and/or EBT processor requests a start-up copy of a State or national retailer update file.

The EBT Contractor is responsible for ensuring that only authorized SNAP retailers redeem SNAP benefits. The EBT Contractor shall transmit information on retailer SNAP redemptions to the FNS Benefit Redemption System Branch (BRSB) in the STARS file format. The record layouts for this file are detailed in *Appendix I*. For WSEA States that allow card fees to be deducted from SNAP benefits, the EBT Contractor must report funds taken from the SNAP accounts in the STARS file. The fees shall link to a special STARS Processor ID, to be provided by FNS, in place of the retailer authorization number.

The EBT Contractor shall comply with all instructions, formats and designated frequency for file transmissions required by FNS for the above files. The EBT Contractor shall cooperate with WSEA State or Federal personnel conducting investigations or audits and provide requested information within a mutually agreed upon time not to exceed 30 calendar days.

10.11.2 WIC Vendor Participation

The EBT Contractor shall be responsible for managing WIC vendor participation in the WIC EBT program. The EBT Contractor's primary roles and responsibilities include:

- Providing every WIC vendor with the opportunity to participate in the EBT system.
- Assuring that WIC vendors are able to transition to EBT to allow participants adequate access to WIC benefits.

- Supporting the WIC Program and USDA FNS when they conduct WIC vendor system testing for WIC EBT certification, including first, second and third level certifications throughout the implementation and operations period.
- Ensuring that participating WIC vendors understand their responsibilities with regard to USDA FNS Operating Rules for WIC EBT and operations of the WIC EBT system.
- Maximizing the use of existing integrated electronic cash register (IECR) systems.
- Installing, maintaining and otherwise supporting the Contractor-provided stand-beside POS terminals as necessary in accordance with USDA FNS Operating Rules and current USDA FNS regulations.
- Providing 24x7 toll-free help desk services to WIC vendors using EBT-only equipment for resolving issues/problems on EBT, EBT Contractor supplied stand-beside POS terminals and settlement and dispute questions and issues.

The EBT Contractor shall support the WSEA State in promoting WIC EBT enablement for the WSEA State's WIC vendors with IECR systems by providing interface specifications and as-needed technical assistance during design, development and testing.

10.11.3 Retailer and Third Party Acquirer Agreements

The EBT Contractor shall enter into agreements to deploy and drive EBT-only POS terminals pursuant to this RFP and to act as third party processors (TPP) to all retailers and WIC vendors who accept the EBT Contractor-deployed POS terminal services.

For those retailers and WIC vendors who use or modify their existing equipment and either acquire the services of a TPP or serve as their own TPP, the agreement shall be to provide access to the EBT system by the TPP and/or those retailers/vendors that self-process, or any other acquirer. TPPs are responsible for training their EBT retailers/vendors and for providing required EBT signage.

Third party and retailer/vendor agreements will be between the EBT Contractor and the retailer/vendor or third party directly; the WSEA States will not be a party to retailer/vendor or TPP agreements. The agreements shall describe the terms and conditions regarding the arrangements for use of the POS equipment and the applicable operating procedures and rules. At a minimum, the agreements must include language that requires:

- Compliance with SNAP or WIC regulations as applicable;
- Compliance with QUEST® Operating Rules (SNAP and cash);
- Compliance with the Operating Rules for WIC EBT (WIC only);
- Compliance with ANSI X9.58-2013,
- Compliance with ANSI X9.93-2:2014 Financial Transaction Message – EBT – Part 1 (WIC only)
- That there will be no charging for authorization and settlement processing by the Contractor for EBT transactions;
- That only FNS-authorized retailers may perform SNAP transactions (SNAP only);
- That only State-authorized WIC vendors may perform WIC transactions (WIC only);
- All Alaska retailers transacting using the Alaska BIN must be either an authorized FNS retailer or authorized ATM not located in a restricted venue. Any and all exceptions must be approved by the State.

- That third party processors must provide a list of retailers under contract to them that accept the EBT card within the State and that the list must be updated on a periodic basis; and
- That TPPs will be required to load and update SNAP BIN numbers for all States.

Retailer and third party processor agreement language shall be reviewed and approved by the WSEA States and FNS.

10.11.4 Retailer/Vendor Database

The Retailer/Vendor database shall provide EBT transaction detail data pertaining to each direct connect or EBT-only retailer/vendor, and shall contain up-to-date information about the retailer/vendor bank accounts and store cutover times for ACH purposes.

10.11.5 EBT-Only Retailer Support

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 Retailer EBT Data Exchange (REDE) file to identify which specific retailers are exempt.

WIC EBT-only vendors are WIC-authorized vendors that do not have a certified IECR capable of conducting a WIC EBT transaction.

10.11.5.1 SNAP EBT-only Terminals

The EBT Contractor must ensure that the EBT-only equipment and supplies deployed by the Contractor are maintained in good working order. The WSEA States' minimum standard for responding to a retailer's report of a malfunctioning or inoperative POS device will be that the device is either repaired or replaced within 48 hours from the time of receipt of the problem report. This standard allows for overnight delivery of a replacement POS device and peripheral equipment. The Contractor is responsible for providing POS supplies to retailers with EBT-only POS terminals. The number of deployed SNAP EBT-only POS Terminals as of February, 2015 is provided in this table.

Number of SNAP EBT-Only POS Terminals Deployed	
State	Number of EBT-Only Terminals
Alaska	12
Arizona	12
Colorado	26
Guam	5
Hawaii	37
Idaho	12
Nebraska	15
Wyoming	11

10.11.5.2 WIC EBT-only Terminals

State-supported WIC EBT-only terminals shall be provided to WIC-authorized vendors approved by the State's WIC Program during implementation. During implementation, the WSEA State will support the lease payment of the WIC EBT-only terminal. Within three months after implementation is completed (all existing participants have received cards), the EBT Contractor shall transfer responsibility of the lease to the WIC vendor. This requirement is subject to change based on changes in FNS regulations.

10.11.6 Farmer's Market Support

The EBT Contractor shall provide support, including the deployment of wireless POS devices, to specified SNAP retailers participating in the farmer's market and direct marketing program. The EBT Contractor shall support FNS standards and requirements for the support of farmer's markets for the duration of the contract. The State shall determine which farmer's markets are eligible for the deployment of the wireless POS devices. WSEA State WIC Programs have the option to request the deployment of a WIC EBT solution at authorized farmer's markets.

10.11.7 POS Terminal Technical Standards

The EBT Contractor deployed POS terminals, including wireless terminals for farmer's markets, shall meet the operational requirements of the applicable EBT system and support the full EBT transaction set. All SNAP POS terminals must comply with the QUEST® Operating Rules; all WIC terminals must comply with the Operating Rules for WIC EBT and include a hand-held bar code scanner. POS Terminals deployed by the EBT Contractor shall meet industry standards and specified performance standards (refer to *Section 5.5.1*) and performance and technical standards specified in 7 CFR § 274.8 in the areas of system processing speeds, system availability and reliability, system security, system ease-of-use, minimum card and terminal requirements, and the minimum transaction set.

All terminals the EBT Contractor deploys must provide an audible tone when transactions are declined and display visual verification of:

- The transaction message before positive action is taken by the cardholder to release the message for authorization and settlement.
- The error message rejecting the transaction, such as but not limited to:
 - Insufficient funds or food benefits;
 - Incorrect PIN; and
 - Inactive card.

At the retailer/vendor request, the POS terminal configuration shall include a separate PIN pad. EBT-only POS terminals shall meet or exceed the current levels of service and POS technology now deployed in WSEA States for EBT-only retailers. The EBT Contractor shall ensure that POS terminals deployed to EBT-only retailers/vendors are adaptable or upgradeable for future needs. In WSEA states that are implementing both SNAP and WIC EBT through the EBT Contractor, the contractor shall deploy terminals that accept both types of transactions at retailers/vendors authorized for both types of transactions.

10.11.8 EBT-only Equipment Support Services

The EBT Contractor shall provide the following services for all EBT Contractor-deployed POS and wireless POS for EBT-only retailers and farmer's markets:

- Training on EBT-only POS terminals and their use;
- Routine maintenance;

- 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;
- Supplies or supply reimbursement (applies to SNAP and WIC); and
- 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.

10.11.9 Retailer/Vendor Transactions

The Contractor shall have controls in place to ensure that POS SNAP and/or WIC transactions from the EBT Contractor-provided EBT-only POS terminals occur only at entities that have valid agreements with the EBT Contractor.

10.11.9.1 SNAP Transactions

For all SNAP transactions, the EBT Contractor must validate that the transactions originated at an FNS authorized retailer location. The EBT Contractor must maintain a database of authorized and valid FNS retailer numbers for all FNS authorized retailers in accordance with the retailer validation requirements specified in 7 CFR 274.8(b)(3). The EBT Contractor must access the FNS REDE system daily to obtain updates of the national REDE files used to validate authorized FNS retailer numbers, and have a process in place to ensure that all records are properly posted. The EBT 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 retailer numbers.

10.11.9.2 WIC Transactions

For all WIC transactions, the EBT Contractor must validate that the transaction originated at the applicable WSEA State authorized vendor location. The EBT Contractor must maintain a database of authorized WIC vendors. The WSEA State will authorize vendors in its WIC MIS and the authorization data will be transmitted to the EBT system through the batch file process or online as defined in the WUMEI. The EBT contractor must verify that the WIC vendor is authorized prior to completing the transaction and assumes liability if transactions are completed against a WIC vendor not authorized by the respective WSEA State.

10.11.10 Retailer Phone Lines

The WSEA States do not pay for retailer/vendor phone lines or internet service. In accordance with the WIC Policy Memorandum # 2011-3 - Implementation of WIC-Related Electronic Benefit Transfer (EBT) Provisions of P.L. 111-296, a State agency cannot impose the costs of any equipment or system required for EBT on any authorized vendor in order to transact EBT if the vendor equipment is used solely to support the WIC Program. A State agency or its EBT contractor may negotiate this cost or the use of an existing line or internet connection with vendors. This requirement may change as updated policy/rules are released by FNS.

10.11.11 Retailer Test Cards

If requested and approved by the State, the EBT Contractor shall issue EBT test cards and make test accounts available to new retailers/vendors for the purpose of testing their EBT POS system prior to going live. The WSEA State shall authorize that the cards be loaded with limited monetary or food benefit value, not to exceed \$1.00 or one food item. Retailers/vendors shall be instructed to conduct an

offsetting void last transaction to ensure that there is no monetary impact on settlement balances. SNAP retailer test cards and accounts shall not be subject to aging. WIC vendor test cards may contain benefits with expiration dates.

10.11.12 Retailer Lease Equipment

The EBT Contractor shall lease POS equipment to retailers/vendors not authorized to receive an EBT-only POS terminal and that wish to use stand-beside equipment instead of a commercial POS or an IECR. Any agreement covering a terminal lease arrangement shall be between the EBT Contractor and the retailer/vendor; the WSEA States will not be party to any such agreements.

10.11.13 Manual Vouchers

For SNAP, any authorized FNS-retailer may use the standard manual voucher process whenever a system outage or disaster prevents the retailer from connecting electronically to the EBT host system for transaction authorizations. Such situations may include interruptions to the EBT, third party processor or retailer system and/or communication interfaces between those systems.

Until further notice, any retail merchants authorized before March 21, 2014, and currently accepting manual vouchers as a means to conduct ongoing SNAP business, as well as any retailer authorized after March 21, 2014 who purchases the business of one of these authorized retailers previously accepting manual vouchers as a means to conduct ongoing SNAP business, may continue to conduct manual SNAP transactions using the standard manual voucher process. Their acquirer shall convert the paper voucher into an electronic voucher clear transaction for transmission to the EBT contractor. Upon receipt of a properly executed voucher clear transaction, the EBT contractor shall provide settlement to the authorized retail merchant's third party processor.

All other retailers are prohibited from using manual vouchers for ongoing SNAP business, except as noted in the previous paragraph. Retailers who are in one of the exempt groups defined in the March 21, 2014, FNS Implementing Memorandum for the Agricultural Act of 2014, may continue to accept manual vouchers until further notice. 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; these may use manual vouchers until further notice.

The Contractor is not required to propose or implement an automated process to ensure that non-exempt retailers are prevented from using vouchers for ongoing business as part of the response to this RFP. However, the Contractor shall be required to implement, at no additional cost to the State, any system edits or checks required by final FNS regulations addressing the manual voucher changes required by the Act. These system changes shall be implemented within the timeframes specified by the final regulation."

The EBT Contractor shall also support the Alaska Long Distance Purchasing Program (LDP), and possibly the Alaska WIC Mail-out Vendor (MOV) by providing a toll free retailer customer service number so that retailers will have the ability to obtain a voice authorization. The EBT Contractor shall hold benefit funds to cover voice authorizations. Refer to *Section 10.3.5.9: Hold SNAP Funds*.

10.11.14 Third Party Processors

For SNAP EBT, the EBT Contractor shall meet the requirements specified in 7 CFR § 274.3 for the support of retailers that deploy their own terminals.

Within 10 business days of the start of the contract, the EBT Contractor shall make available to requesting retailers/vendors the interface specifications that would enable these retailers and third party terminal drivers to interface directly with the EBT Contractor's system to perform SNAP EBT and/or WIC

EBT transactions. Newly authorized retailers/vendors who choose to employ a third party processor to drive their terminal or elect to drive their own terminals shall have access to the EBT system after the receipt of the FNS authorization notice or WSEA State WIC Program notice and upon completion of any required testing or certifications. The EBT Contractor shall not unduly withhold certification for retailers, vendors and third parties that enter into direct connect arrangements with the EBT Contractor.

The EBT Contractor shall be responsible for certifying and decertifying third party processors (TPPs), including developing and implementing certification requirements and procedures. The States may review the EBT Contractor's certification requirements and procedures at any time, and may require the EBT Contractor to modify such requirements and procedures whenever the State deems it necessary. The WSEA State's WIC Program shall be notified of any level 2 certifications in order to allow the WSEA State's WIC Program representative to attend the TPP certification. If a TPP engages in clear violation of Federal or State programs rules, the EBT Contractor shall be required to obtain concurrence with the State or States in which the TPP operates prior to decertifying or taking adverse action against the TPP. For SNAP, the EBT Contractor must comply with certification timelines specified in 7 CFR § 274.3(a).

Retailers/vendors using third party processors shall report transactions using unique terminal IDs for each terminal installed in the store under one FNS number or WIC Vendor ID number. The EBT Contractor shall inform retailers and TPPs of the FNS requirement that each terminal is listed under its own unique ID number and SNAP, cash, or WIC transactions completed on that terminal are reported under that ID number. The EBT Contractor shall be required to run validation edits on retailer addresses and ensure that addresses conform to U.S. Post Office address standards.

10.11.15 Cash Access

The WSEA States' intentions are to make access to cash benefits as convenient as possible. The EBT Contractor shall provide adequate cash access through retail POS devices and ATMs. It is the intention of the WSEA States to continue to maintain or improve service levels. The WSEA States will work with the EBT Contractor to ensure these service levels are maintained. The WSEA States shall review the EBT Contractor's plan to provide adequate cash access and, if necessary, shall require additional access sites if the proposed access is determined to be inadequate.

The EBT Contractor shall propose a method for maintaining a database and tracking retailers providing cash back. In addition, the EBT Contractor shall propose a method for identifying the POS terminal and location and ATM identification number and location associated with any EBT cash transaction. The QUEST® Operating Rules will govern the processing of all retail merchant cash transactions. Depending upon the EBT Contractor's arrangement with the prevailing ATM networks, either the QUEST® Operating Rules or the ATM network's Operating Rules may govern ATM cash transactions. The EBT Contractor shall support national interoperability for cash access, to include loading all State SNAP/cash BINs into the SNAP/cash EBT host system.

The EBT Contractor shall provide cash access through ATMs and commercially deployed POS equipment. To preserve the integrity of the EBT program, the WSEA States reserve the right to disallow EBT transactions in certain types of retail establishments (refer to *Section 10.6.13*).

The WSEA States will not pay for ATM or POS cash transactions. All cash transactions will be conducted at cardholder expense. The EBT Contractor shall provide cash transaction fees based on the lowest interchange rate. See *Section 11: EBT Pricing* for additional information.

The EBT Contractor shall have controls in place to ensure that the location of terminals allowing cash access to EBT cash accounts, including ATMs and commercially deployed POS equipment, are in compliance with each WSEA State's policy concerning EBT cash access.

10.11.16 SNAP Restaurant Program

The EBT Contractor shall support the Restaurant Hot Meal Program where eligible elderly, homeless and disabled clients can purchase prepared meals from FNS authorized retailers. The EBT 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 State has designated the cardholder as restaurant-eligible. This means that all SNAP transactions originating from a retailer with an FNS store type code of RE (Restaurant), as listed in the current national REDE file, must have restaurant eligibility verified. If the cardholder is not coded as eligible for the restaurant program, the transaction must be denied. If the cardholder is eligible, the transaction must still meet other authorization criteria to be approved.

