STATE OF ARKANSAS

OFFICE OF STATE PROCUREMENT
1509 West 7th Street, Room 300
Little Rock, Arkansas 72201-4222

DRAFT – REQUEST FOR PROPOSAL

BID SOLICITATION DOCUMENT

SOLICITATION INFORMATION			
Bid Number:	SP-16-0125	Draft Solicitation Issued:	12/01/2016
Description:	Electronic Benefit Transfer Services		
Agency:	Department of Human Services (DHS)		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	Estimated to be 03/01/17. Date to be finalized with an addendum to this Draft RFP.	Bid Opening Time:	2:00 p.m., Central Time

Proposals **shall not** be accepted after the designated bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of vendors to submit proposals at the designated location on or before the bid opening date and time. Proposals received after the designated bid opening date and time **shall** be considered late and **shall** be returned to the vendor without further review. It is not necessary to return "no bids" to OSP.

DELIVERY OF RESPONSE DOCUMENTS	
Delivery Address:	Office of State Procurement 1509 West 7th Street, Room 300 Little Rock, AR 72201-4222 Delivery providers, USPS, UPS, and FedEx deliver mail to OSP's street address on a schedule determined by each individual provider. These providers will deliver to OSP based solely on the street address.
Proposal's Outer Packaging:	Outer packaging **must** be sealed and should be properly marked with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for bid identification purposes. • Bid number • Date and time of bid opening • Vendor's name and return address

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
OSP Buyer:	Janet Quattlebaum	Buyer's Direct Phone Number:	501-324-9319
Email Address:	janet.Quattlebaum@dfa.arkansas.gov	OSP's Main Number:	501-324-9316
OSP Website:	http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx		

NOTICE TO VENDORS

THE RELEASE OF THIS DRAFT RFP SERVES AS AN "INTENT TO POST"

Due to the magnitude of the scope of this solicitation and its specifications, and in consideration of the recommendation from The Department of Human Services, Division of County Offices and Food Nutritional Services to provide ample opportunity to Vendors to prepare proposal responses, the Office of State Procurement posts this Draft RFP in advance of the official posting of the final RFP solicitation document for SP-16-0125.

Because OSP expects this Draft RFP to substantially mirror the final, official RFP, Vendors may utilize this Draft RFP to begin compiling their proposal response; however, a Vendor's final proposal submission ***must*** *be based solely on the final, official RFP solicitation document* which is anticipated to be formally issued around January 31, 2017. Any "Questions and Answers" documents, Addendum documents, or other documents produced and posted under this Draft to be incorporated into the official RFP solicitation will be incorporated into the official RFP solicitation that is formally issued and posted as such. **The formally issued RFP solicitation document will be the final expression of the RFP, completely extinguishing and replacing this Draft RFP**.

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SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

- ***Do not** provide responses to items in this section unless specifically and expressly required.*

1.1 PURPOSE

This Request for Proposal (RFP) is issued by the Office of State Procurement (OSP) for the Arkansas Department of Human Services (DHS) Division of County Operations (DCO) to obtain proposals for a fully tested, functioning, and supported statewide Electronic Benefit Transfer (EBT) Services system for the delivery of cash and Supplemental Nutrition Assistance Program (SNAP) benefits through Automated Teller Machines (ATMs) and Point of Sale (POS) devices to support EBT requirements for continuous efficiencies and optimal services. The service requirements under this RFP include a large information technology component, including:

A. Equipment

B. Software

C. Telecommunications

D. Service Access

E. Card Production and Issuance

F. Card Distribution

G. Hosting

H. Fraud Protection

I. Training

J. Help Desk Support

K. On-going operational support required to enhance, implement, operate and maintain the web-based EBT System.

1.2 TYPE OF CONTRACT

A. A Term contract **will** be awarded to a single vendor.

B. The term of this contract **shall** be for one (1) year. The anticipated starting date for the contract is April 2017. Upon mutual agreement by the vendor and agency, the contract may be renewed by OSP/DCO on a year-to-year basis, for up to six (6) additional one (1) year terms or a portion thereof.

C. The total contract term **shall not** be more than seven (7) years.

1.3 ISSUING AGENCY

OSP, as the issuing office, is the sole point of contact throughout this solicitation.

1.4 BID OPENING LOCATION

Proposals submitted by the opening time and date **shall** be opened at the following location:

Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222

1.5 DEFINITION OF REQUIREMENT

A. The words "**must**" and "**shall**" signify a Requirement of this solicitation and that vendor's agreement to and compliance with that item is mandatory.

