

State of Arkansas
DEPARTMENT OF HUMAN SERVICES
700 South Main Street
P.O. Box 1437 / Slot W345
Little Rock, AR 72203

ADDENDUM 1

TO: All Addressed Vendors
FROM: Office of Procurement
DATE: November 3, 2023
SUBJECT: 710-23-0008 Electronic Benefit Transfer Services

The following change(s) to the above referenced RFP have been made as designated below:

- Change of specification(s)
 Additional specification(s)
 Change of bid opening date and time
 Cancellation of bid
 Other

CHANGE OF BID OPENING DATE AND TIME

Proposal Submission Date and Time changed to November 30, 2023, 1:00 p.m. Central Time. Proposal Opening Date and Time changed to November 30, 2023, 2:00 p.m. Central Time.

CHANGE OF SPECIFICATION(S)

- Section 2.6.7.1.1 – remove and replace with the following:
Disaster Recovery – The FNS DSNAP guidance requires an annual test of the Contractor’s back-up site. This would be a test of the State’s primary eligibility and EBT interface systems to the Contractor’s back-up data center. The Contractor’s hot back-up site will begin operations within one (1) hour of the decision to switch to the back-up facility. The Contractor must provide copies of the test results to the State within thirty (30) calendar days of the test.
- Section 2.13.F – remove and replace with the following:
The Contractor shall provide a security process to ensure that access to the EBT System shall not be compromised by any unauthorized access. The Contractor shall provide DHS with the capability to assign user EBT Program users passwords and a web interface for active users to securely reset their own password and the logging of failed log-in attempts. The Contractor shall comply with the most current specifications in State of Arkansas Department of Information System (DIS) Cyber Security Policies or the FNS Security Policy, whichever is more stringent. Contractor shall also provide DHS with the ability to create groups of EBT Program users with custom security roles.
- Section 2.13.G – remove and replace with the following:
The Contractor shall allow for the following DHS update capabilities in the EBT System:
 1. Enable account access
 2. Allow for updating demographics
 3. Provide memo field to add notes for case comments, to include date stamp
- Section 2.17.3.C
The Contractor must have the ability to provide translation and interpreter services including without limitation Spanish, Marshallese, and services for persons with non or Limited English Proficiency. In addition, provide accessible formatting to individuals with disabilities.
- Section 2.25.A.3 – remove and replace with the following:
The Contractor must provide appropriate funds unavailable/decline message at a POS terminal.
- Section 2.26 – remove and replace with the following:
ACCOUNT DEACTIVATION
 - A. Cardholders receiving recurring benefits shall have the right to spend all benefits each month from their account resulting in a zero (0) balance. Since they will receive benefits again next month, the Contractor shall

not remove their accounts from the active account database. The Contractor must make accounts inactive in the database according to the following:

1. An account is reduced to a zero (0) balance and remains at a zero (0) balance for a period of two hundred seventy-five (275) days.
 - a. The two hundred seventy-five (275)-day count shall begin on the date when the account was first (1st) reduced to a zero (0) balance. Any active account shall stay active, shall become new. If on the day of conversion, the Contractor shall reactivate if possible; if impossible then the Contractor shall create a new account, e.g.,
 - i. If on the date of conversion, the case has been inactive two hundred seventy-five (275) days or more then that case will be converted as inactive.
 - ii. If on the date of conversion, the case has been inactive for less than two hundred seventy-five (275) days, the case will be converted as active.
- Section 2.37.B – remove and replace with the following:
The Contractor shall provide DHS, who will later forward to FNS, an annual written certification stating that the Contractor and its subcontractors comply with applicable banking regulatory requirements and EBT specific requirements. These certifications shall be subject to independent verification and validation. The following EBT eight (8) numbered points that follow are specific requirements and shall be addressed in the Contractor's self-certification of compliance covered by the annual audit:
 1. Banking and Financial Services Rules: The Contractor shall comply with banking, EFT, and other financial services industry rules that relate to the EBT application. Such rules include National Automated Clearing House Association (NACHA) Operating Rules and Operating Guidelines, Department of the Treasury Financial Management Service (TFMS) Green Book Requirements, and 31 CFR § 210.
 2. Quest EBT Operating Rules.
 3. SNAP Rules: e.g., 7 CFR Parts 272, 274, and 276 through 278.
 4. Internal controls and physical and personnel security requirements.
 5. An evaluation of its compliance with the EBT requirements, applicable regulatory requirements, and the effectiveness of the internal control structure.
 6. Written certification of compliance with the EBT requirements and applicable bank, EFT, and financial services industry requirements related to the EBT application.
 7. An explanation of how determinations were made, including bank examination, audit, and internal review.
 8. An explanation of any exceptions and description of corrective actions taken or planned to address such exceptions.
 - Section 2.37.E – remove and replace with the following:
The SSAE-18 report must cover twelve (12) months of EBT System operations, or for the initial report to Arkansas, the report must cover the period the Contractor was providing EBT services to the State.
 - Section 2.39.B – remove and replace with the following:
All reports designated herein shall be sent to DHS or FNS, whichever is applicable, in a format specified and approved by DHS or FNS. Upon request by DHS, the Contractor shall provide report(s) in different formats as needed. Daily reports shall be delivered no later than (12:00 pm) Central Standard Time (CST) the next business day. Weekly reports shall be due no later than the second (2nd) business day of the week following the reporting week. Monthly reports shall be due no later than the second (2nd) business day of the month following the reporting month. Each report must be submitted separately into a single report. Partial reports shall not be acceptable.
 - Section 2.39.2.3 – remove and replace with the following:
Daily Statistical Report
 - a. Contractor shall provide a daily summary of cardholder transaction activity on the system.
 - b. Timing should correspond with the established Settlement Day cutoff.
 - c. Contractor shall provide a summary by program code and the following transaction types, with subtotals for cash and food benefits, as well as a grand total:
 - i. Authorizations
 - ii. Administrative Adjustments
 - iii. Aged iv. Repayments
 - vi. Withdrawals
 - d. Contractor shall provide the count and amount for each transaction type.
 - e. Contractor shall provide a month-to-date summary of the transaction activity for each program code and transaction type.
 - Attachment T – remove and replace with Attachment T Revised Cost Proposal Template

OTHER

- Section 1.8.A.1 – remove the following:
Copy should not be two sided.
- Section 2.2.B – remove the following:
The bidder must include a copy of all required licensure and certification documents in the bidder’s response to this solicitation. See “Response Documents.”
- Section 2.6.1.A.17 – remove the following:
EBT/EFT card issuance and replacement includes entering into an agreement with sponsoring financial institution on behalf of the State of Arkansas electronic payment.
- Section 2.6.7.D – remove the following:
The SSP shall comply with the Minimum Acceptable Risk Standards for Exchanges (MARS-E v2.2) as defined by the Centers for Medicare and Medicaid Services.
- Section 2.6.7.E.e – remove the following:
Compliance with MARS-E 2.2 (Refer to Attachment K)
- Section 2.6.7.G – remove the following:
Contractor shall perform and deliver Security Assessment and Authorization documentation in accordance with current Centers for Medicare and Medicaid (CMS) requirements prior to operations of the EBT System and every two (2) years thereafter.
- Section 2.28.f – remove the following:
The Contractor’s EBT system must have the ability to exchange data files in the Arkansas Integrated Eligibility System (ARIES) format.
- Section 2.39.2.3 – remove the following:
Daily Direct Deposit Report - Contractor shall provide detailed information summarizing cardholder direct deposit transactions daily. Data elements must include cardholder name, case number, card number, and direct deposit amount.
- Section 2.39.4.C – remove the following:
C. Card Replacement Analysis Report
 1. The Contractor shall provide a monthly report by county, the cardholders who were issued replacement cards during the month.
 2. The report must show the case number, cardholder name, card number, date last replacement was issued, and the total number of cards issued.
- Attachment D Terms and Conditions – remove and replace with the Attachment D Revised Terms and Conditions.
- Attachment R Deliverables Chart – add the following:

Item	Deliverable Description	Acceptance Criteria	Section	Deadline
Design Phase				
26.	Risk Assessment	Acceptance of Deliverable Form	2.6.7.F	90 calendar days of operation.

- Attachment K - remove.
- Exhibit 5 – Adjustment Data – add for informational purposes only.
- Exhibit 6 – 2022 Calls Per Month by Language – add for informational purposes only.

The specifications by virtue of this addendum become a permanent addition to the above referenced RFP. Failure to return this signed addendum may result in rejection of your proposal.

If you have any questions, please contact: Karrie Goodnight, DHS.OP.Solicitations@dhs.arkansas.gov, 501-320-3906.

Vendor Signature

Date

Company