For States that have not received FNS approval to participate in the Restaurant Hot Meal Program, the EBT Contractor shall ensure their EBT system blocks the use of the State's EBT card from performing SNAP transactions at FNS-authorized restaurants, regardless of the restaurant's location. This means that all SNAP transactions originating from a retailer with an FNS store type code of RE (Restaurant), as listed in the current national REDE file, must be rejected by the host authorization system or at the transaction switch.

The Offeror shall describe how their EBT System supports the FNS Restaurant Hot Meal Program.

10.12 Settlement and Reconciliation

The EBT Contractor shall be responsible for the execution of EBT settlement and reconciliation activities. EBT settlement and reconciliation shall be conducted in accordance with current Federal regulations as updated throughout the life of the contract, and FNS Reconciliation and Settlement Guidance. The EBT Contractor's host system shall operate on a 24 hour processing cycle. At a designated cutoff time each day, the EBT Contractor shall close out the current processing day and commence the next processing day. To support the settlement function, the EBT Contractor or its designated financial agent must have an originating and receiving membership in the national ACH network. In order to promote the acceptance of EBT transactions, the EBT Contractor shall be required to provide evidence of its, or its designated financial agent's ability to fulfill the settlement obligations specified in this RFP and shall comply with the QUEST® Operating Rules for SNAP/cash and the Operating Rules for WIC EBT concerning an Issuer's ability to meet its settlement obligations. Evidence may be in the form of financial statements, bonds, guarantees or other assurances.

The EBT Contractor shall be required to develop procedures and reports that will enable the WSEA States to consolidate their State reconciliation and settlement verification processes. A comprehensive daily electronic report that reconciles all benefit transactions back to their original authorization and allows the WSEA States to easily ascertain the daily change in their outstanding obligations is required. This report, which is segmented by benefit type, would include: benefit authorizations, benefits pending, net benefit redemptions, benefits in suspense, repayments, expungements, expirations, adjustments, non-Federal or non-State liabilities (i.e., EBT Contractor liabilities), non-settling transactions, any other transactions that affect settlement, and the resulting settlement amounts. For WIC, the EBT Contractor shall provide daily reports as defined in the Universal Interface specification and agreed to with each WIC State agency.

The Offeror's response must indicate processes and methods for meeting the EBT reconciliation and settlement functions specified in this RFP. The response must also indicate how the EBT Contractor will support the streamlining and simplification of WSEA State reconciliation and settlement verification processes.

10.12.1 Reconciliation

The EBT Contractor will designate a standard daily cutoff time for EBT transaction processing. The 24-hour period between the cutoff time on day one and day two constitutes the EBT transaction day. The specified cutoff time must allow the EBT Contractor sufficient time to originate ACH payments for next day settlement. The EBT Contractor shall maintain ledger accounts at the client/provider, program, State and County Office or local agency levels. Subsequent to cutoff, the EBT system must be balanced and reconciled. The EBT Contractor shall compute the end of day net position or balance for each general ledger account. For each account, the end of day net position is equal to:

$$\text{Opening balance} + \text{credits} - \text{debits} = \text{End of day balance}$$

The EBT Contractor shall also balance the EBT system as a whole to insure that the change in the net position in the sum of client accounts balances to the change in the net position of program accounts and that the change in the net position in the sum of the program accounts balances to the change in the net position (obligations outstanding) for State and Federal government funding and issuing agencies.

The EBT Contractor shall meet SNAP reconciliation requirements of 7CFR §274.4 and FNS EBT Reconciliation and Settlement Guidance. The EBT Contractor shall also use the SNAP reconciliation requirements to perform reconciliation for all SNAP and Case EBT programs. For WIC, reconciliation and settlement shall be performed as defined in the Standard Operating Rules for WIC EBT. The EBT Contractor shall provide detailed instructions and training to each state to perform a daily reconciliation of the EBT System. At a minimum, respondents shall propose procedures for reconciling:

- Client account daily beginning balance and net draws versus the ending balance (for WIC this is at the food item level);
- Client net redemptions versus acquirer settlement values;
- Total funds entering, exiting, and remaining in the system each day (for WIC this is the number of food items by subcategory and unit of measure);
- Total net change in system wide obligations outstanding to the sum of the net change in obligations outstanding for all benefit programs (for WIC this is the food benefits available to the sum of the net change in food benefits outstanding) ;
- Total net change in system wide obligations outstanding to the sum of the net change in obligations outstanding for all State and Federal government funding agencies;
- The net settlement value of all transactions to the sum of the net settlement values for all benefit programs (does not apply to WIC);
- The net settlement value of cardholder account adjustments to the sum of the net settlement value of adjustments settled to retailer and ATM acquirers;
- The net settlement value of all transactions to the sum of the net settlement values for all local offices; and
- Net redemptions of each program versus the daily suspense transactions that overlap daily ACH cut-off times plus the current daily activity.

As part of system balancing and reconciliation, the EBT Contractor shall determine the total amount of Federal funds by program and the total amount of State funds by program necessary to reimburse its

accounts for the total credits due to EBT acquirers. The information generated during system cutoff and balance processing shall be used by the EBT Contractor to prepare the daily settlement files. The EBT Contractor shall specify procedures for maintaining audit trails throughout the reconciliation and settlement processes.

The EBT Contractor shall support the reconciliation requirements detailed in Section 6.6 of the WUMEI. The main elements of reconciliation for WIC EBT are:

- Verification of aggregate benefit issued by the WIC MIS to benefits received by the EBT System;
- Verification of vendor redemption to total daily drawdown amount;
- Verifying ACH credit per each vendor combined equals total ACH payment; and
- Verification of expired benefits purged by the EBT System received by the WIC MIS.

Prior to making any change in reconciliation reports, processes or data displays, etc., the EBT Contractor shall provide 90 calendar day advance notice to the WSEA States.

10.12.2 Reconciliation Training

The EBT Contractor shall provide initial reconciliation training onsite to designated WSEA State staff during contract implementation. Thereafter, the EBT Contractor shall provide a full-day, on-site refresher training class to designated WSEA State staff annually or as requested by the WSEA 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.

10.12.3 Settlement

The EBT Contractor shall be responsible for initiating next business day settlement of funds to EBT acquirers including retailers, TPPs, and financial institutions, either directly or through financial networks, financial institutions or other payment intermediaries. The EBT Contractor shall own and reconcile a clearing account used for daily settlement.

10.12.3.1 Federal SNAP Benefit Settlement

The Contractor shall plan to make Account Management Agent (AMA) updates through a daily batch file transmitted to the Richmond FRB, which serves as the account management agent on behalf of FNS. The record layouts are shown in *Appendix I*. Richmond FRB has developed the AMA automated application on behalf of FNS to establish Letter of Credit controls for State EBT accounts and to monitor funding limits for each State EBT account. The AMA interfaces with the Treasury Department's ASAP, which establishes and monitors ASAP account funding limits for the State for SNAP EBT activity, and perform reconciliations required by FNS. Although corrections and emergency updates can be made by the Contractor through a manual process on an administrative terminal application, these manual entries must be approved by the State before AMA is updated.

The draw of Federal funds to settle SNAP benefit transactions is completed directly via U.S. Treasury's Automated Standard Application for Payment (ASAP) system by either the Contractor or the State. If funds are being requested from ASAP through the ACH for next business day payment, the request will be made on the same business day in which the client performed the transaction. If funds are received from ASAP through fed wire for same day payment, then the funds request and draw down will occur on the next business day following the transaction. Federal SNAP funds should be deposited into a zero balance clearing account maintained by the Contractor for the settlement of EBT transactions. The EBT Contractor shall be required to work with each WSEA State to develop appropriate procedures and time frames for the next business day settlement of Federal SNAP transactions.

10.12.3.2 Settlement for Cash Benefits

The EBT Contractor shall interface with designated State agencies to draw funds for the settlement of State administered day of draw cash benefit programs, including those payments made by direct deposit (refer to *Section 10.13: ACH Services*). Each of the WSEA States will designate their own procedures, time frames and fiscal agents for settlement purposes. At a minimum, the EBT Contractor must provide the WSEA States 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 for next business day payment or wire transfer for same day payment.

Settlement for pre-funded cash benefit programs shall be conducted by the EBT Contractor. The EBT Contractor shall be required to maintain a bank account to hold pre-funded cash program funds. Settlement to EBT acquirers including retailers, TPPs or financial institutions shall be initiated for next business day payment. The EBT Contractor shall be required to maintain audit trails and to report redemption and settlement of pre-funded cash benefits. Funds held by the EBT Contractor are subject to Regulation E.

10.12.3.3 Settlement for WIC

Each of the WSEA States will designate their own procedures, time frames and fiscal agents for settlement purposes. At a minimum, the EBT Contractor must provide the WSEA States 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 for next business day payment or wire transfer for same day payment. The EBT Contractor shall be required to work with each WSEA State to develop appropriate procedures and time frames for the next business day settlement of WIC transactions.

10.12.3.4 Rejected Retailer ACH Settlement

ACH settlement, rejected due to inaccurate account information or closed accounts, shall be researched by the EBT Contractor and, when possible, corrected and re-sent to the retailer, vendor or Third Party Processor account. The EBT Contractor must return to the State any funds that could not be settled to the retailer, vendor or Third Party Processor within 90 calendar days of the initial ACH. If the responsibility for EBT-only acquiring is subcontracted, the subcontractor must also return any rejected settlement funds to the State within 90 days.

At a minimum, the Contractor shall provide the following information for each unsettled payment returned to the State: transfer type, total amount, federal SNAP amount or WIC amount, attempted settlement date(s), retailer/vendor/TPP name, FNS retailer number if SNAP funds are involved or WIC vendor number of WIC funds are involved, and bank account number (including the ABA bank number). Additional data elements may be required when FNS issues written procedures to address unsettled funds.

10.13 ACH Services

Subject to individual State's needs for such services, the WSEA States require ACH payment functionality to support the direct deposit of cash benefits into client and provider 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 WSEA States will send the EBT Contractor ACH payment set-up or update information through Batch Files or through Administrative functionality. The EBT Contractor, or its Financial Agent, shall originate these payments into the ACH payment network. The State will send the EBT Contractor ACH payment information through the batch file process or host-to-host. The Contractor shall check for duplicate files

and records within the ACH process. The EBT Contractor shall initiate the settlement of direct deposit payments through the settlement procedures specified in Section 10.12.3. The Contractor shall maintain ACH activity records on client and provider accounts, including date, amount and banking information.

10.13.1 Use of Current File Formats

The WSEA States prefer to use their existing file formats for transmission of these ACH payment records to the EBT contractor. The EBT Contractor shall accommodate these formats.

10.13.2 Pre-note Process

The EBT Contractor's designated ODFI shall initiate a zero dollar pre-note entry through the ACH to the Receiving Depository Financial Institution (RDFI) for the purpose of validating account information provided by clients/providers. The ODFI should process the pre-note transactions in compliance with ACH rules. The EBT Contractor and/or the ODFI shall provide an automated capability for States to correct returned pre-note transactions.

10.13.3 NOC

Notifications of Change (NOCs) are zero dollar ACH transactions sent by an RDFI to the ODFI to correct information contained in a pre-note or live ACH transaction. The EBT Contractor and/or the ODFI shall develop an automated capability for States to correct NOC information.

10.13.4 Returns

Returns are live dollar payments that are not accepted by the RDFI. The ODFI will receive returns on behalf of the States. The EBT Contractor and/or the ODFI shall develop an automated capability for States to accept and/or correct returns and shall provide sufficient detail on returns to allow States to reconcile returns, to include client/provider identification number, name, bank account number and routing number, and process re-sends. The EBT Contractor shall also provide the capability, at the option of the State, to post ACH returns to a client or provider's pre-existing EBT card. At the State's discretion, the State may require electronic notification from the EBT Contractor to facilitate the State's automated generation of a letter of notification to the client.

10.13.5 ACH Administrative Services

At the option of a WSEA State, the EBT Contractor shall provide ACH administrative services. The EBT Contractor shall be required to record and maintain client or provider account information, update account information, remedy account errors or returns, and resolve payment issues with the client's or provider's financial institution. Clients or providers that report incorrect account information or change financial institutions without notice shall not have their funds transferred to the correct or new account until the EBT Contractor has recovered any funds transferred to the incorrect financial institution or account. An increase in the CPCM, if any, for this service shall be specified on *Pricing Schedule 5: EBT Optional Services*.

10.13.6 1099 Statements

The EBT Contractor shall provide the capability to track and process 1099 Statements for providers paid through the EBT services contract. 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 that require payment settlement organizations to report payments settled for credit, debit and EBT cards each calendar year. The EBT contractor must create and distribute IRS-1099 forms to EBT-only retailers and third party processors (TPP) that perform more than 200 transactions totaling \$20,000 or more during any calendar year. These requirements apply to both cash and SNAP transactions.

However, cash withdrawals via ATM and POS are exempt from the requirements. This requirement must be performed at no additional cost to the State.

10.14 Branded Debit Cards

The WSEA States may elect to distribute cash benefits cash programs via a branded debit card. In addition to the programs specified in *Section 10.1*, the States may elect to distribute benefits for other cash programs under their State contracts with the selected EBT Contractor. To support cash programs designated by the State, the EBT Contractor shall provide clients with a commercial branded debit card at no charge to the State. The branded debit cards shall be issued by a federally chartered financial institution and have a corresponding demand account. The EBT Contractor shall accept and settle benefit deposits into these accounts, either through a State's pre-existing EFT process or by direct transmission from the State to the EBT Contractor. The debit cards and transactions shall be subject to the operating rules of the service mark (e.g., Visa or MasterCard). Each cardholder account shall have full Regulation E protection and full Federal Deposit Insurance Corporation (FDIC) coverage up to \$250,000 per cardholder account.

Toll-free CSC services shall be provided to branded debit cardholders at no cost to the States. The States of Alaska requires administrative functionality to manage branded debit card services, and on-shore Customer Service to support their clients using the branded debit card.

The EBT Contractor shall be required to transition accounts and cards of WSEA clients that currently have branded debit cards provided by the current EBT Contractor. The debit accounts and the branded debit card shall be provided to clients at no cost to the WSEA States. The number of branded debit card holders as of February 2015 is provided in the following table.

Table 16: Branded Debit Card Statistics

Branded Debit Cardholders				
State Program	Total # of Cardholders (over 12 Month Period)	Average Monthly Number of Cardholders	Total Annual Benefits Issued (in dollars)	Average Monthly Payments dispersed
Alaska UIB	69,793	5,816	\$45,438,493.00	\$3,786,541.07
Alaska Child Support	53,531	4,461	\$10,216,078.49	\$851,339.87

In their response, Offerors shall specify whether they will provide additional services to branded debit cardholders such as a secure website with functionality such as account balance or change their PIN, bill pay, deposit and account balance notification via e-mail or text message to a cardholder's cell phone. Offerors shall indicate whether these services are standard or optional. Offerors shall specify whether RFID card technology will be available to cardholders. Offerors should explain their approach for conversion from one prepaid card to another. Offerors shall specify their approach for providing clients with branded debit cards and shall disclose all fees that will be charged to clients for the use of the card, account and any standard or optional services (refer to Section 11.2.8: Schedule 8: Optional Branded Debit Card Fees).

Co-branded cards are cards with both a QUEST® and a commercial (e.g., Visa or MasterCard) brand. The co-branded card could be used to access both SNAP (via QUEST® rules) and cash (via the Visa/MasterCard rules) benefits. The WSEA States reserve the right to issue co-branded cards through this contract if policy and operational issues are resolved and co-branded cards are approved by FNS.

As previously stated, the expectation is that branded debit card services shall be provided at no cost to the States. Therefore, Offerors' expectations regarding any WSEA State fees shall be disclosed in their pricing response including, but not limited to, fees associated with conversion and transition, implementation, operation, banking, ACH processing or account maintenance.

10.15 EBT Reporting

The EBT Contractor shall accommodate the informational needs of the States and USDA-FNS in its reporting package. Reports shall be provided electronically via Administrative functionality, standard reports, electronic data files, and through a data warehouse based on individual WSEA State needs. The reporting system shall produce information at the WSEA State, benefit program and local office, local agency, county and/or geo-admin levels. Settlement and reconciliation reports shall be consolidated at the WSEA State level by program. If a WSEA State contracts for SNAP and WIC EBT services, then the settlement and reconciliation report shall be separate for the two programs.

To support the information and reporting requirements of the WSEA States, Offerors shall be required to propose a comprehensive reporting package. The WSEA States are interested in a cost effective combination of electronic data files, standard reports, data warehouse and ad hoc reporting capabilities to meet their needs. In their response, Offerors shall indicate which of the following reports are available through data warehouse functionality and, if so, whether the report is available through a standard or custom query. Standard queries built for any WSEA State shall be made available to all WSEA States as a standard query.