B. Exceptions taken to any Requirement in this *Bid Solicitation*, whether submitted in the vendor's proposal or in subsequent correspondence, **shall** cause the vendor's proposal to be disqualified.

C. Vendor may request exceptions to NON-mandatory items. Any such request **must** be declared on, or as an attachment to, the appropriate section's *Agreement and Compliance Page*. Vendor **must** clearly explain the requested exception and should reference the specific solicitation item number to which the exception applies. (See *Agreement and Compliance Page.*)

1.6 DEFINITION/GLOSSARY OF TERMS

A. The State Procurement Official has made every effort to use industry-accepted terminology in this *Bid Solicitation* and **will** attempt to further clarify any point of an item in question as indicated in *Clarification of Bid Solicitation*.

B. The words "bidder" and "vendor" are used synonymously in this document.

C. The terms "Request for Proposal", "RFP" and "Bid Solicitation" are used synonymously in this document.

D. DHS DEFINITION/GLOSSARY OF TERMS are as follows:

TERM	DEFINITION
ACF	Administration for Children and Families. ACF is a Federal agency within the Department of Health and Human Services that is responsible for providing family assistance i.e., temporary assistance for needy families (TANF), child support, child care, Head Start, child welfare, and other programs relating to children and families.
ACH	Automated Clearinghouse. ACH is the central clearing facility that receives and transmits electronic entries between banks, and performs the settlement function for the Federal Reserve Bank.

Acquirer	The financial institution that established an account with a retailer and processes authorizations and payments. In the context of this RFP, it also refers to the TPP that accepts transactions from the retailer and routes them to the EBT host processor.
Active Case for Billing Purposes	Active cases are those for which one (1) or more benefit authorization(s) has been posted and made available during the billing month. A "case" is defined as a single household unit receiving benefits through a single client EBT account. The State **shall not** be charged for cases that have had no benefit authorization activity (credits) posted and made available during the billing month. An adjustment (credit) to a client's account does not make it an active case if there were no other credits to the same account for the billable month. Monthly benefits posted prior to the end of the month **shall not** constitute a billable case until the benefit has been made available to the client (e.g., availability date of the benefit has been reached). A "holdover" which occurs when a client accesses his/her benefits from a previous month and no new benefits have been authorized and made available for the current month is not an active case.
Active Case for Expungement Purposes	Active case for Expungement purposes are those cases that have benefits available and have not yet reached their expungement date. All benefits **shall** remain active until expunged.
Adjustment	A debit or credit transaction initiated by an Acquirer, terminal operator (on behalf of an Acquirer), or the State and/or its vendor to correct a system error and/or an out-of-balance condition identified in the reconciliation/settlement process.
Administrative Terminal	Software system used by State, Federal and vendor staff to view data in the EBT System; and if authorized, to change data and/or perform specific functions i.e., card replacement requests and account setup for fraud investigators
ALERT	Anti-Fraud Locator using EBT Retailer Transactions. ALERT is the USDA FNS subsystem that utilizes data provided by the EBT processors to identify and analyze suspected fraudulent retailer activity.
AMA	Account Management Agent. An automated application that supports the activities of the Federal Reserve Bank of Richmond in providing Automated Standard Application for Payments (ASAP) account management activities to the Food and Nutrition Service for the EBT SNAP Program.
ANSI	American National Standards Institute. This organization publishes standards for various aspects of the computer industry as well as other industries.

ARU	Automated Response Unit. An ARU is a computerized system that accepts calls from recipients or retailers, allowing the selection of voice menu options to grant access to EBT Systems. Interactive Voice Response Unit (IVR) is another term used for the same type system.
ASAP	Automated Standard Application for Payment. An electronic payment and information system that was developed by the U.S. Treasury Department Financial Management Service (FMS) and the Federal Reserve Bank of Richmond. The Federal Reserve Bank of Richmond operates the system that acts as Treasury's fiscal agent. ASAP is a system through which grantee organizations receiving Federal funds can draw from accounts pre-authorized by Federal Agencies.
ATM	Automated Teller Machine
Authorized Representative	Representative appointed by the household to act on behalf of the household.
Availability Date	Date on which a benefit issued by the State for a SNAP household is posted to the household's account and available for use by the recipient.
Back-up System	System capable of performing the same functions as the primary system. Back-up systems are activated when the primary systems are rendered inoperable.
Balance Inquiry	Non-financial transaction that permits a client to obtain the current status of his or her benefits. Balance inquiries can be made at a POS, via the ARU, or through the Internet if the State provides access for clients.
Issuer	Owner of the card IIN number. The State agency serves as the issuer with the EBT processor acting on behalf of the State.
Bidder	Any corporation, company, or organization that responds to a RFP with a Proposal.
Case (or Household)	One (1) or more eligible individuals usually sharing family membership and eligibility classification, i.e., mother and child. In the SNAP Program, a case and a household are equivalent terms. A "case" is defined as a single Household unit receiving benefits through a single client EBT account.
Case Month	Evaluation concept that represents one SNAP case's participation in the SNAP Program for one month.
Case Number	Usually the unique identifier given to an EBT System case. States also have unique identifiers for each eligibility case on their systems. These numbers are not necessarily the same.
Certification Period	Within the SNAP program, this is the period of time determined by a county or local office for which a SNAP program household is to receive benefits. It is usually from 3 to 12 months. Once the period is set, it **will** continue unless proper notice is provided informing the household of the action.
Client or Recipient	Person who receives public assistance or SNAP within eligibility regulations.
Change Order	Process used between vendor and State agency to affect system upgrades or design changes to the operating system.

Concentrator Bank	The bank where the settlement funds is sent. Currently both food supplement and cash settlements are sent to one account. This same account is used to settle with the banks/retailers doing business with our customers.
Vendor	Person or Business to which a contract is awarded to perform a service or provide goods as specified within the RFP at the price(s) quoted.
Current Vendor	Current vendor operating the State's EBT System during the procurement.
CPCM	Cost Per Case Month or Cost Per Case Per Month
CPU	Central Processing Unit
Day	Unless otherwise noted, a calendar day.
DCO	Arkansas Department of Human Services, Division of County Operations
Deliverable	A product that on delivery marks an event in a project schedule.
DES	Data Encryption Standard. The standard maintained by the American National Standards Institute (ANSI) for Data Encryption Algorithm specifications. Currently the SNAP PROGRAM EBT regulations require DES but stronger encryption methods may be used.
DF&A	Arkansas Department of Finance & Administration
DHS	Arkansas Department of Human Services
Dormant Account	A benefit account not accessed by the customer by debit transaction for 180 calendar days or longer.
DSNAP	D-SNAP provides temporary food assistance for households affected by a natural disaster. A D-SNAP provides one (1) month of benefits to eligible disaster survivors and can facilitate the issuance of supplemental SNAP benefits for ongoing households. To be eligible for D-SNAP, a household **must** live in the identified disaster area, have been affected by the disaster, and meet certain D-SNAP eligibility criteria.
Down Time	A condition that exists when the EBT System (as defined in this section) encounters problems that arise due to either partial or total hardware, or software failure of the EBT processor and/or the transaction switch. In addition, this condition includes failure of the telecommunications connections within the system, or if the system is unable to receive transactions due to insufficient telecommunication capacity.

EBT System	The Electronic Benefit Transfer (EBT) System functionality developed, operated and maintained by the vendor, that allows the EBT processor to receive transactions from Automatic Teller Machines (ATMs), Point of Banking (POB) terminals, and Point of Sale (POS) terminals, the equipment or System that is used to initiate electronic transactions from retailer locations that are either State-owned or owned and operated by other third party processors (TPPs) TPPs are financial institutions, cardholder authorization processors, and food retailers driving their own terminals that are capable of relaying electronic transactions to a central database computer or authorization. EBT System includes the host computer (primary or back-up system), System capable of performing the same functions as the primary system. Back-up systems are activated when the primary systems are rendered inoperable the communications facilities between the host and the transaction switch, and transaction switch components, regardless of whether the switch is operated by a subcontractor or a vendor.
Encryption	The method used to protect PIN data by transforming it into a cryptographic form. The translation of data by hardware devices or software programs that renders transmitted data unintelligible, thereby protecting the privacy of information.
Expungement	The procedures used to purge benefits based on state-designated timeframes and to report the reduction in liability to the state.
FFP	Federal Financial Participation. A percentage of State expenditures to be reimbursed by the Federal Government for certain costs associated with providing assistance, administration and development of automated data systems, including EBT Systems.
FNS	Food and Nutrition Service. Federal agency within the United States Department of Agriculture that has responsibility for providing children and low-income people with access to food, a healthful diet, and nutrition. FNS administers the SNAP and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) programs among others.
Gateway	The central switch used by the Vendor to accept EBT transactions, direct them to the proper authorization engine, or the host processor system (or to other interoperable states' processors), send responses back to the terminal owner, and compile settlement values.
Household	SNAP case unit that can be composed or one (1) or more members. Individuals within the unit are referred to as clients or recipients.
IIN	Issuer Identification Number