At a minimum, the EBT Contractor shall provide the following Reporting and Data Access Capability. Many of these reports lend themselves to extraction from the data warehouse; the Offeror's response shall specify instances where specific required reports could be generated from the data warehouse (refer to *Section 10.15.3*) using standard (prebuilt) query capability including those with flexible date and other user-set parameters.

10.15.1 Daily and Monthly Activity Data Files

The EBT Contractor shall provide a comprehensive set of daily and monthly activity files to the WSEA States reflecting all transactions or account actions that impact EBT account balances or account status. Daily and monthly activity files currently being received or required by WSEA States have been identified and are described below. The WSEA States shall have approval rights over all data files being provided by the EBT Contractor.

10.15.2 Standard Reports

The EBT Contractor shall be responsible for producing periodic (daily, weekly, and monthly, as appropriate) standard reports for transmission to the WSEA States and USDA-FNS. Although it is not expected that the formatting of these reports be duplicated, the new EBT Contractor shall duplicate the data being presented. The WSEA States shall have approval rights over all standard reports being provided by the EBT Contractor. At this time WIC reports are not transmitted to USDA-FNS. Standard reports provided to the WSEA States and USDA-FNS electronically shall use standard ANSI carriage controls for controlling the formatting of reports being printed. Standard reporting requirements are further described below. If required by the WSEA State, standard reports shall be transmitted automatically on a nightly basis to the respective WSEA State.

10.15.3 Data Warehouse Functionality

The EBT Contractor shall be required to provide each WSEA State with an EBT data warehouse. The EBT data warehouse will contain all transactional data relating to a WSEA State's SNAP and cash EBT accounts. A data warehouse will be optional for a WSEA State's WIC Program. For the purposes of this

RFP and contracts deriving from it, the EBT data warehouse is defined as an electronic repository of a WSEA State's detailed EBT transaction, card issuance and account data, separate from the on-line, or operational, data base. The data warehouse should be designed in such a way that it facilitates a WSEA State's ability to derive reports and perform analysis of data derived from their EBT operations. The succeeding EBT Contractor shall accept and convert all available data up to a five (5) year transaction history 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 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 data up to a five (5) year transaction history. The EBT Contractor shall be required to provide data warehouse capability that will allow appropriate WSEA State staff to access the data warehouse through administrative terminals, screens and/or systems or through an Internet browser application. This data should include at a minimum, but not necessarily be limited to, the data elements shown in the following table. The information in this table is meant to demonstrate to Offerors the minimum type and extent of data WSEA States expect 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.

Table 17: Data Warehouse Data Elements

Element	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 or manually entered.
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.

Element	Description
Cardholder SSN	Cardholder social security number
Cashback Amount	Cashback amount for the transaction
Completed Issuer Fee Amount	Fee amount actually completed for the transaction
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, required on SNAP transactions.
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
Host Log Date	Host log date that EBT Contractor logged the processing of the transaction.
Host Log Time	Host time 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 8583 message.
Original Authorization Number	Authorization approval number received from the host, 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 applicable for ATM and POS transactions
Rejected Transaction Indicator	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 Transaction Surcharge Amount	Surcharge amount requested for the transaction
Requested Issuer Fee Amount	Fee 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 SNAP 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.

Element	Description
Settlement Date	Settlement date for the transaction
State Code	Two character State code identifier.
State Unique ID	State unique identifier (also referred to as Cardholder Case number or Claim number)
Terminal ID	ID of the ATM or POS terminal submitting the transaction
Terminal Local Date	Local date for this transaction as determined by the terminal driver
Terminal Local Time	Local time for this transaction as determined by the terminal driver.
Terminal Merchant Name	Store name received in the ISO 8583 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.

WSEA States 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 State, benefit program, and local office, county and/or geo-admin levels. In addition, States should be able to access data sorted by State selected parameters including but not limited to transaction type, transaction time period, out-of-State transactions, card status, key entered transactions, etc. The Contractor shall provide States 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:

- Transactions by client account number with user definable date range;
- Transactions by FNS number with user definable date range;
- Transactions by EBT card number with user definable date range;
- Transactions by State Identifier for participant with user definable date range;
- Transactions by Zip Code with user definable date range;
- Out-of State transactions with user definable date range and State; and
- Account administrative actions with user definable date range and service site or office location.

A WSEA State’s users will normally fall into one of two categories: “standard users”, who are WSEA State staff empowered to use already constructed queries/reports, and “power users”, who are a limited number of WSEA State staff empowered to create custom queries or reports using the tools provided by the EBT Contractor. The EBT Contractor shall work with the WSEA States to facilitate the development of standard queries or reports. The EBT Contractor shall provide the ability for WSEA States 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 WSEA State’s “standard” users. The EBT Contractor is expected to use, and make available to the WSEA 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 WSEA State shall be provided at no cost to all WSEA States. 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, the WSEA States recognize that a data warehouse, by definition, may not be “real time”; however, the EBT 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.

The EBT Contractor shall also be responsible for paying the license fees, if any, for the WSEA 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 (does not apply to WIC).

Finally, WSEA 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 WSEA States. The response shall indicate the Offeror’s approach for implementing a data warehouse staff training program based on the type of user and job function specifying training content and duration.

10.15.4 Ad-hoc Reporting Capability

To make use of the Data Warehouse functionality, the EBT Contractor shall be required to provide the WSEA States with a robust ad-hoc reporting capability. The EBT 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 Crystal Reports. The Offeror’s response shall fully describe their approach for providing ad hoc functionality to WSEA States.

The proposed ad hoc reporting capability must provide access to transaction history data contained within the data warehouse (refer to *Section 10.15.3*). The EBT Contractor shall provide parameter driven-access to permit, at a minimum, data inquiry, sorting and extraction capability as follows:

- By account, summary credit, debit, and current balance information;
- By account, detail information on all cash or SNAP transactions for a specified period of time, listing such as date, time, location, and amount;
- By account, detail information on all transactions for a specific retailer, POS terminal, or ATM;
- 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;
- 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;
- By retailer, detail information on all transactions for a particular account; and
- By transaction sequence number.

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 WSEA States and the Federal Program agencies are subject to change. A comprehensive EBT Data

Warehouse and Ad-hoc Reporting Tool shall 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.

INSTRUCTIONS FOR SECTIONS 15.5-15.15

In response to sections 15.5 through 15.15, Offerors need only include the following table. In the "Acceptance" column, Offers shall state either "Will Provide" or "Will Not Provide". In the "Method" column, Offers shall state how the report will be provided (e.g., standard report, standard query, an ad hoc report, etc.) In the "Program-specific Exemptions", Offerors shall state if the report does not apply to SNAP, cash, and/or WIC.

If the Offeror does not provide a report or makes an exemption, the Offeror shall justify its response in a narrative following the table.

Table 18: Reporting Requirements

Report Number	Report Name	Acceptance	Method	Program-specific Exemptions
10.15.5.1	Daily and Monthly Activity Files			
10.15.5.2	Daily and Monthly Activity – Benefit Redemption Reports			
10.15.5.3	Daily and Monthly Activity – Benefit Authorization Reports			
10.15.5.4	Daily and Monthly Activity - Terminal Report			
10.15.5.5	Monthly Transaction Profile Report			
10.15.5.6	Daily and Monthly Activity - Terminal Activity Summary Reports			
10.15.5.7	Daily and Monthly Activity - Summary Reports			
10.15.5.8	Settlement Reports			
10.15.5.9	End of Day Database Balance Reports			
10.15.5.10	Terminal Activity Summary Report (State)			
10.15.5.11	Agency Reconciliation Report			
10.15.5.12	AMA Batch Issuance Report			
10.15.5.13	Adjustment Audit Transaction Detail Report			
10.15.5.14	ACH Activity - Merchant Report			
10.15.5.15	ACH Activity - Merchant Overdrafts Report			
10.15.5.16	ACH Activity – Clients and Providers			
10.15.5.17	ACH Activity – Rejected Retailer ACH Settlement Report			
10.15.5.18	ACH Activity Summary Report			
10.15.5.19	Repayment Report			
10.15.5.20	Expungement or Expiration Report			

Report Number	Report Name	Acceptance	Method	Program-specific Exemptions
10.15.5.21	Billing Reports			
10.15.6.1	Project Design/Conversion Development Report			
10.15.6.2	Project Implementation/Conversion Report			
10.15.6.3	Recipient Account Reports			
10.15.7.1	Administrative Activity Report			
10.15.7.2	Authorized Representative/Alternate Cardholder Report			
10.15.7.3	Protective Payee Reports			
10.15.7.4	Invalid Card Attempts			
10.15.7.5	Pending Reports			
10.15.7.6	Pending Purge Report			
10.15.7.7	Congregate Living Facility Reports			
10.15.7.8	Card/PIN Mailer Date Report			
10.15.7.9	Administrative Benefit Authorization Report			
10.15.7.10	Voucher Activity Report			
10.15.7.11	Voucher Tracking Report			
10.15.7.12	Monthly Out-of-State Activity Report			
10.15.7.13	Benefit Aging Reports			
10.15.7.14	Card Issuance/Re-Issuance Reports			
10.15.7.15	Card Status Report			
10.15.7.16	Lost, Stolen or Damaged Card Report			
10.15.7.17	Card Order Files			
10.15.7.18	Transaction Denial Summary Reports			
10.15.7.19	Invalid PIN Attempts			
10.15.7.20	Fraud Detection Reports			
10.15.7.21	Manual Card Entry Report – County or Local Office			
10.15.7.22	Retailer Contract Status Report			
10.15.7.23	Manual PAN Entry Report - Terminal			
10.15.7.24	Reports Required by FNS			
10.15.7.24	Alaska Retailer Long Distance Purchase Agreement			
10.15.8.1	Batch Processing Reports			
10.15.8.2	Batch Exception Reports			
10.15.9.1	System Response Time Reports			
10.15.9.2	Scheduled System Maintenance			
10.15.9.3	Host System Availability Report			
10.15.9.4	EBT System Availability Report			
10.15.10	Non- System Performance Reports			

Report Number	Report Name	Acceptance	Method	Program-specific Exemptions
10.15.11.1	EBT-only Retailer Terminal Monthly Utilization Reports			
10.15.11.2	Transaction Statistics Report			
10.15.11.3	Management Statistics Report			
10.15.11.4	Monthly ATM Transaction Fee Report			
10.15.11.5	Case Activity Summary			
10.15.11.6	SNAP Extract Report - FNS			
10.15.12.1	Access Definition Report			
10.15.12.2	Failed Logon Report			
10.15.12.3	User Session Activity Report			
10.15.12.4	Card Issuance Report			
10.15.12.5	Security Access Issuance Report			
10.15.13.1	Monthly Cardholder Call Center Statistics Reports			
10.15.13.2	Monthly Retailer Call Center Statistics Reports			
10.15.13.3	Monthly EBT Web Site Statistics Reports			
10.15.13.4	Monthly Top 50 Callers Report			
10.15.13.5	Monthly Account High Balance Report			
10.15.14	Notice of Change Orders			

The WSEA States do not want, nor will they evaluate, a narrative description of each of the reports described in the following Sections 10.15.5 through 10.15.14.

10.15.5 Financial Reports

The EBT Contractor shall provide daily and monthly financial reports, which are those reports needed by the WSEA State in order to account, reconcile and balance, and audit the EBT system processing and operations for the SNAP and cash benefit programs.

10.15.5.1 Daily and Monthly Activity Files

The EBT Contractor shall provide a comprehensive set of daily account activity data files reflecting all transactions or account actions initiated by the State via batch and/or on-line during an EBT processing day, initiated on behalf of the WSEA State by the EBT Contractor (i.e., account expungements) or initiated by cardholders. The activity files shall provide detail on every transaction that impacts an EBT account balance or account status. The activity files shall show the amount of the transaction (i.e., account action), type of transaction (including but not limited to authorizations, benefit redemptions, repayments, expungements, adjustments, transfers, voids, reversals, ATM fees, SNAP restore benefit, SNAP refunds, unapplied transactions, and any other transaction types), date and time of transaction, and who originated the transaction (batch or online). A separate, consolidated daily activity file shall be submitted for the participating WSEA WIC Programs. The WSEA WIC Programs will not require a monthly activity file.

10.15.5.2 Daily and Monthly Activity – Benefit Redemption Reports

The EBT Contractor shall provide a Daily and a Monthly Benefit Redemption Report. The reports shall identify all benefit redemption activity for each processing day and for the month. The reports shall

provide information by benefit type, program, and State totals. The report shall indicate total number of redemptions, number of debits, number of credits, number of non-settling transactions, value of debits, value of credits, value of non-settling transactions and net benefit redemption amount. For WIC it shall also include the UPCs, purchase price requested and purchase price paid for each item after adjustment of the not-to-exceed (NTE) amount.

10.15.5.3 Daily and Monthly Activity – Benefit Authorization Reports

The EBT Contractor shall provide a Daily and a Monthly Activity Benefit Authorization Report. The reports shall identify all authorization activity for each processing day and for the month. This includes all activity to authorize, cancel, repayments, and aging, whether the transaction was initiated at an Administrative Terminal, through the Batch Files, or the aging process. For WIC, it shall include the benefits that have expired. The reports shall reflect all transactions that affect the value of the database or the food items available in the WIC database.

10.15.5.4 Daily and Monthly Activity - Terminal Report

The EBT Contractor shall provide a Daily and Monthly Activity Terminal Report. The reports shall identify all benefit authorizations, withdrawals and refunds by case for each business day and for the month. This includes all activity at ATM and POS terminals, and balance inquiries through an IVR. The reports shall be segmented by county, local office or local agency and then by case number.

10.15.5.5 Monthly Transaction Profile Report

The EBT Contractor shall provide a monthly summary of ATM and POS transactions by transaction type including, as applicable, SNAP purchase, cash purchase, WIC purchase, cash withdrawal, cash back, ATM fees or surcharges, reversals, balance inquiry, adjustments, etc.

The EBT Contractor shall also provide a monthly breakdown of POS transactions by EBT-Only POS device and by program (SNAP, cash, WIC, etc.) to support cost allocation reporting to FNS and other entities.

10.15.5.6 Daily and Monthly Activity - Terminal Activity Summary Reports

The EBT Contractor shall provide daily and monthly terminal activity reports that show all transactions resulting in funds being moved (i.e., settled) to a retailer, vendor, third party processor, or ATM network. The reports shall list at a minimum the transaction type, amount, transaction date and type, settlement date, merchant and terminal identifier, and benefits impacted. The reports shall provide settlement totals for each entity for which funds are to be moved, as well as suspense totals, if any, for transactions that will not be settled until the next processing day. Suspense totals for transactions not settled in the current business day shall be reported by individual benefit types, and rolled up into the program types.

10.15.5.7 Daily and Monthly Activity - Summary Reports

The EBT Contractor shall provide a Daily and Monthly Activity, Summary Report. The reports shall summarize all the activity reported on the Daily and Monthly Activity Authorization and Daily and Monthly Activity-Terminal reports. The totals are used in the settlement process.

10.15.5.8 Settlement Reports

The Contractor shall provide a daily Settlement and Clearing Report. This report shall provide at a summary level the total funds that settled for the processing day by program type, and requiring funding. This report shall balance to the totals from the terminal activity reports.

In addition, the EBT Contractor shall also be required to develop procedures and reports that will enable the WSEA States to streamline their State reconciliation and settlement verification processes. A comprehensive daily electronic report that reconciles all benefit transactions back to the original

authorization and allows the States to ascertain their daily change in their outstanding obligations is preferred. This report, which is segmented by benefit type, shall include: benefit authorizations, benefits pending, net benefit redemptions, benefits in suspense, repayments, expungements, expirations, adjustments, transfers, voids, reversals, ATM fees, SNAP restored benefits, unapplied transactions, any other transactions that affect settlement, and the resulting settlement amounts.

The Offeror's response must indicate how the EBT Contractor will support the streamlining and simplification of WSEA State reconciliation and settlement verification processes.

10.15.5.9 End of Day Database Balance Reports

The EBT Contractor shall provide daily and monthly End of Day Database Reports. The reports shall provide the value of the outstanding liability for unused benefits residing on the EBT system at the end of the processing day. The daily and monthly totals shall be maintained by benefit type, and roll-up to program type. State totals shall be reported by program type. The ending balance for the previous day shall become the beginning balance for the current processing day. The ending balance for the current processing day shall be reconciled by taking into account the beginning balance for the processing day (which is the ending balance from the previous day) and adding or subtracting as appropriate the account activity as detailed from both the Terminal Activity and Account Activity Reports and as summarized on the End of Day Database Balance Reports. Account activity shall include, but is not limited to, opening balances, purchases, voids, cancellations, expungements, expirations, credits, transfers, holds, repayments, and closing balances.