Invoice	Bill for services rendered.
Interoperability	The ability of the EBT System to process interstate transactions within the State for SNAP and Cash benefits at a retailer or ATM acquirer for an EBT cardholder issued benefits by another state. The EBT System **must** accept these transactions and route them to the appropriate State's EBT System for authorization and settlement in accordance with FNS and Quest® Operating Rules. FNS requires SNAP benefits be interoperable.
ISO	International Standards Organization. An international agency responsible for developing standards for information exchange.
Key-entered Transaction	EBT transaction in which the PAN is entered by using the keypad instead of by swiping the card. The cardholder **must** be present and enter the PIN and the card **must** also be present.
Maintenance	Functions (e.g., training, code enhancements, and repairs) performed for the continued successful operation of the EBT System.
Manual Transaction or Manual Voucher Transaction	EBT transaction using a signed paper voucher and a telephone authorization that allows access to benefits by recipients when the EBT System is not available or the POS cannot connect to the host.
OIG	Office of Inspector General, U.S. Department of Agriculture. OIG is a division within the USDA responsible for monitoring benefit program integrity and investigating fraud.
PAN	Primary Account Number. The EBT card number assigned to a household that represents its benefits account.
PIN	Personal Identification Number. A four (4) digit code selected by, or assigned to the cardholder that uniquely identifies the cardholder at a POS or ATM.
POS	Point of Sale. The equipment or System that is used to initiate electronic transactions from retailer locations.
Reconciliation	For EBT, a daily, point-in-time, complete balancing of the EBT System to ensure that funds entering into, exiting from, and remaining in the EBT System each day are accurate and match up with source documentation. Reconciliation is required at each of the following levels: host processing system, gateway, and EBT-only acquirer system.
REDE	Retailer EBT Date Exchange. The automated exchange of retailer data between FNS and EBT processors for notification of additions, deletions, and changes affecting retailers participating in the SNAP Program.
Regression Testing	Testing performed on the EBT System after corrections or modifications have been made to ensure the system will run error-free and to ensure that fixes in one area have not introduced problems in other areas.

Replacement/New Contractor	Contractor that bids on the RFP and is awarded the new contract and who will take over from the Current Contractor.
Reversal	EBT transaction that is the opposite of a prior transaction, used to cancel out that prior transaction. It also voids a specific transaction that was interrupted during processing or message transmission. The main purpose is to prevent system imbalances.
RFP	Request for Proposal. The solicitation form generally used for negotiated acquisitions wherein the State reserves the right to conduct written or oral discussions with any or all bidders, and also reserves the right to award without such discussions under certain conditions.
Retailer	Merchant who has been authorized by FNS to redeem SNAP benefits.
ROD	Retailer Operations Division. The FNS branch of the SNAP program that manages and monitors food retailers.
Settlement	The exchange of information that results in the transfer of funds between an Issuer and an Acquirer in satisfaction of a financial transaction.
Settlement Day	The period between cut-off times established by an Issuer's switch for settlement, The exchange of information that results in the transfer of funds between an Issuer and an Acquirer in satisfaction of a financial transaction. This may be different for individual states.
Settlement Date	The calendar date on which funds are transferred for settlement.
SSAE 16 Review	Annual audit required by FNS regulations for EBT Systems. The audits follow the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards No. 70, Service Organizations. Vendors obtain one (1) audit that covers all States for which they provide EBT services on the same operating platform.
SNAP	Supplemental Nutrition Assistance Program. A Federally funded program that enables individuals and households to purchase food items to maintain nutritionally adequate diets.
Staggered Issuance Cycle	Benefit distribution period, spread over several days or the entire month (as opposed to a one-day issuance period), for issuance to eligible households. This cycle is used to reduce traffic volume during peak issuance periods.
STARS	Store Tracking and Redemption System
Store-and-Forward Transaction	SNAP program transaction that is electronically stored with an encrypted PIN by a POS when unable to communicate with the host.
System Design	Detailed and exact description of the working relationship among all components of a system.
Terminal	Electronic device for the receipt and transmission of data to and from a CPU. An EBT System uses Point-of-Sale (POS) terminals located at authorized retailers, balance inquiry terminals at retail or other designated points, and work-stations, often called administrative terminals, to handle the administrative parts of the system.