10.15.5.10 Terminal Activity Summary Report (State)

The EBT Contractor shall provide a daily Terminal Activity Summary Report. This report provides a summary of all transaction activity for the EBT Gateway and all EBT-only merchants as a grand total for each WSEA State. This report shall provide the WSEA States with the total settlement amount for all merchant and EBT Gateway activity on a business day. The total settlement by program minus previous suspense plus current suspense results in the Daily Activity. This report shall present the Database activity for applicable areas such as adjustments, fees, refunds, voids, voucher clears, withdrawals and reversals, which shall total and agree to the Daily Activity. This report shall include totals broken out by program type and also statewide totals.

10.15.5.11 Agency Reconciliation Report

The EBT Contractor shall provide an Agency Reconciliation Report. This report shall provide a proof of reconciliation by program. This report shall reflect program totals beginning with the current settlement, reduced by the previous suspense, increased by the current suspense to arrive at the daily activity.

10.15.5.12 AMA Batch Issuance Report

For SNAP, the EBT Contractor shall provide a daily AMA Batch Issuance Report. This report shall reflect the daily SNAP transactions by type (i.e. issuance, cancellation, repayment, non-settlement, and expungements); effective date; and summary totals which have been posted to the daily data base and have been transmitted by the EBT Contractor to the ASAP/AMA system at the Federal Reserve Bank.

10.15.5.13 Adjustment Audit Transaction Detail Report

The EBT Contractor shall provide a daily Adjustment Transaction Detail Report. This report shall reflect all adjustment transactions to a cardholder's SNAP, cash, or WIC benefits within each reporting day. An adjustment can be due to ATM mis-dispenses, system adjustments, or fee reversals. This report is broken down by merchant/TPP/network within the WSEA State.

10.15.5.14 ACH Activity - Merchant Report

The EBT Contractor shall provide a daily ACH Activity by Merchant Report. This report shall identify all EBT-only merchant deposits for each merchant business day. This report can be used by the WSEA States to review or research deposit amounts made to each merchant. This report shall reflect the merchant deposits showing financial institution and bank account number.

10.15.5.15 ACH Activity - Merchant Overdrafts Report

The EBT Contractor shall provide a daily ACH Activity, Merchant Overdrafts Report. This report shall list the EBT-only merchants that have an overdraft condition for that business day. (An overdraft occurs when a merchant's return transactions exceed the amount of their sales.) The debit is included in the ACH file and is posted to the merchant's bank account.

10.15.5.16 ACH Activity – Clients and Providers

The EBT Contractor shall provide a daily ACH Activity Report for Clients and Providers. This report shall identify all direct deposit activity, including payments, returns, pre-notes and NOCs. The report shall identify the name of the client or provider, their State ID or case number, their financial institution, their bank account number, the value of the deposit or return and any NOC data.

10.15.5.17 ACH Activity – Rejected Retailer ACH Settlement Report

The EBT Contractor shall provide a daily ACH Activity, Rejected Retailer Settlement Support. At a minimum, the Contractor shall provide the following information for each unsettled payment returned to the State: transfer type, total amount, federal SNAP amount, attempted settlement date(s), retailer/vendor/TPP name, FNS retailer number if SNAP funds involved or the WSEA State WIC vendor number, and bank account number (including the ABA bank number). Additional data elements may be required when FNS issues written procedures to address unsettled funds.

10.15.5.18 ACH Activity Summary Report

The EBT Contractor shall provide a daily ACH Activity Summary Report. This report shall summarize all EBT-only merchant, client and provider ACH activity. This report shall reflect the merchant, client and provider entries by amount and count.

10.15.5.19 Repayment Report

The EBT Contractor shall provide a daily Repayment Report. This daily report shall provide a listing of the benefits that have been retrieved by the WSEA State. This report shall list the case number or State ID number, transaction date, source, user ID, county, local office or geo administrative code, benefit type, authorization number, requested amount, and repayment amount. These are non-settling transactions.

10.15.5.20 Expungement or Expiration Report

The EBT Contractor shall provide a daily Expungement or Expiration Report. This daily report shall provide the geo/admin, card number, client name, client SSN, expungement amount, and program code for each expungement. The information is used to produce a detail of expungements at the local and State levels. For WIC expirations the report shall provide the local agency with the data as defined in Section 6.6.2 of the WUMEI. For branded debit cards, a report that identifies those that have not activated their card in the number of days determined and agreed upon by the State. TANF benefits placed on branded debit cards shall then be returned to the State as the owner of the account.

10.15.5.21 Billing Reports

The EBT Contractor shall provide the WSEA State in an electronic format detail reports substantiating the monthly billing for EBT services. The billing reports shall include detail information to allow the WSEA State to validate the bill for EBT services, as well as pass through expenses being charged to the WSEA State, if any.

10.15.6 Conversion Reporting

The EBT Contractor shall provide the following Conversion Reports and shall coordinate with the existing Contractor to assure all history records are converted accurately and completely. In addition, once the new EBT Contractor begins EBT operations, the new EBT Contractor shall continue to coordinate the daily settlement and clearing activities and reports with the former EBT Contractor to assure the State that all daily EBT transactions and activity are properly accounted for with the State, Federal Reserve and FNS. This coordination with the former EBT Contractor shall continue until all suspense, hold, adjustment and any other EBT transactions by the former EBT Contractor have been processed, reported, accounted for and transferred to the new EBT Contractor. The following Conversion Reports shall be submitted as part of the weekly status reports, as described in *Section 7.1*.

10.15.6.1 Project Design/Conversion Development Report

The EBT Contractor shall provide a Project Design/Conversion Development Report. This weekly report is a summary by task of major completed activities during the reporting period. The report shall include problem identification, required corrective action and time frame for resolution. The report shall also include tasks required by Federal and State agencies, as well as reports of delayed tasks, reason and revised completion date(s), and the scheduled activities for the next reporting period.

10.15.6.2 Project Implementation/Conversion Report

The EBT Contractor shall provide a Project Implementation/Conversion Report. This weekly report is also a summary by task of major completed and scheduled activities during the reporting period for the conversion activities such as the status of:

- POS device deployment and installation;
- ATM availability and location;
- Training and distribution of training materials (State, county/local agency, recipients and retailers/vendors); and
- Retailer/vendor and TPP agreements.

The report shall include problem identification, required corrective action and timeframe for resolution. The report shall also include tasks required by Federal and WSEA State agencies, as well as reports of delayed tasks, reason and revised completion date(s), and the scheduled activities for the next reporting period.

10.15.6.3 Recipient Account Reports

The EBT Contractor shall provide all necessary reports to support and track the complete conversion of recipient accounts maintained by the WSEA State's existing Contractor. These reports shall include all elements necessary for an audit of the records that would provide adequate assurance to the WSEA State that a successful, accurate and complete conversion of recipient accounts was achieved.

In addition, the EBT Contractor shall provide a reconciliation of the final database value of the current Contractor prior to conversion and an opening database value from the EBT Contractor after conversion of the recipient accounts.

The EBT Contractor shall be liable for any errors or omissions resulting from a delayed, incomplete or inaccurate conversion of files. The EBT Contractor shall assure the WSEA State that all data elements in each recipient file have been properly converted, including availability dates of future dated benefits. The EBT Contractor shall be liable for any benefits, which are made available before their scheduled availability dates.

10.15.7 Program Reports

The EBT Contractor shall provide program reports, which are those reports used by the WSEA State to control and account for activity taking place on the EBT system, such as card issuance, and provides for reports to be delivered by WSEA State, county, and local offices/local agencies, geo admin, and worker, but are not specifically used in the financial settlement and reconciliation process.

10.15.7.1 Administrative Activity Report

The EBT Contractor shall provide a daily Administrative Action Report that lists all administrative actions attempted and completed either by the system or users logged onto the EBT system. The report shall identify the transaction type and the EBT account affected. Administrative actions include but are not limited to account set-up, benefit authorization, update to client demographic, case, or account data (e.g., recipient name or address), account closure, card or PIN issuance, benefit transfers, benefit expungements, authorized representative/alternate cardholder add or update, and change of client ID on pending cards/accounts.

10.15.7.2 Authorized Representative/Alternate Cardholder Report

The EBT Contractor shall provide a daily report that lists all benefit transactions initiated by an authorized representative or alternate cardholder. The report shall identify the authorized representative/alternate cardholder name and card number, the client name, address, WSEA State ID number, the amount of the transaction and the transaction type.

10.15.7.3 Protective Payee Reports

The EBT Contractor shall provide a daily report that lists all benefit transactions initiated by a protective payee cardholder. The report shall identify the protective payee name and card number, the client name, address, WSEA State ID number, the amount of the transaction and the transaction type.

The EBT Contractor shall also provide a daily report that lists all protective payees and identifies the case numbers for which they are the protective payee.

10.15.7.4 Invalid Card Attempts

The EBT Contractor shall provide a monthly report that lists all transaction attempts using an invalid card. The report shall include cardholder name, WSEA State ID or case number, retailer/vendor ID, retailer/vendor name and location, terminal ID, date and time.

10.15.7.5 Pending Reports

WSEA States may issue a card, set up client demographics or set up benefits data prior to completion of the client certification process. In some cases, the client will not become certified. The EBT Contractor shall be required to provide daily reports detailing pending benefits and quarterly reports on pending cards and demographics. The pending card report shall include card number or PAN, date card issued, and client ID. The demographics pending report shall include client name, client ID, and client address. The benefits pending report shall include card number or PAN, benefit amount, benefit type and benefit availability date.

10.15.7.6 Pending Purge Report

The EBT system shall automatically purge pending cards, accounts and demographic data based on parameters specified by the State. The EBT Contractor shall provide a monthly report of purge activity.

10.15.7.7 Congregate Living Facility Reports

The EBT Contractor shall provide daily reports that list all benefit transactions initiated by the facility or a cardholder residing in a congregate living arrangement. The daily report shall identify the facility name and card number, the client name, address, WSEA State ID number, the amount of the transaction and

the transaction type. The report shall also identify all administrative transactions initiated by the State to transfer funds to or from a congregate living facility account. In addition to the daily reports, the following monthly reports shall be provided:

- Monthly Congregate Living Report – The EBT Contractor shall provide a monthly report of all congregate living activity by business type.
- Monthly Congregate Living Report (State Summary) – The EBT Contractor shall provide a State Summary report of all business type/number of active businesses (total food dollar transactions)/total debit amounts/total credit amounts/denied debits/denied credits.

10.15.7.8 Card/PIN Mailer Date Report

The EBT Contractor shall provide to the WSEA State a daily report showing when new and replacement cards and PIN mailers prepared by the card manufacturer were delivered to the U. S. Postal Service.

10.15.7.9 Administrative Benefit Authorization Report

The EBT Contractor shall provide a daily report of all benefit authorizations that are added to the EBT system through the Administrative functionality. This audit report shall include at a minimum the benefit amount, benefit type, and the User ID of the staff member using the Administrative functionality to issue the benefit. This report does not apply to WIC EBT as all benefit authorizations will be generated from the WIC Program's MIS.

10.15.7.10 Voucher Activity Report

The EBT Contractor shall provide a daily report of all vouchers processed for the merchant during the business day. The report shall contain at a minimum the merchant name and FNS number, the transaction amount and type, the date and time, the recipient performing the transactions, and whether the merchant is a traditional or non-traditional merchant. This report does not apply to WIC EBT as there will be no manual vouchers.

10.15.7.11 Voucher Tracking Report

The EBT Contractor shall provide a weekly report that includes the total voucher activity and total amounts of voucher activity. The report shall list the totals of vouchers closed during the period and the total of open vouchers. This report does not apply to WIC EBT as there will be no manual vouchers.

10.15.7.12 Monthly Out-of-State Activity Report

The EBT Contractor shall provide a monthly report of all cardholder transactions occurring outside of the home State. This report does not apply to WIC EBT as WIC benefits can only be used within the State or in a border store authorized by the State.

10.15.7.13 Benefit Aging Reports

The EBT Contractor shall provide a daily report of recipients who have not accessed their benefits during the State specified intervals. The Contractor shall clearly identify the aging category the EBT account falls under and the amount of benefits being aged. This report does not apply to WIC EBT as WIC benefits do not age.

10.15.7.14 Card Issuance/Re-Issuance Reports

The EBT Contractor shall provide audit and statistical reports of cards being issued and/or reissued to recipients. Audit reports shall provide detail data by card issued, such as reason for issuance (i.e., initial issuance or replacement for lost/stolen card). Statistical reports shall provide data needed to manage the EBT program, such as the card reissue rate, the reasons for re-issuance, etc. The EBT Contractor shall suggest the statistical reports that will best help the EBT State manage the card issuance process. This

report is optional for WIC EBT as in some States card issuance and re-issuance may occur only through the MIS.

10.15.7.15 *Card Status Report*

The EBT Contractor shall provide daily reports detailing all cards statused as well as a summary of cards statused for each status reason.

10.15.7.16 *Lost, Stolen or Damaged Card Report*

The EBT Contractor shall provide a daily report detailing all cards reported as lost, stolen or damaged. The report shall include card number or PAN, cardholder name, date card reported, reason (lost, stolen or damaged), and total number of cards that have been issued to the cardholder.

10.15.7.17 *Card Order Files*

The EBT Contractor shall provide a card order file to requesting States for card printing. The file is used by States that print their own cards.

10.15.7.18 *Transaction Denial Summary Reports*

The EBT Contractor shall provide a monthly statistical report that provides the number and percentage of recipient transactions denied and the reason for the denials (i.e., non-sufficient funds, invalid PIN, etc.).

10.15.7.19 *Invalid PIN Attempts*

The EBT Contractor shall provide a monthly report of cardholders that have conducted four (4) invalid PIN transactions with a 24-hour processing day during the month. The report shall provide cardholder name, card number, retailer/vendor name, retailer location, retailer ID, terminal ID, date and time.

10.15.7.20 *Fraud Detection Reports*

The EBT Contractor shall recommend a set of fraud reports that shall help the WSEA States manage and detect fraud. Examples of such reports the WSEA States are anticipating are even dollar SNAP transactions, excessively large dollar transactions, multiple withdrawals/same day, large amount or re-occurring refund and credit transactions, transactions that are continuously at or above the NTE, and manual transactions. To prevent internal fraud, the EBT Contractor shall also develop a process and provide a report to systematically identify cards that are being issued by a worker and being sent to their address. The EBT Contractor shall also recommend other fraud reports that they anticipate the WSEA States would find valuable.

10.15.7.21 *Manual Card Entry Report – County or Local Office*

The EBT Contractor shall provide a monthly report by county or local office/local agency of the cardholder, listing the cards that were manually entered and not swiped. The report shall list the card number, case number, and transaction amount, and indicate whether the card is for the recipient or for an alternate payee. The report shall include only those cards for which 100% of the transactions are manually entered.

10.15.7.22 *Retailer Contract Status Report*

During the operations phase, the EBT Contractor shall provide a quarterly report that provides information on the status of contracts with retailers. The EBT Contractor shall be required to work with the WSEA States to define this report which includes, but is not limited to, information on new retailers, new contracts sent, contracts active and contracts expired or closed.

10.15.7.23 *Manual PAN Entry Report - Terminal*

The EBT Contractor shall provide a monthly report by terminal, listing the card PANs that were manually entered rather than swiped. The report shall list the card number, case number, merchant ID, terminal ID,

clerk ID, transaction date and time, transaction type, rejection code, and the transaction amount. The report shall include only those terminals for which 100% of the transactions are manually entered.

10.15.7.24 Reports Required by FNS

If requested by the WSEA State, the EBT Contractor shall provide additional reports to meet FNS requirements. These requirements may include, but are not limited to, reporting changes in retailers' financial institutions, a report on POS inventory, which would include terminal identification, and a report of "commercial" retailers by TPPs. At this time, these reports are not required for WIC EBT.

10.15.7.25 Alaska Retailer Long Distance Purchase Agreement

The EBT Contractor shall describe their approach for converting the current Alaska's Long Distance Purchasing Retailers and client's agreements. The EBT Contractor shall provide a monthly report on all LDPA activities. New Retailer LDPA participation is required to be approved by the State prior to performing any LDPA transactions.

10.15.8 Batch File Reports

The EBT Contractor shall propose a standard set of batch processing reports to be used by the EBT Contractor and the WSEA States to ensure the complete and accurate transfer of data during nightly batch processing.

10.15.8.1 Batch Processing Reports

The Batch Processing reports shall include a summary report by file transmission that provides a confirmation for the processing of the batch file(s). The summary report shall contain summary verification data, including the total number of records received in the batch and the number of records by record type (e.g., number of adds, change, and delete records). The report shall contain a summary of the processing of the transmission (i.e., number of records accepted and number of records rejected). The EBT Contractor shall submit batch confirmation reports to the WSEA States within one (1) hour of processing the file.

10.15.8.2 Batch Exception Reports

The EBT Contractor shall provide a batch exception report for all batch files received by the WSEA States. Batch exception reports shall contain a listing of all records received within a batch, which were not processed by the EBT Contractor, and verification of the comparison of reports to prevent duplicate files and records. Each record included on the exception report shall have a corresponding reason code indicating the cause of the rejection. In particular, duplicate case exceptions shall be clearly identified. The EBT Contractor shall submit batch exception reports and/or records to the WSEA States within 30 minutes of processing the file.

10.15.9 System Performance Reports

The EBT Processor shall provide a standard set of system performance reports.

10.15.9.1 System Response Time Reports

The EBT Contractor shall provide monthly reports summarizing EBT Host response times within pre-established tiers for both recipient transactions (POS and ATM transactions) and for Administrative Terminal transactions. The reports shall include: 1.) average daily response indicating the number of transactions for the day, the average transaction response time for the day and the number of transactions completed within 1, 2, 3 and greater than 3 seconds for the day; 2.) by hour of the day, the number of transactions completed in 1, 2, 3 and over 3 seconds. The reports shall be used to monitor the Contractor's compliance with host response times.

The EBT Contractor shall also provide monthly reports providing response times for administrative

screens, response times for communicating with the WIC MIS, card issuance and PIN selection devices.

10.15.9.2 Scheduled System Maintenance

The EBT Contractor shall issue a monthly report providing the system maintenance schedule for a rolling six (6) month period.

10.15.9.3 Host System Availability Report

The EBT Contractor shall provide a monthly report summarizing EBT Host system availability. The report shall detail all instances of host system down time, including the reason, duration of down time and whether the down time was scheduled or unscheduled. The report shall be used to monitor the EBT Contractor's compliance with host system availability requirements.

10.15.9.4 EBT System Availability Report

The EBT Contractor shall provide a monthly report summarizing availability of the entire EBT system, to include any services provided by the EBT Contractor or any subcontractors, including but not limited to, the central computer, network, intermediate processing facilities and gateway. The report shall detail all instances of down time, including the reason, duration of down time and whether the down time was scheduled or unscheduled. The report shall be used to monitor the EBT Contractor's compliance with EBT system availability requirements.

10.15.10 Non- System Performance Reports

The EBT Contractor shall be required to provide a reporting mechanism to keep the WSEA States apprised of EBT Contractor performance on non-system performance standards. Non-system performance standards are specified in *Section 5.5.1* and include but are not limited to:

- Inaccurate transactions;
- Customer/Retailer answered calls timely;
- PIN selection equipment replacement timelines, if applicable;
- Card mailing standards reports; and
- Timely posting and availability of benefits.

The Offeror's proposal must specify the approach for meeting these reporting requirements.

10.15.11 Statistical Reports

The EBT Contractor shall provide statistical reports, which are those reports that assist with the management of the EBT system. The EBT Contractor shall also suggest, in addition to the reports detailed below, other statistical reports that will help with the management of the EBT system.

10.15.11.1 EBT-only Retailer Terminal Monthly Utilization Reports

The EBT Contractor shall provide a report detailing the number, type and value of transactions performed from each State-provided EBT-only terminal.

10.15.11.2 Transaction Statistics Report

The EBT Contractor shall provide a monthly report providing a summary of transactions by time of day and day of month. The purpose of the report is to show the peak processing time for the EBT system.

10.15.11.3 Management Statistics Report

The EBT Contractor shall provide a monthly summary report of transaction activity on the EBT system at a county/local agency and State level. Statistics provided should include, at a minimum, benefits authorized for the previous month, transactions performed by transaction type (i.e., SNAP purchases, cash purchases, cash withdrawals, and WIC purchases), the number of active cases on the system,

number of active cards on the system, and the number of cards issued and the number of cards replaced during the month.

10.15.11.4 *Monthly ATM Transaction Fee Report*

The EBT Contractor shall provide a monthly summary report of ATM transaction fees charged to recipient accounts. A report shall also be provided to the State of Hawaii to report fees charged to the State for up to two (2) transactions per client per month. Fees shall include both ATM transaction fees and bank surcharge fees.

10.15.11.5 *Case Activity Summary*

The EBT Contractor shall provide monthly reports containing a statistical summary of case activity.

10.15.11.6 *SNAP Extract Report - FNS*

The EBT Contractor shall provide monthly reports containing the statistical summary of SNAP activity reported to FNS.

10.15.12 Administrative Function Security Reports

The EBT Contractor shall provide Administrative Function Security Reports. Administrative Function Security Reports are those reports that identify the users of the EBT Administrative Function application and card issuance and PIN selection terminals. The report shall provide an audit trail of the access and administrative transactions performed by the users.

10.15.12.1 *Access Definition Report*

The EBT Contractor shall provide a monthly report detailing each authorized administrative terminal or system user with the ability to access State, county or local office EBT data or conduct administrative transactions. The report must include the status of the individual (active, inactive, new user, revoked due to failed attempts, etc.). The report shall also detail the level of access afforded the user through the EBT Administrative and data warehouse functions. The report shall include the State and local office profiles and the valid functions within each profile. For WIC EBT, this report will likely be for State office data only as local agency/clinic staff will access data through the WIC MIS.

10.15.12.2 *Failed Logon Report*

The EBT Contractor shall provide by State, county or local office, and by user ID, a daily report of users failing in their attempt to logon to the EBT system. For WIC EBT, this report will be for State office users only.

10.15.12.3 *User Session Activity Report*

The EBT Contractor shall provide a daily audit report by user ID of all actions taken by the user on the EBT system through the administrative functionality. For WIC EBT, this report will apply to State office users only.

10.15.12.4 *Card Issuance Report*

The EBT Contractor shall provide a daily report by user ID and local, county and/or regional office of all EBT cards issued over the counter and by web admin screen for the previous day. This report is optional for WIC EBT.

10.15.12.5 *Security Access Issuance Report*

The EBT Contractor shall provide a monthly report detailing the date of receipt of a security access request from the WSEA State and the date the WSEA Contractor issues the user password.

10.15.13 Customer Service Statistics Reports

The EBT Contractor shall provide on a monthly basis reports containing statistics and the effectiveness of the customer service functions for the client, provider and retailer customer service help lines. Statistics for the IVR, EBT Web Site and CSRs shall be reported. The EBT Contractor shall deliver the reports described below.

10.15.13.1 Monthly Cardholder Call Center Statistics Reports

The EBT Contractor shall provide a Cardholder Call Center Statistics Report. This monthly report shall provide a summary of the number of calls received by the Cardholder Call Center by reason (hot card, balance inquiry, transaction history, etc.) for both IVR and CSR. Daily statistics regarding the call center performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) shall be collected and reported.

10.15.13.2 Monthly Retailer Call Center Statistics Reports

The EBT Contractor shall provide a Retailer Call Center Statistics Report. This monthly report shall provide a summary of the number of calls received on the Retailer or Vendor Help Desk by reason (SNAP or WIC voice authorization, terminal problems, settlement questions, etc.) for both IVR and CSR. Statistics regarding retailer help tickets, including number of tickets opened, tickets closed, and reason for ticket, shall be provided. Daily statistics regarding the help desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) shall be collected and reported.

10.15.13.3 Monthly EBT Web Site Statistics Reports

The EBT Contractor shall provide a monthly report summarizing website activity including inquiries and transactions conducted by clients, retailers/vendors and provider and group home facilities.

10.15.13.4 Monthly Top 50 Callers Report

The EBT Contractor shall provide a monthly report identifying the 50 clients making the most calls to the Client Call Center. This may not apply to WIC EBT if a WSEA State does not use live customer services.

10.15.13.5 Monthly Account High Balance Report

The EBT Contractor shall provide a monthly report identifying clients with high dollar value accounts. The dollar amount will be specified by the WSEA State. This report does not apply to WIC EBT.

10.15.14 Notice of Change Orders

The EBT Contractor shall be required to provide a monthly report to WSEA States identifying change orders processed for WSEA or other customer States.

10.16 USDA Data Files

The Contractor is required to support the data requirements of the federal government, and specifically FNS, for the SNAP, cash and WIC programs. The data files described below shall be provided to the Federal government on a periodic basis as required by FNS. Refer to *Appendix I* for data elements and file formats for these data files. The Contractor shall accommodate any changes required by FNS to these files and/or file formats.

10.16.1 SNAP AMA File

On a daily basis, the Contractor must provide data necessary to support increases and/or decreases to the State's ASAP account balance at the Federal Reserve Bank, which serves as the Account Management Agent (AMA) for the FNS Supplemental Nutrition Assistance Program EBT benefit payment account. The AMA will interface with the Treasury Department's Automated Standard Application for Payments (ASAP), and will establish ASAP account funding limits for the State for SNAP EBT activity.

The Contractor shall interface with the AMA and provide the necessary data. This data must be provided in a formatted file.

10.16.2 (STARS) SNAP Redemption Reporting File

The Contractor shall provide detailed daily SNAP redemption data by retailer identification numbers to STARS, the FNS SNAP redemption database, through the Benefit Redemption Systems Branch (BRSB) in Minneapolis. The data format and requirements of this file are specified by FNS.

10.16.3 SNAP ALERT File

The Contractor shall provide transaction data, starting at implementation, of store transaction history on a daily basis to FNS through the ALERT File.

10.16.4 WIC Data Files

At this time, FNS does not have any data reporting requirements that the EBT Contractor is required to support. If this changes, the EBT Contractor shall accommodate the informational needs of the USDA FNS in its reporting package.

10.17 Change Management Process

A critical requirement for the WSEA States is the establishment of a formal change management process. The WSEA States require that the Contractor develop a Change Management Plan (refer to Section 6.5.2.1). If benefits, such as system enhancements or other system changes determined to be advantageous to the WSEA States, are developed by the EBT Contractor for any other State or political subdivision being provided with similar services as the WSEA States, the same benefits must be extended to the WSEA States at no additional cost. The Offeror shall describe its approach for establishing a process to inform WSEA States about system upgrades and modifications implemented by other States, both within and outside of the WSEA States. The process should include a mechanism to provide notifications of all system upgrades and modifications on a monthly basis.

10.17.1 Design Issues

Design issues are questions or concerns that arise before the program/system design baseline is frozen and are a part of the development process. Specifically, design issues are issues addressed and resolved prior to finalizing the system design. Design issues are specific in nature and should be identified and raised throughout the development of program specifications and procedures for EBT participants (e.g., authorized retailers, providers, financial institutions, local and State offices), and general and detailed system specifications. Design issues shall be recorded and tracked in an issue log.

From the States, only those issues presented by the State's EBT Program Director, or designee, are to be addressed by the EBT Contractor. Requests received by the Contractor from other State staff or other personnel are to be directed to the State's EBT Program Director for consideration and action. If the EBT Contractor has issues for State consideration, such issues are to be presented to the State's EBT Program Director or designee for consideration and action. Only those modifications approved by the State's EBT Program Director, or designee, are to be acted upon by the Contractor.

10.17.2 Program Baseline

The baseline for the State's EBT programs will initially be established through the Contract and any amendments, the RFP, the EBT Contractor's response to the RFP, and any other documented commitments, statements or memorandums of understanding and all addenda's, documented questions and answers and Federal waivers. After the initial baseline is established, any modifications to the system design or functionality will be defined as a change and will be documented and tracked. As the program proceeds, the baseline will expand to include the finalized work plan, general and detail design documents, training and disaster plans, and other approved/accepted Contractor deliverables. The

baseline will continue to expand to include system testing, reports, implementation plans, transition plans and documentation from the actual transition. The baseline will be established upon acceptance of the conversion and approval of all design, development and transition phase deliverables.

10.17.3 Changes to the Program Baseline

Change requests seek to modify or enhance the baseline system, procedures, documentation, or application programs. Such requests alter the initial scope of the program or add/modify functionality after the baseline for the system design has been set.

Changes are categorized as remedial, enhancing, or conforming. The definition for each type of change is provided below. Remedial changes are not changes to the baseline and shall not result in additional costs to the WSEA States. Other changes requested by the State and mutually agreed upon between the State and the EBT Contractor, including terms, conditions, the use of state-allocated hours (refer to Section 10.17.7), and fee structure(s) if any, may result in additional costs to the State if so negotiated and agreed.

10.17.3.1 Remedial Changes

Remedial changes are changes needed to make the system perform/function in the way it was designed; such changes shall be executed immediately. Either the State or the EBT Contractor may identify the need for a remedial change. If the EBT Contractor identifies a problem requiring a remedial change, the Contractor shall immediately notify the State. If the change is made immediately, the EBT Contractor shall notify the State no later than one business day following the implementation of the change. The EBT Contractor shall work with the State, to include testing, to ensure that a remedial change will not impact State EBT system functionalities.

10.17.3.2 Enhancing Changes

Enhancing changes are changes that are not remedial or conforming changes, including changes that will enhance performance, provide new functionality, improve cost-effectiveness or improve efficiency and ongoing operation or program maintenance. Enhancing changes may be State or EBT Contractor-initiated.

10.17.3.3 Conforming Changes

Conforming changes are changes needed to adapt the system to changes in requirements that result from federal regulation, federally mandated changes and changes to the QUEST® Operating Rules.

10.17.4 Updates to System Documentation

The EBT Contractor shall maintain and update as required the key design and operational manuals delivered during the Design, Development, and Conversion Phases, to reflect any and all changes from the established baseline. These manuals include:

- System Design Documents;
- Back-up and Contingency Plans;
- System Security Plan;
- System Operations/Interface Procedures Manual;
- Reports Manual;
- Settlement/Reconciliation Manual;
- Administrative Functionality Manual;
- Customer Service Manual;
- Data Warehouse Documentation; and
- Other system documentation affected by changes to the system.

If requested by the State, the Contractor shall provide updates to the manuals to the State *prior* to implementing system and operational modifications into production.

10.17.5 Testing of System Modification

The EBT Contractor shall ensure that all changes and modifications to the EBT System are fully and successfully tested prior to migrating the change into the production environment.

10.17.6 Change Request Control Process

State-initiated change orders to the system/program baseline and conforming changes shall be initiated through use of a Change Request Form. The State's EBT Program Director will forward a signed Change Request Form to the Contractor's designee for analysis of potential impacts on schedule (during development or transition), resources, hours and/or costs.

The EBT Contractor shall return the Change Request Form and the results of the analysis to the State's EBT Program Director within two weeks of receipt. If the State chooses to formally request the change, the approved Change Request Form will be signed and dated, by the State's EBT Program Director, and forwarded to the EBT Contractor. The Contractor shall not begin work on a Change Request until written approval is received from the State. Requested modifications must be incorporated and the revised analysis resubmitted within 15 business days of receipt of the State requested modification.

The State will monitor implementation of the approved changes through routine program management including scheduled status reports, status meetings, etc. Upon authorization of the change, the Contractor shall include the change in work plans, allocate resources as appropriate, and shall provide ongoing status reports, as part of the regular status report, with hour and cost accounting (if any) to the State until such time as the change has been completed and accepted by the State.

10.17.7 Change Requests from the State

The EBT Contractor shall provide up to 300 hours of combined design, development and testing time to each WSEA State for each year of the respective State's contract at no cost to the States, to be applied to any Change Requests issued by the States. The Contractor shall not apply personnel time toward the 300 hours for self-initiated system changes/enhancements or for any work necessary, including remedial changes, to maintain system functionality under the terms of the contract. Any personnel time applied toward the 300 hours must have prior approval by the State. For State requested changes that exceed the allocated 300 hours, a cost estimate shall be provided, by hour, utilizing the hourly rate for the labor grades provided in the Offeror's pricing proposal. Any unused hours in a given year shall be rolled over into the following year.

Upon completion of a system change, the EBT Contractor shall provide the State with a statement that details the number of hours used toward the change/enhancement effort; how those hours were used; and the hours available to the State for the remainder of the year. In addition, the EBT Contractor shall provide the State with the number of hours available for changes/enhancements for the remainder of the year, as part of the regular status report from the Project Manager.

The State will designate Change Requests as low, medium or high priority. It is expected that work on low priority changes shall begin within 180 calendar days of written approval by the State. Work on medium priority changes shall be initiated by the Contractor within 60 calendar days of written approval by the State and that work on high priority changes shall be initiated by the Contractor within 30 calendar days of written approval by the State. All change requests shall include agreed upon start and completion dates. The EBT Contractor shall include in their monthly status report the status of the enhancement and its progress against the timeline in the approved change request.