TPP	Third Party Processors. TPPs are financial institutions, cardholder authorization processors, and food retailers driving their own terminals that are capable of relaying electronic transactions to a central database computer or authorization.
TPP Agreement	Third Party Processor Agreement
Transaction	Specific set of input data that initiates a specific action in the EBT System i.e., debits, credits, reversals, or refunds.
Transition Plan	Plan containing all the actions and steps needed for vendor to take over EBT services and operations from the current vendor. This may include new EBT-only contracts with retailers, new TPP agreements, POS replacement, card redesign and replacement, PIN selection device replacements, database conversion, and other actions. The plan **must** be approved by the State and FNS. This may sometimes be referred to as a "Conversion Plan".
UAT	User Acceptance Testing. A State test conducted prior to formal acceptance of the system for use in production. The State is required to conduct the test by Federal regulations to verify that each of the system components complies with program requirements and system design specifications. FNS usually participates in these tests and always reserves the right to participate in them or to do separate testing.
Unsettled Funds	Unresolved settlement transactions to retailer or TPP accounts that were rejected due to inaccurate account information or closed accounts.
Update	Process by which information is added to, changed, or deleted from a computer system.
USDA	United States Department of Agriculture. The Federal department that provides leadership on food, agriculture, natural resources, and related issues.

1.7 RESPONSE DOCUMENTS

A. Original *Technical Proposal Packet*

1. The original *Technical Proposal Packet* **must** be submitted on or before the bid opening date and time.

2. The Proposal Packet should be clearly marked "Original" and **must** include the following:

   a. Original signed *Proposal Signature Page*. (See *Proposal Signature Page.)*

   b. Original signed *Agreement and Compliance Pages*. (See *Agreement and Compliance Pages.)*

   c. Original signed *Proposed Subcontractors Form.* (See *Subcontractors*.)

   d. *Technical Proposal* response to the *Information for Evaluation* section included in the *Technical Proposal Packet*.

   e. Other documents and/or information as may be expressly required in this Bid Solicitation.

3. The following items should be submitted in the original Technical Proposal Packet.

    a. EO 98-04 Disclosure Form. (See *Standard Terms and Conditions, #27. Disclosure*.)

    b. Copy of Vendor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)

4. DO NOT include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

A. *Official Bid Price Sheet*. (See *Pricing.)*

1. Vendor's original *Official Bid Price Sheet* **must** be submitted in hard copy format.

2. Vendor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, preferably on a flash drive. A compact disc (CD) **will** also be acceptable.

B. The *Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing". Vendor **must not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*. Additional Copies and Redacted Copy of the *Technical Proposal Packet.*

C. In addition to the original *Technical Proposal Packet* and the *Official Bid Price Sheet*, the following items should be submitted:

1. Additional Copies of the *Technical Proposal Packet*

    a. Three (3) complete hard copies (marked "COPY") of the *Technical Proposal Packet*.

    b. Four (4) electronic copies of the *Technical Proposal Packet*, preferably on flash drives. CDs will also be acceptable.

    c. All additional hard copies and electronic copies **must** be identical to the original hard copy. In case of a discrepancy, the original hard copy **shall** govern.

    d. If OSP requests additional copies of the proposal, the copies **must** be delivered within twenty-four (24) hours of request.

2. One (1) redacted (marked "REDACTED") copy, the original *Technical Proposal Packet*, (preferably on a flash drive) and a CD will also be acceptable. (See *Proprietary Information*.)

1.8 ORGANIZATION OF RESPONSE DOCUMENTS

A. It is strongly recommended that vendors adhere to the following format and suggestions when preparing their Technical Proposal response. The original *Technical Proposal Packet* and all copies should be arranged in the following order.

- *Proposal Signature Page*.
- All *Agreement and Compliance Pages*.
- *Proposed Subcontractors Form*.
- Signed Addenda, if applicable.
- E.O. 98-04 – *Contract Grant and Disclosure Form*.
- *Equal Opportunity Policy.*
- Other documents and/or information as may be expressly required in this *Bid Solicitation*. Label documents and/or information so as to reference the *Bid Solicitation's* item number.