10.17.8 Conformance with Policy, Regulations, Laws, and QUEST® Operating Rules

The Contractor shall be required to modify the EBT system to comply, at no cost to the WSEA States, with modifications to Federal and State regulations, laws, and/or the QUEST® Operating Rules, including any system changes required by Federal legislation and policy changes and instructions issued by FNS for any of the benefits supported by the WSEA contract, including but not limited to SNAP, WIC and cash benefits. The Contractor may implement these conforming changes through two approaches. The first is through a state-initiated request and the established change management approach. The second is to provide the WSEA States with a proposal to implement conforming changes to the system. The EBT Contractor may not implement conforming changes unless it receives a signed authorization from the State EBT Program Director or designee.

10.17.9 Access to the Test Environment

The Contractor shall provide access to its test platforms in the following manner: 1) States shall be provided the ability to transmit test files to the Contractor in order to validate software and system changes. 2) The Contractor shall, in turn, implement the ability to process incoming test files and return test files in response to the States. These files shall 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 shall respond to requests to provide specialty test files as needed for developmental projects. 3) The Contractor shall provide the States the ability to monitor, in real time if needed, the activities, as they pertain to an individual State, of the Contractor's test platforms. 4) The online access shall be provided 24 hours per day; 7 days a week. 5) The Contractor shall inform key personnel in the various States when the test platforms will be, or are down for whatever reason.

10.18 Disaster Support

FNS has issued guidance regarding disaster benefits.³ This guidance requires that States develop a State Agency Disaster Supplemental Nutrition Assistance Program Plan and review the plan annually. The EBT Contractor shall be required to support each WSEA State in developing a disaster plan and approach and shall participate in the annual review of the plan. The EBT Contractor shall also participate in an annual test of the plan, if requested by the respective WSEA State. The EBT Contractor shall provide support to update the plan and its approach to disaster support as required to meet changes to Federal and State response requirements.

10.18.1 Support for the Disaster Response

The EBT Contractor shall provide for backup procedures to ensure the continuation of operations in the event of a halt in State operations due to a disaster. In the event a State activates its disaster hot site, the EBT Contractor shall interface with the site for continuation of benefit services to clients. The interoperability standard shall be maintained during a disaster situation. Communications between the State hot site and the Contractor's EBT system and the Contractor's back-up site shall be tested annually or as designated by the State.

The EBT Contractor shall provide WSEA States with the capability to respond to an emergency or disaster by providing the following disaster functionality. In the event that the states eligibility system is down, describe the administrative functionality your Disaster system can provide/support from the list of services below and your process for providing that support and functionality..

³ Disaster SNAP Guidance, Policy Guidance, Lessons Learned, and Toolkits to Operate a Successful D-SNAP, USDA, FNS, July 2014.

- **Certification Processing:** Clients are required to complete an application and go through an application screening, eligibility review and verification process. The EBT Contractor shall provide the systems and procedures necessary to allow the State to provide certified clients with disaster benefits during a disaster. During a disaster, eligibility criteria and verification rules may be relaxed. States must include a review process if benefits are denied and the EBT Contractor must support this review process.
- **Benefit Issuance:** The EBT Contractor shall provide the necessary systems and procedures required to ensure the continuation of the benefit issuance function. The EBT Contractor must be prepared to implement a disaster EBT system to deliver benefits. The disaster EBT system must provide easy integration and reconciliation with the State's eligibility system and the EBT processor's database.
- **Benefit Access:** Clients must have access to benefits within 3 calendar days of the application. Disaster EBT cards and PINs must be issued to clients and retailers must have access to manual vouchers if POS terminals and communications are not available. Disaster EBT cards may be pre-loaded with specific benefit values and shall allow for both cash and SNAP benefits to be accessed using a single EBT card.
- **Federal Disaster Reporting:** The EBT Contractor shall implement a disaster EBT system that supports the State in complying with Federal disaster reporting and reconciliation requirements. Reporting requirements include:
 - Card production and issuance reconciliation
 - Benefit authorization and posting reconciliation
 - Benefit expungement
 - FNS notification of disaster benefits issued
- **Disaster System Testing:** The EBT Contractor shall be required to conduct periodic (as designated by the State but no more than annually) tests of the disaster EBT system and shall test the system prior to use in a disaster.
- **Program Integrity and Fraud Prevention:** The EBT Contractor must develop strategies to prevent fraud and ensure program integrity.
- **Post Disaster Review:** The EBT Contractor shall support the State in complying with FNS requirements for a post disaster review of certification, benefit issuance and fraud prevention.

10.18.2 Level I Services

A Level I disaster criteria include:

- Large, but well defined areas affected;
- Moderate number of clients affected;
- Power and telecommunications outages, restoration in three to seven days; and
- Benefit redemption points are available.

Costs associated with a Level I disaster shall be included in the core CPCM fee,

10.18.2.1 Cardholder Support Services

The EBT Contractor shall provide the following Level I services:

- **Lift Staggered Issuance:** In the event of a declared disaster, the WSEA States require the ability to post all benefits in a designated zip code(s), county(s) or region(s) immediately, regardless of actual availability date.

- **Benefit Issuance or Re-issuance:** During a disaster, if a State is unable to transmit a benefit file, the State may require the EBT Contractor to issue or re-issue benefits at the prior month's benefit levels to cardholder accounts that were active the previous month.
- **Increased Customer Service Support:** In the event of a disaster, the Offeror shall provide the same scope of services to cardholders for the ARU and Customer Service Center. The ARU shall have a specific disaster script approved by the State. Because call volumes will likely increase, the Offeror shall increase the number of customer service representatives available to support cardholders. Customer service representatives should be alerted when accessing the cardholder's record that the cardholder resides in the disaster area.
- **Manual Voucher:** In a disaster scenario, if POS devices and phone lines are inoperable, retailers will use manual vouchers to document the disbursement of benefits under the Supplemental Nutrition Assistance Program. When phone lines are operational, retailers will request authorization for the manual voucher through either the ARU or customer service. Retailers are fully liable for the amount of the manual transaction. However, the State and/or FNS may establish a government stand-in per client, per store, per day, at the time of the disaster.
- **Drop Ship Delivery:** 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 mailed to their residence via normal mail delivery by the Contractor. The States shall have the option of requiring the Contractor to drop ship active cards and/or PIN selection devices via overnight express mail to specific local or State office(s). PINs will not be included with drop shipped cards; cardholders shall call the ARU and select their PIN, select their PIN through local office PIN selection devices or via the EBT website, or be issued cards with a pre-established PIN, as designated by the State.
- **Identifying Operating Retailers/ATM Locations and Mapping:** In the event of a disaster, the EBT Contractor shall provide daily reports to the State identifying operational retailer and ATM locations and shall provide geographical mapping of the operational and non-operational locations.

10.18.2.2 Retailer Support Services

The EBT Contractor shall provide the following retailer support services.

- **Retailer/ATM Site Survey:** Upon notification by the State of a disaster, the Contractor shall 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 shall contact these benefit redemption points again to determine the status of ongoing operations. The Contractor shall ensure that CSRs are aware of which benefit redemption points are not operational during and after the disaster in order to direct cardholders to appropriate locations.
- **Distribution of Manual Vouchers:** In the event of a disaster, retailers may require manual vouchers if their electronic POS equipment is not functional. The Offeror shall propose a method by which manual vouchers can be distributed to retailers during disaster events.
- **Extended Voucher Clearance Period:** Retailers accept full risk and liability for manual voucher transactions unless a voice authorization from the EBT processor is obtained. Regardless, from the time a manual voucher is accepted, the retailer shall have up to 30 calendar days, or another period designated by the State, to clear the voucher. Retailers may clear the authorized manual voucher at any time during the 30 calendar days or State designated period, for the amount held at that time. After the 30 calendar days or State

designated period, the hold for the voice authorization, if it exists, shall expire.

- **Increased Retailer Customer Service:** In the event of a disaster, the Contractor shall provide the same scope of services to retailers for the ARU and Customer Service operations. The ARU shall have a specific disaster script approved by the State. Because call volumes will likely increase, the Offeror shall increase the number of CSRs to support retailers.

10.18.2.3 Technical Support

In a Level I disaster, the EBT Contractor shall provide the following technical support as directed by the State.

- **Expungement of Benefits:** Disaster benefits may be issued as a specific benefit type for use during disaster situations only. These benefits shall be expunged within 365 days after issuance or as specified by the State. The WSEA States, at their option, may seek a waiver for an accelerated expungement period.
- **Eligibility System and Interface Support:** The Contractor shall support the 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 shall consist of providing connectivity to the State's back-up site to support the transmission of data files and reports between the State and the Contractor. The Contractor shall provide support to the State in ensuring that benefits 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, the Contractor shall work with the State technical staff to provide EBT administrative terminal support.
- **Administrative System Access:** In the event the State's eligibility system or the traditional interface is not accessible, the State shall have access to the Contractor's system using an alternative method, such as a direct connect process through the Internet. The Contractor shall provide the appropriate passwords, access and software components, and training and related documentation/staff training materials explaining how to use the Contractor's system prior to the disaster situation.

10.18.2.4 Level I Disaster User Profiles

The EBT Contractor shall maintain user profiles that include workers authorized to perform Level I disaster-related functions. These workers shall have access to administrative system screens required for disaster services, as well as standard inquiry access.

10.18.3 Level II Disaster Support

Support for a Level II disaster is an optional service whose costs are contained in Schedule 4: EBT Fee For Service – Optional Services (refer to *Section 11.2.4*). Level II disaster criteria include:

- Catastrophic;
- Widespread commercial and residential impact;
- Limited power and telecommunications service, outages expected to last longer than a week; and
- Benefit redemption points not available.

Level II services include the services provided for a Level I disaster in addition to the following services.

10.18.3.1 Disaster Card and PIN Inventory

At each State's option, the Contractor shall be required to maintain a stock of disaster vault cards with pre-assigned PINs and/or pre-loaded cards to be available during a disaster. If the State currently has disaster card stock, at the time of the conversion to the new EBT Contractor, those EBT cards and PIN

stock will be transferred to the custody of the new EBT Contractor during the transition and conversion process. The EBT Contactor shall accept the State's current disaster card configuration.

The card specifications for disaster cards shall be identical to the specifications for standard EBT cards (refer to *Section 10.4*). The number of vault cards and pre-assigned PINs required by a State shall be determined upon contract signing. The corresponding supply of PIN stock shall also be available for disaster declaration. The cards shall be embossed and encoded with a designated disaster PAN.

Disaster vault cards and PINs shall be in normal mailers, with English and Spanish language enclosures. Disaster vault stock cards shall be readily distinguishable from regular mail issued cards. Card/PIN matching pairs shall be readily identifiable, and batches of cards and PINs shall be produced in a manner that facilitates the matching logistics. If vault cards are compromised in any way, the EBT Contractor shall provide the capability to change the status of the card(s) through an administrative or customer service function to inactive/invalid.

10.18.3.2 Provision of Disaster Training Materials

Training materials provided to cardholders during disasters shall be available in English and Spanish. The Contractor must provide, and maintain a three (3) month inventory supply throughout the term of the contract. In addition to electronic copies, hard copies of these materials must be provided to the WSEA States in the required languages for use during disaster situations.

10.18.3.3 On-line Cardholder Account Set-up and Benefit Issuance

In the event of a Level II disaster, eligibility requirements for specific types of emergency assistance may be more liberal than those used for determining "normal" eligibility for benefits. The States require the ability to set up accounts for this new population quickly, and provide them with emergency benefits. Once a disaster recipient has been determined eligible, receives a card and PIN, and has been assigned a unique State ID, the State shall have the ability to add the disaster recipient to the EBT host, issue benefits, and link the EBT account to a vault card with a pre-assigned PAN and PIN. This shall be accomplished through online entry through the administrative system using screens designated for disaster purposes only. Administrative system data entry must be completed in real-time, such that the cardholder may immediately access their benefits.

10.18.3.4 Disaster On-Site Card Issuance

Emergency vault cards with pre-assigned PINs shall 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 shall be available to the State within five calendar days of the request.

10.18.3.5 Batch File Processing

At the end of the day, the State shall send the Contractor account set-up records via batch containing the actual card information and cardholder demographics. These records will be used to update cardholder records that had been added to the system through the administrative terminal. Cards shall not be generated by this file; regardless of how the card issuance flag is set. If the State unique ID is not found, an error will occur causing the record to reject. Rejects shall be reported in the confirmation return file and must be viewable online via an administrative system screen or report. The State shall send the remainder of the cardholders' benefits via a batch benefit authorization file, if the disaster recipient is eligible for benefits in addition to what was preloaded on the disaster card.

10.18.3.6 Disaster Customer Service Support

In the event of a disaster, the Contractor shall provide the same scope of services to retailers for the ARU and Customer Service Center. The ARU shall provide retailers with a disaster message. Because call

volumes will likely increase, the Contractor shall increase the number of customer service representatives available to support retailers.

10.18.3.7 Specialized Reporting

The WSEA States require the ability to view issuance, expungement, drawdown, and other information for disaster benefits separately. Disaster reports shall be available upon request.

10.18.3.8 Level II Disaster User Profiles

The EBT Contractor shall maintain user profiles that include workers authorized to perform Level II disaster-related functions. These workers shall have access to administrative system screens required for disaster services, as well as standard inquiry access.

10.19 System Security

The EBT Contractor shall be responsible for the implementation and maintenance of a comprehensive security program for the EBT system and operations. This program shall include the administrative, physical, technical and systems controls that will be implemented to meet the security requirements of the EBT system. It is the expectation of the WSEA States that the system of internal controls used to manage risks to the EBT system and operations will be based on EFT industry standards.

The EBT Contractor and all subcontractors shall ensure that an appropriate level of security is established and maintained in connection with the EBT services provided pursuant to the RFP. The EBT Contractor shall process information designated sensitive but unclassified. Sensitive but unclassified information is any information for which the loss, misuse or unauthorized access to or modification 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.

10.19.1 Back-up and Contingency Requirements

The EBT Contractor shall provide for backup procedures to ensure the continuation of operations in the event of a disruption in operations. Backup procedures will allow benefit access when the EBT Contractor's computer, system terminals, EBT gateway, or communications are not operational. Backup procedures shall include manual transaction processing for SNAP. The EBT Contractor shall also provide contingency plans for benefit issuance in the event of catastrophic disruption of benefit delivery services. Offerors shall describe the intended approach to meet both back-up system operations and contingency plans for benefit delivery and how communications will be established between the State's primary and back-up systems and the EBT Contractor's primary and back-up systems.

Contingency planning consists of advance plans and arrangements that will ensure continuity of the critical functions of the EBT service. The EBT Contractor shall establish policies and assign responsibilities to ensure that appropriate contingency and disaster recovery plans are developed and maintained, and that procedures are followed during outages and localized disasters. The contingency plan shall describe the actions to be taken, the resources to be used and the procedures to be followed before, during and after any unexpected event occurs that would render inoperative a function supportive to the EBT service. The contingency plan shall cover all events of total or partial cessation of operations or destruction of the database or physical facility. As part of these policies, and included in the EBT Contractor's Backup and Contingency Plan (refer to *Section 6.5.7*), the EBT Contractor shall detail the names, phone numbers, and e-mail addresses of Contractor personnel that will serve as contact points for the State, as well as emergency contact escalation procedures.

Offerors should describe their approach to contingency operations as part of responses to this RFP. Offerors' responses on contingency planning should describe the actions to be taken before, during and after a disaster (or contingency), along with documented and tested procedures, which, if followed, shall ensure the availability of critical resources and facilities maintaining the continuity of operations. Offerors should describe how proposed architecture, technical capabilities and organization should protect the system during emergency operations and continue to provide access to State systems and to the States' back-up systems.

The States will work with the EBT Contractor to utilize the EBT Contractor's existing design for providing disaster services to the extent possible. However, the EBT Contractor shall be required to meet the back-up and contingency requirements of the WSEA States.

10.19.2 Control and Security Requirements

The security controls used by the EBT Contractor and/or any subcontractor(s) in the performance of services required under this RFP shall be specified in the EBT Offeror's response to this RFP. It is the expectation of the WSEA States that the EBT Contractor shall rely on Electronic Funds Transfer (EFT) industry standards and convention in ensuring a secure EBT environment.

10.19.3 Facilities Physical Security

The EBT Contractor shall 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 only authorized personnel and authorized visitors. The control systems shall have the capability to detect and report attempted unauthorized entries into the facility.

The EBT Contractor shall 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 shall be implemented to deny unauthorized access to, manipulation, and/or sabotage of the EBT data processing and telecommunications facilities. Offerors shall describe their approach to control physical access to operational facilities. At a minimum the following access control measures shall be provided:

- **Entrance security** – The EBT data processing and telecommunications facilities shall be secured 24 hours per day, 7 days a week. The entrance(s) to the facilities shall provide for controlled entry and be secure against forced entry.
- **Locks** – The facilities shall be locked at all times when authorized personnel are not present.
- **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 shall not be used as a sole locking device.
- **Personnel Access Controls** – Access to operational sites shall be controlled and limited to authorized personnel. Employee access to controlled areas within the operational site shall be controlled by electronic access or other comparable procedures.
- **Data Storage Security** – All data on portable media, including but not limited to, magnetic tapes, diskettes, CDs, removable disk packs, paper listings and microfiche shall 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 shall be equipped with fire detection and suppression systems that detect and suppress fire in the incipient stage.

Any additional access control measures provided by the Offeror should be specified in the proposal.

10.19.4 EBT Systems Security

The EBT Contractor shall ensure the security of the EBT system and all of the system components.

Offerors shall describe their approach to providing systematic and procedural controls. At a minimum the following controls shall be implemented:

- **Control of Card Stock** – The Offeror shall describe the system and procedural controls to ensure that unissued card stock is properly safeguarded against loss, theft and/or abuse. The EBT Contractor shall be responsible and bear liability for all unissued card stock until such stock is either received by WSEA State or local offices or mailed to clients.
- **Control of PINs** – The Offeror shall describe the system and procedural controls to ensure that access to all PINs, whether assigned or selected are strictly controlled. The EBT Contractor is responsible for ensuring the confidentiality of the PIN during generation, issuance, storage and verification. The Data Encryption Standard (DES) algorithm shall be used to encrypt all PINs both in transit and at rest. The EBT Contractor shall ensure that clear text representation of the PIN will never be displayed on PIN entry devices. The EBT Contractor security controls shall accommodate the PIN controls listed in Chapter IX, Security, of the Quest® EBT Operating Rules.
- **User Access Controls** – The EBT Contractor shall provide software controls over user access to the EBT system to ensure that access to the EBT system is strictly monitored and controlled. The Contractor shall also include user access software controls for the PIN selection devices located at local offices. User access control software shall provide for the following capabilities.
 - All personnel requiring access to the system must be established within the system.
 - The system shall 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 shall be restricted to those personnel needing access to such data to meet professional responsibilities.
 - The security system shall protect authentication data to make it unavailable to any unauthorized user.
 - The security system shall provide the capability to identify authorizations of individual users and unauthorized users.
 - The security system shall support a lock out threshold for excessive invalid access attempts.
 - The security system shall support the immediate deletion of users no longer authorized by the WSEA States.
 - The system shall send the State notice of any State or local user who has been inactive for eight months.
- **Discretionary Access Controls** – The security system shall use identification and authorization data to determine user access to information and level of information accessed. The security system shall provide the users with the capability to specify who (by user or type of user) may have access to system data. The security system or network shall assure that users without proper authorization are not allowed access to EBT data.
- **System Access and Audit Controls** – The security system shall provide an audit trail of access to the system and maintain and protect such records from modification, unauthorized

access and destruction. At a minimum, the security system shall 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 shall provide the capability to allow the State's security administrator to change passwords in an on-line environment. The State's security administrator shall be able to selectively audit the actions of one or more EBT system users based on individual identity.

- **Transaction Communications** – The EBT Contractor shall provide controls to ensure that EBT transaction communications are safeguarded and only processed from authorized terminals or PIN selection devices. Communications message validation shall provide for edits for message completeness, record and field formats, and control and authentication measures. The EBT Contractor shall describe controls to secure communication lines and links. The EBT Contractor shall have the ability to perform error checking of transmitted data. The EBT Contractor shall 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 required as a System Development Deliverable. 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.

10.19.5 System Data Security

System data shall be protected to ensure that system and confidential information shall not be disclosed for unauthorized purposes. In addition, the EBT Contractor shall not provide any State, local or Federal agency with access to system data without informing the State in advance. Such data security controls shall include the following at a minimum:

- **State Access** – The EBT Contractor shall ensure that designated users from a particular WSEA State may only access the system in relation to system data and the operations in relation to that State. In addition, the EBT Contractor shall ensure access is granted only as allowed by the user's security profile (refer to *Section 10.7.1*).
- **Disclosure of Information and Data** – Any sensitive information made available in any format shall be used only for the purpose of carrying out the provisions of this RFP. Information contained in such material shall 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 State or a local office is prohibited without prior written approval. Sensitive information shall 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.
- **Data Destruction** – The EBT Contractor shall provide for the destruction of magnetic media, or deletion of information from magnetic media when no longer required. The methodology for data or media destruction shall be approved by the State.
- **Separation of Duties** – The EBT Contractor shall 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.
- **System Modification and Tampering Controls** – The mechanisms within the application that enforce access controls shall be continuously protected against tampering and/or unauthorized changes.

10.19.6 Inspections, Audits and Investigations

The WSEA States and USDA-FNS shall have the right to inspect, review, investigate or audit all parts of the EBT Contractor's or any subcontractor's facilities engaged in performing EBT services. In such capacity, the WSEA States, or their representative(s), shall have access to facilities, records, reports, personnel and other appropriate aspects of the EBT system.

10.19.7 Certification and Examination

As an integral component of the EBT Contractor's EBT Security Program, the EBT Contractor shall provide each of the WSEA States with an annual certification of compliance with banking, EFT (electronic funds transfer), EBT and other regulations and requirements relating to the EBT application. The annual requirement should be considered a normal cost of doing business for the EBT Contractor. The annual self-certification and examination requirements shall be applicable to the EBT Contractor and any organization(s) to which the EBT Contractor has contracted for the performance of EBT related services (subcontractors). It shall be the responsibility of the EBT Contractor to provide annual certification or compliance with EBT program specific and related banking requirements of any contracted entities. Such certification of contracted entities will also be subject to independent examination and validation. The certification by the EBT Contractor to each WSEA State shall include certification for the EBT Contractor entity and any contracted entities' compliance with EBT program specific requirements and banking regulatory requirements related to the EBT application.

The EBT Contractor shall provide an annual written certification stating that it is in compliance with applicable banking regulatory requirements and EBT program specific requirements. The following lists the EBT program specific requirements that shall be addressed in the EBT Contractor self-certification of compliance.

- **Banking and Financial Service Rules** – The EBT Contractor shall comply with banking, EFT and other financial services industry rules that relate to the EBT application. The EBT Contractor certification of compliance shall include banking, EFT and financial service industry rules to the extent that such rules govern aspects of EBT system operations.
- **Benefit Program Rules** – The EBT Contractor shall comply with the specific benefit program level requirements. For benefit programs that do not have specific written requirements for participation in the EBT program, the EBT Contractor shall comply, as applicable, with the existing program level requirements and with benefit level requirements as promulgated by the administering agency. Two benefit programs, SNAP and TANF, have written requirements specifically for participation in the EBT program:
 - USDA Food and Nutrition Service Final Rule 7 CFR Parts 272, 274, 276, 277, and 278
 - Temporary Aid to Needy Families Action Transmittal Number ACF-AT-91-28
- **Internal Control and Physical/Personnel Security Requirements** – The EBT Contractor is subject to the control and security requirements of this RFP and the components of its individual EBT Security Plan.

Self-certification requirements include:

- **Evaluation of Compliance** – The EBT Contractor shall accept responsibility for and provide an evaluation of its compliance with the EBT program and specific requirements, compliance with the applicable regulatory requirements and of the effectiveness of the internal control structure in ensuring proper safeguards for the administration of public funds.
- **Certification of Compliance** – The EBT Contractor shall provide to each WSEA State a written certification of compliance with the EBT program specific requirements and applicable

bank, EFT and financial services industry requirements related to the EBT application. The EBT Contractor shall explain how such determination of compliance was made, including bank examination, audit and internal review. It is the expectation of the WSEA States that the EBT Contractor shall utilize the results of current bank examinations, audits and reviews in making certification of compliance.

- **Internal Control** – The EBT Contractor shall certify that it has properly administered all components of the EBT Security Plan and that such controls provide reasonable assurance that public funds administered through the EBT system are properly safeguarded and protected. The EBT Contractor shall describe how such certification was made.

Annual Attestation Engagement requirements include:

- The EBT Contractor and any subcontractor(s) shall arrange for the performance of an annual attestation engagement of the internal controls of their EBT processing services by an independent service auditor acceptable to the WSEA States. The engagement should culminate in a SSAE 16 Type 2 Report that covers the description of the Contractor's EBT System and attests to the suitability of the design and operating effectiveness of the controls. SSAE 16 reports shall be provided annually to each WSEA State within 15 days following the release of the report by the service auditor.
- The EBT Contractor shall authorize the WSEA States or their representatives to perform audits and /or inspections of its records at any reasonable time during the term of the contract and for a period of three (3) years following the date of final payment under the contract to assure compliance with its terms and/or to evaluate the EBT Contractor's performance.
- Any amounts that have been paid by a WSEA State, which are found to be improper in accordance with the terms of the contract, shall be returned to the State or may, at the discretion of the State, be returned in accordance with other remedies.
- The EBT Contractor shall permit the WSEA States and any other governmental agency authorized by law, or their authorized designee to monitor all activities conducted by the contractor pursuant to the terms of the contract. Such monitoring may consist of internal evaluation procedures, special analysis, on site verification, and any other reasonable procedure that does not unduly interfere with contract work.

10.19.8 Incident Reporting

In addition to the self-certification and evaluation requirements, the EBT Contractor shall notify the impacted State of any instances of non-compliance promptly upon their discovery, but within a period of no more than five (5) business days. Notification shall include a description of the non-compliance, specific areas impacted, and corrective action planned and/or taken.

10.20 Fraud Detection

The EBT Contractor shall advise, assist and appropriately act to aid the State in detection and investigations of abuses by stores, recipients or workers, including but not limited to, reporting unusual activity. The EBT Contractor's fraud detection and reporting solutions shall support State initiatives for card replacement monitoring, follow-up, and reporting. This may entail cooperation with various authorities of the State and Federal agencies that are responsible for compliance with laws and regulations surrounding the programs. Stores authorized by the Food and Nutrition Service to accept SNAP benefits may become subject to monitoring and investigations by the State, FNS, USDA OIG, IRS, Secret Service, or local police departments. Recipients are subject to investigation by the State program authorities and occasionally others. Access to information concerning these matters will be restricted both at the State and the Contractor so that the investigations are not compromised. The Contractor must provide EBT and retailer system information, such as bank account numbers and ACH payment

details, to the State, FNS and/or USDA OIG, as needed for evidentiary purposes, within 24 hours of request.

To support Federal and State fraud investigators, the Contractor shall provide the capability to establish accounts, add SNAP and cash benefits to the investigative accounts, and 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

EBT Administrative functionality shall be provided to the State 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 established via the Administrative functionality. Inquiry-only access to the case, benefit and transaction activity for investigator accounts must be provided to FNS and OIG. These needs must be addressed in the design phase, covered in acceptance testing, and available at conversion.

Funds for SNAP investigative transactions will be drawn through ASAP. Funds for cash transactions will be drawn from the State. The Contractor must provide a daily report or inquiry screen of entries provided to the FRB of Richmond through the AMA batch process. The Contractor must provide a daily report or inquiry screen that provides the details of all updates to the AMA file to facilitate FNS-46 reporting.

- Separate entries must be created for regular SNAP benefit activity and fraud investigative SNAP benefit activity.
- This report or inquiry screen must be made available to FNS.

The Respondent shall propose innovative methods or the application of technologies that would support the deterrence and detection of fraud, including, but not limited to, fraud committed by cardholders, retailers/merchants, and employees. The Respondent shall describe their history and experience in the use of the proposed technology in EBT to combat fraud and abuse.

- Development of fraud profiling data to alert investigators of cardholders that are potentially misusing benefits
- Fraud detection and benefit recovery specific ad-hoc reporting capability
- Use of predictive modeling
- Web-based fraud dashboard with a suite of tools and functionality to assist the identification of potential fraudulent situations and high risk suspected activities with the flexibility for modification as needed based on data analysis and environmental circumstances

10.21 WIC EBT Requirements

10.21.1 WIC EBT Functional Requirements

In the following order of precedence, the WIC EBT system shall process transactions in compliance with:

- 7 CFR Part 246 and FNS WIC memos and guidance
- FNS Operating Rules for WIC EBT
- Prevailing industry technical and performance standards

10.21.1.1 WIC Standards, Rules and Guidelines

WIC EBT transactions shall adhere to the following standards, rules, and guidelines:

- The WIC EBT system shall conform to the most recent version of the American National Standards Institute (ANSI) X9.93 standards and to future updates to the standard.
- The WIC EBT system shall conform to the ANSI X9.93-2014 Financial Transaction Message - EBT- Part 1: Messages and Part II: Files (and future updates) as described in the Technical Implementation Guide (TIG).
- The WIC EBT system shall conform to the FNS Operating Rules for WIC EBT dated September 2014 or the most recent version at the time development is initiated.
- The WIC EBT system shall conform to the FNS WIC EBT Technical Implementation Guide (TIG) dated September 30, 2012 or the most recent version at the time development is initiated.
- The WIC EBT system shall confirm to the V 4.1 of the FNS WIC Universal MIS-EBT Interface dated March 2015 or the most recent version at the time development is initiated.

10.21.1.2 WIC Regulations

WIC EBT transaction processing shall adhere to the following regulations:

- The WIC EBT system shall meet all applicable federal and state regulations, including WIC Regulations 7 CFR Part 246.
- The WIC EBT system and the WIC EBT service provider 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).

10.21.2 WIC Food Maintenance

Unlike SNAP benefits that have a fixed monetary value, WIC benefits are food prescriptions that do not have a fixed monetary value. The WIC EBT service provider shall support maintenance of the food prescription as defined in the following sections.

10.21.2.1 Category/Subcategory Requirements

The WIC EBT system shall accept the initial WIC Category Sub-Category file provided by the respective WSEA State. Following the acceptance of the initial WIC Category Sub-Category file, the WIC EBT system shall accept updates to the WIC Category Sub-Category files containing changes and/or additions to the respective State's WIC Category Sub-Category list. If an effective date is not present, then the WIC EBT system shall assume the current date as the effective date. If an end date is not provided, then the WIC EBT system shall not assume an end date.

10.21.2.2 WIC UPC/PLU Data

The WIC EBT system shall accept the initial WIC UPC/price look-up (PLU) file from the respective WSEA State that includes peer group pricing for each item. Subsequent to the initial UPC/PLU file load, the WIC EBT system shall accept changes and/or additions to the respective WSEA State's WIC UPC/PLU database. The WIC UPC/PLU file shall be in the format and contain data as described in Section 6.5.4 of the WUMEI. Upon receipt of the UPC/PLU file, WIC EBT system shall validate whether the UPC/PLU data already exists for the Respective WSEA State's WIC Program.

- If the UPC/PLU data does not exist, the WIC EBT system shall add the UPC/PLU data.
- If the UPC/PLU data does exist, the WIC EBT system shall validate that the date effective is greater than the existing date effective and greater than or equal to the current date.
- Upon validation, the WIC EBT system shall completely replace the existing information with the updated information on the designated effective date.

The WIC EBT system shall accept WIC UPC/PLU files containing deactivations of specific UPCs or PLUs.

- The WIC EBT system shall validate that the date provided to deactivate the existing data is equal to or greater than the current date.
- Upon validation, the WIC EBT system shall deactivate the existing data on the designated end date.

10.21.2.3 APL Procedures

The WIC EBT system shall provide WIC Agency user and WIC Vendor access to the approved product list (APL). Each respective WSEA State implementing WIC EBT will generate a State-specific APL file and remit to the WIC EBT system. The WIC EBT system shall support the following processing for the APL:

- At a minimum, the WIC EBT system shall generate the APL on a business day basis.
- APLs with a file created date of the last processing day of a calendar week shall be in effect until the APL with a file created date for the first processing day of the next calendar week is created.
- The WIC EBT system shall generate the WIC Vendor APL file for the respective WSEA states on-demand from the WSEA State.

10.21.2.4 Download of APL

The WIC EBT system shall make the APL file available on a secure data retrieval site (SFTP) for download by WIC Vendors and third party processors (TPPs). The APL made available to the WIC Vendors shall not display not-to-exceed (NTE) data. In addition, the WIC EBT system shall provide each respective WSEA State implementing WIC EBT with a user view of the APL source data (current and previous), including the ability to view APLs by specific dates.

10.21.3 WIC Benefit Activation and Expiration

The WIC EBT system shall maintain the WIC benefit account structure, to include benefit beginning and end dates. Specifically, the WIC EBT System shall:

- Accurately maintain EBA account balances by Category/Sub-Category.
- Ensure that benefits being utilized are drawn from the appropriate Category/Sub-Category.
- Ensure that benefit accounts are not overdrawn.

The WIC EBT system shall store and manage benefits based on the availability dates received from the State WIC Program, with an availability of 12:00 A.M. local time for the respective WSEA State.

Specifically, the WIC EBT System shall:

- Ensure benefits are made available on their availability date and time.
- Ensure that unused benefits are expired on their expiration date and time. Expiration time shall be 11:59 PM local time on the last day of availability.
- The WIC EBT system shall ensure benefit availability and expiration is based on local time.
- The WIC EBT system shall ensure benefits may not be redeemed before the begin date and time or after the end date and time.

10.21.4 WIC-Specific Requirements for Transactions

Transaction processing requirements for WIC benefit redemptions are defined below.

10.21.4.1 WIC Transaction Validation

The WIC EBT system shall process transactions in real time as transactions occur. The WIC EBT system shall conduct checks and processes to determine if a transaction is approved. These checks and processes include:

- Ensuring the transaction originates from an approved WIC Vendor by validating the WIC Vendor's authorization number.
- Validating that the PAN is issued and active.
- Verifying that the number of consecutive failed PIN tries has not been exceeded
- Verifying the PIN received with the transaction is associated with the PAN.
- Verifying the EBA is active.
- Validating the UPC/PLU for the food items being purchased against the APL current at the time of purchase

- Validating the products and units are available within the EBA benefit balance.
- Validating the availability dates within the EBA benefit record for the products being purchased.
- For void/reversal transactions, verifying that an existing benefit record exists so that the voided/reversed transaction can be properly posted.
- Ensuring that the purchase quantity redeemed from the EBA benefits is obtained from the benefit quantity associated with the UPC in the APL.
- Providing an approval or a denial for each product being purchased.
- Providing an appropriate reason code for all rejected product purchases.

10.21.4.2 Broadband Food Subcategory

Broadband food subcategories are subcategories that have a value of "000" that can be used to purchase any food item in the category. The WIC EBT system shall deduct benefits from Sub-Categories with values greater than "000" before deducting benefits from the Broadband Food Sub-Categories. If a food item is allowed to use a Broadband Food Sub-Category, then the WIC EBT system shall allow the food item to be redeemed with the units remaining in the Broadband Food Subcategory once all units in the specified Food Sub-Category have been decremented. The WIC EBT system shall allow the redemption of a single food item in part from a Food Sub-Category and in part from the Broadband Food Sub-Category.

10.21.4.3 Number of Food Items

The WIC EBT system shall have the capability to process at least 50 WIC items in a single purchase.

10.21.4.4 Adjustment for NTE

The WIC EBT system shall reimburse WIC Vendors for the sale of approved food items purchased at either the requested food item price or the maximum allowable reimbursable (Not-to-Exceed or NTE) price, whichever is lower. The WIC EBT system shall compare the product price against the NTE price for the Sub-Category, or for the UPC, if the maximum allowable price is set at the UPC level for the product. If the product price is equal to or less than the NTE for the WIC Vendor's peer group, the WIC EBT system shall approve the purchase of the product at the WIC Vendor's product price. If the product price is greater than the allowable price for the WIC Vendor's peer group, the WIC EBT system shall approve the purchase of the product at the NTE price. The approval transaction message shall identify the amount paid as defined in 6.2.5 of the TIG for NTE edited items.

10.21.4.5 Commissary Commissions and WIC Vendor Fees

The WIC EBT system shall support a Commissary Commission on each item purchased.

10.21.4.6 Special Formula

WIC Agencies may need to make payments to WIC Vendors via ACH for special order products such as special formula. The WIC EBT system shall provide data in accordance with Section 6.9.1 and the appropriate reason codes in Appendix B.8 of the WUMEI. Further details will be defined during interface development.

11 EBT Pricing

While the composition of WSEA has changed over the past decade, WSEA has maintained mutual goals and objectives concerning EBT. WSEA States cooperate in the implementation of new federal regulations and technology advances. WSEA States hope to achieve economies of scale by bringing significant caseload and transaction volumes to the selected EBT Contractor. WSEA remains committed to these objectives and, as indicated in RFP *Section 1.4.2: Evaluation Criteria*, places significant evaluation weight on pricing.

11.1 Pricing Approach

The WSEA States are purchasing core EBT services and may purchase optional services as specified in this RFP. The selected EBT Contractor will provide all system components, hardware, software, interfaces, professional services and any other services necessary to meet this RFP's requirements at the prices specified in their offer. The WSEA States will incur no additional fees.

Offeror's Cost per Case Month (CPCM) prices shall be based on the standard CPCM tiered pricing approach for core EBT services. The core service requirements include all EBT services requirements as specified in the RFP. In constructing the prices, Offerors are directed to RFP *Sections 5.2: Invoicing for SNAP EBT Services* and *5.3: Invoicing for WIC EBT Services* for information on CPCM invoicing requirements. As indicated in these sections, the CPCM charge to participating WSEA States for any billing month will be based on the total number of active cases for all WSEA States for the billing month and the CPCM specified in the offer for that case volume tier. In addition, to CPCM pricing, WSEA is requesting pricing as specified for:

- Transition and conversion services;
- Hardware on a per unit basis;
- Optional EBT fee for services;
- Optional services that may increase or decrease the offered CPCM;
- Optional disaster vault card and PIN stock;
- Optional financial remedies;
- Optional branded debit card services; and

As indicated in RFP Section 1, best and final offers may be requested at the option of the WSEA. However, there is no guarantee that best and final offers will be requested.

11.2 Pricing Schedules

Offerors are required to submit their price proposal using the following Price Schedules. The Price Schedules must be completed in their entirety. If needed, the Offeror may include a narrative to explain their pricing approach or components.

11.2.1 Transition and Conversion Pricing

The Offeror shall provide a firm, fixed price per State for transition and conversion from the current EBT system. Refer to RFP *Section 8: Transition/Conversion and Implementation* for requirements. A quote must be provided for each State. If an Offeror is not proposing a price for a State, the cell must indicate \$0. The respective WSEA State will pay the transition and conversion cost following the successful transition to the new EBT system.

SCHEDULE 1: TRANSITION AND CONVERSION PRICING

State	Firm Fixed Price Per State
Alaska	\$
Arizona	\$
Colorado	\$
Guam	\$
Hawaii	\$
Idaho	\$
Nebraska	\$
Wyoming	\$

11.2.2 Schedule 2: CPCM for Core EBT Services

The Offeror shall use the following pricing schedule to reflect their proposed CPCM pricing for the core EBT services. Refer to RFP *Sections 5.2 and 5.3* for the definition of an active case for pricing and invoicing purposes.

For each State, the billing month's invoice shall be based on the total number of active cases for all participating WSEA States during that billing month. If the total case counts within a billing month fall outside of the range provided within the pricing schedule, the price will be set at the lowest or highest case ranges within this pricing schedule, as applicable.

The CPCM price for SNAP only accounts shall also include costs for interoperable transactions. The EBT Contractor will not receive separate payments for support interoperability of SNAP EBT transactions for the WSEA States.

SCHEDULE 2: CPCM PRICING for Core Services

WSEA-Wide Active Cases for the Billing Month	SNAP Only CPCM	Cash Only CPCM	Combined SNAP & Cash CPCM	WIC CPCM
Less than 300,000	\$	\$	\$	\$
300,001 to 350,000	\$	\$	\$	\$
350,001 to 400,000	\$	\$	\$	\$
400,001 to 450,000	\$	\$	\$	\$
450,001 to 500,000	\$	\$	\$	\$
500,001 to 550,000	\$	\$	\$	\$
550,001 to 600,000	\$	\$	\$	\$
600,001 to 650,000	\$	\$	\$	\$
650,001 to 700,000	\$	\$	\$	\$
700,001 to 750,000	\$	\$	\$	\$
750,001 to 800,000	\$	\$	\$	\$
800,001 to 850,000	\$	\$	\$	\$
850,001 to 900,000	\$	\$	\$	\$
900,001 to 950,000	\$	\$	\$	\$
950,001 to 1,000,000	\$	\$	\$	\$
1,000,001 to 1,050,000	\$	\$	\$	\$
1,050,001 to 1,100,000	\$	\$	\$	\$
1,100,001 to 1,150,000	\$	\$	\$	\$
1,150,001 to 1,200,000	\$	\$	\$	\$
1,200,001 to 1,250,000	\$	\$	\$	\$
1,250,001 to 1,300,000	\$	\$	\$	\$
1,300,001 to 1,350,000	\$	\$	\$	\$
1,350,001 to 1,400,000	\$	\$	\$	\$
1,400,001 to 1,450,000	\$	\$	\$	\$
1,450,001 to 1,500,000	\$	\$	\$	\$
1,500,001 to 1,550,000	\$	\$	\$	\$
1,550,001 to 1,600,000	\$	\$	\$	\$

11.2.3 Schedule 3: Per Unit Hardware Prices

Offerors shall indicate their per unit purchase or lease price, as indicated, for specified hardware. The specified hardware may be purchased at the option of the State. There are no guarantees of minimum or maximum purchase amounts. Offerors must specify the brand, model and the technical specifications for the offered hardware.

SCHEDULE 3: PER UNIT HARDWARE PRICES

Description	Price Per Unit
SNAP POS Terminal with Integrated PIN Pad	
Purchase price per EBT-only POS terminal	\$
Monthly maintenance fee for purchased device, including supplies	\$
Monthly lease price, including maintenance and supplies, per POS terminal	\$
SNAP POS Terminal with Hand Held PIN Pad	
Purchase price per EBT-only POS terminal	\$
Monthly maintenance fee for purchased devices, including supplies	\$
Monthly lease price, including maintenance and supplies, per POS terminal	\$
WIC POS Terminal with Integrated PIN Pad & Bar Code Reader	
Purchase price per WIC EBT-only POS terminal	\$
Monthly maintenance fee for purchased devices, including supplies	\$
Monthly lease price, including maintenance and supplies, per POS terminal	\$
WIC POS Terminal with Hand Held PIN Pad & Bar Code Reader	
Purchase price per EBT-only POS terminal	\$
Monthly maintenance fee for purchased terminals, including supplies	\$
Monthly lease price, including maintenance and supplies, per POS terminal	\$
Magnetic Stripe Card Reader Device	
Purchase Price per magnetic stripe card reader	\$
Monthly maintenance fee for purchased devices	\$

Description	Price Per Unit
Monthly lease price, including maintenance, per magnetic stripe card reader	\$
PIN Selection/Change Terminal	
Purchase price per PIN selection/change terminal	\$
Monthly maintenance fee for purchased terminals	\$
Monthly lease price, including maintenance, per PIN selection/change terminal	\$
SNAP/WIC Wireless EBT-only Terminal	
Purchase price per Wireless EBT-only POS terminal	\$
Monthly maintenance and communications fee for purchased devices, including supplies	\$
Monthly lease price, including maintenance, communications and supplies, per Wireless EBT-only POS terminal	\$
High Speed Embosser	
Purchase price per High Speed Embosser	\$
Monthly maintenance, including supplies, per High Speed Embosser	\$
Monthly lease price per High Speed Embosser including monthly maintenance and supplies	\$
Other Hardware	
Investigative/test cards (25 card purchases)	\$

11.2.4 Schedule 4: EBT Fee for Service – Optional Services

Offerors shall indicate their price for the specified EBT services. Offerors are required to offer and price these services. The services will be purchased at the option of the State. There are no guarantees of minimum or maximum purchase volumes.

SCHEDULE 4: EBT FEE FOR SERVICE

Description of Service	Unit of Measure	Unit Price
Calls to the ARU/CSR in excess of basic level of service ⁴ (refer to RFP <i>Section 10.8.1</i>)	Per call	\$
Client paid ATM transactions	Per ATM transaction	\$
State paid ATM transactions	Per ATM transaction	\$
ACH Fee: For direct deposit to client and provider bank accounts	Per ACH origination	\$
One time reissue of EBT Card Base (refer to RFP <i>Section 10.5.7</i>)	Per Card	\$
Professional Services in excess of 300 hours per year for each State (refer to RFP <i>Section 10.17.7</i>)	Per Labor Hour	\$
Level II Disaster Services (refer to RFP <i>Section 10.18.3</i>)	Per incident	\$
Fees assessed to third party processors for processing adjustment requests	Per adjustment	\$
Onsite installation of EBT-only equipment	Per Install	\$

⁴ This is not an optional fee, but will apply to all WSEA states

11.2.5 Schedule 5: Increase or Decrease in CPCM - Optional Services

Offerors shall specify the increase or decrease in the core CPCM (Offeror's price specified in Schedule 2: Core CPCM Pricing) for the following optional EBT services. Offerors are required to offer and price these services. The services may be purchased at the option of the State and there is no guarantee of minimum or maximum purchase amounts. If there is no change to the CPCM for the optional service, the incremental CPCM increase/decrease should be listed as zero.

SCHEDULE 5: EBT OPTIONAL SERVICES

Optional Service or Service Improvement Description	Incremental CPCM Increase (+) OR Decrease (-)
On shore customer service center (increase in the core CPCM)	\$
Interpretive Services for CSR support for up to five (5) languages in addition to English and Spanish (increase in the core CPCM)	\$
One (1) free ATM transaction per month provided by the State to clients (increase in the core cash CPCM)	\$
Two (2) free ATM transactions per month provided by the State to clients (increase in the core cash CPCM)	\$
Increase number of base level professional services hours to 400 per year (increase in the core CPCM).	\$
State prints training materials supplied by the EBT Contractor (decrease in the core CPCM)	\$
Eliminate EBT Contractor provided training materials (decrease in the core CPCM)	\$
Provide Client Training Digital Media (increase in the core CPCM)	\$
Eliminate hologram on card (decrease in the core CPCM)	\$
Eliminate card sleeve (decrease in the core CPCM)	\$

Optional Service or Service Improvement Description	Incremental CPCM Increase (+) OR Decrease (-)
Issue all new and replacement cards over the counter (decrease in the core CPCM)	\$
Customer services for WIC only available during business hours (8:00 am to 6:00 pm) local time (decrease in the core CPCM)	\$
ACH Administrative Services (RFP Section 10.13.5) (increase in the core CPCM)	\$
Other: (specify)	\$
Other: (specify)	\$

11.2.6 Schedule 6: Optional Disaster Cards – Vault Card and PIN Stock

Offerors shall specify a unit cost per card/PIN for order quantities specified.

SCHEDULE 6: VAULT CARD AND PIN STOCK PRICING

Required Number of Vault Cards and Pre-Assigned PINs	Unit Cost per Card/PIN
1–10,000 cards/PINs	\$
10,001–20,000 cards/PINs	\$
20,001–40,000 cards/PINs	\$
> 40,000 cards/PINs	\$

11.2.7 Schedule 7: Optional Financial Remedies

At the option of each State, financial remedies in the form of liquidated damages may be included in a State's contract with the selected Contractor. Refer to RFP *Section 5.5.4*.

SCHEDULE 7: OPTIONAL FINANCIAL REMEDIES

State	Incremental CPCM Increase Per State
Alaska	\$
Arizona	\$
Colorado	\$
Guam	\$
Hawaii	\$
Idaho	\$
Nebraska	\$
Wyoming	\$

11.2.8 Schedule 8: Optional Branded Debit Card Fees

As specified in RFP *Section 10.14*, the States may elect to provide cash benefits via a branded debit card product. In Schedule 7, the Offeror shall disclose any fees that may be charged to the clients for the use of the card, the account and any provided standard or option services. If no fee will be charged, the unit price shall be designated as \$0.

SCHEDULE 8: OPTIONAL BRANDED DEBIT CARD FEES

Description of Service	Unit of Measure	Unit Price
Initial Card Issuance	Per card	\$
Card Replacement	Per card	\$
Monthly Account Fee	Per account	\$
POS Transaction Fees – including cash back	Per transaction	\$
ATM Withdrawal Transaction Fee	Per transaction	\$
ATM Balance Inquiry Fee	Per transaction	\$
ATM Decline Fee	Per transaction	\$
Cash Withdrawal at Teller Window Fee	Per withdrawal	\$
Transfer of Funds Fee	Per transaction	\$
Foreign (out of country) Transaction Fee	Per transaction	\$

Description of Service	Unit of Measure	Unit Price
Customer Service – ARU Balance Inquiry	Per inquiry	\$
Customer Service – Other ARU menu services	Per inquiry	\$
Customer Service – CSR Inquiry	Per inquiry	\$
Customer Service – Unlimited Web Access	Per month	\$
Statement Fees	Per Statement	\$
Statement Replacement	Per Statement	\$
Monthly Inactivity Fee	Per month	\$
Other:		\$
Other:		\$
Other:		\$

11.2.9 Schedule 9: WIC Start-Up Costs

The Offeror shall provide a firm, fixed price for WIC start-up costs. At this time, only four WSEA States are planning to acquire WIC EBT services through the WSEA contract. If an Offeror is not proposing a price, the cell must indicate \$0. In their pricing response, Offerors are required to provide a detailed explanation of the costs comprising the WIC start-up costs. Costs should be broken out by the appropriate line item (e.g. interface testing, UAT, system configuration, retailer certification), with an explanation of the line item.

SCHEDULE 9: WIC START-UP COSTS

State	Start-up Price Per State
Alaska	\$
Hawaii	\$
Idaho	\$
Nebraska	\$