- Technical Proposal response to the *Information for Evaluation* section of the *Technical Proposal Packet.*

1.9 CLARIFICATION OF BID SOLICITATION

A. Vendors may submit written questions requesting clarification of information contained in this *Bid Solicitation*. Written questions should be submitted by 4:00 p.m., Central Time on or before February 10, 2017. Submit written questions via email to the OSP buyer as shown on page one (1) of this *Bid Solicitation*.

1. For each question submitted, vendor should reference the specific solicitation item number to which the question refers.

2. Vendors' written questions will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OSP website by the close of business on February 17, 2017.

B. Vendors may contact the OSP buyer with procurement-related questions at any time prior to the bid opening.

C. Answers to verbal questions may be given as a matter of courtesy and **must** be evaluated at vendor's risk.

1.10 PROPOSAL SIGNATURE PAGE

A. An official authorized to bind the vendor(s) to a resultant contract **must** sign the *Proposal Signature Page* included in the *Technical Proposal Packet*.

B. Vendor's signature on this page **shall** signify vendor's agreement that either of the following **shall** cause the vendor's proposal to be disqualified:

1. Additional terms or conditions submitted intentionally or inadvertently.
2. Any exception that conflicts with a Requirement of this *Bid Solicitation*.

1.11 AGREEMENT AND COMPLIANCE PAGES

A. Vendor **must** sign all *Agreement and Compliance Pages* relevant to each section of the *Bid Solicitation Document.* The *Agreement and Compliance Pages* are included in the *Technical Proposal Packet*.

B. Vendor's signature on these pages **shall** signify agreement to and compliance with all Requirements within the designated section.

1.12 SUBCONTRACTORS

A. Vendor **must** complete, sign and submit the *Proposed Subcontractors Form* included in the *Technical Proposal Packet* to indicate vendor's intent to utilize, or to not utilize, subcontractors.

B. Additional subcontractor information may be required or requested in following sections of this *Bid Solicitation* or in the *Information for Evaluation* section provided in the *Technical Proposal Packet*. **DO NOT** attach any additional information to the *Proposed Subcontractors Form*.

1.13 PRICING

A. Vendor(s) **must** include all pricing on the Official Price Bid Sheet(s) only**.** Any cost not identified by the successful vendor but subsequently incurred in order to achieve successful operation **shall** be borne by the vendor. The *Official Bid Price Sheet* is provided as a separate excel file posted with this *Bid Solicitation*.

B. To allow time to evaluate proposals, prices **must** be valid for one hundred twenty (120) calendar days following the bid opening.

C. The *Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing". **DO NOT** submit any ancillary information not related to actual pricing in the sealed pricing package.

D. Vendor **must not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*. Should hard copies or electronic copies of their *Response Packet* contain any pricing, the response **shall** be disqualified.

E. Failure to fully complete and submit the *Official Bid Price Sheet* **shall** result in disqualification.

F. All proposal pricing **must** be in United States dollars and cents.

G. The *Pricing Directives and Assumptions* include Pricing Schedules/Tables (4-1, 4-2, 4-3, 4-4, 4-5, 4-6 and 4-7) that **must** be adhered to by all vendor's submitting a response to this RFP.

H. The Official Bid Price Sheet may be reproduced as needed.

1.14 PRIME VENDOR RESPONSIBILITY

A. A joint proposal submitted by two (2) or more vendors is acceptable. However, a single vendor **must** be identified as the prime vendor.

B. The prime vendor **shall** be held responsible for the contract and **shall** be the sole point of contact.

1.15 INDEPENDENT PRICE DETERMINATION

A. By submission of this proposal, the vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

- The prices in the proposal have been arrived at independently, without collusion
- No prior information concerning these prices has been received from, or given to, a competitive company

B. Evidence of collusion **shall** warrant consideration of this proposal by the Office of the Attorney General (OAG). All vendors **shall** understand that this paragraph may be used as a basis for litigation.

1.16 PROPRIETARY INFORMATION

A. Submission documents pertaining to this *Bid Solicitation* become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA).

B. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the *Technical Proposal Packet*. A CD is also acceptable.

C. Except for the redacted information, the redacted copy **must** be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted.

D. The vendor **shall** be responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.

E. The redacted copy **shall** be open to public inspection under the FOIA without further notice to the vendor.

F. If a redacted copy of the submission documents is not provided with vendor's response packet, a copy of the non-redacted documents, with the exception of financial data (other than pricing), **shall** be released in response to any request made under the Arkansas FOIA.

G. If the State deems redacted information to be subject to FOIA, the vendor will be contacted prior to release of the documents.

1.17 CAUTION TO VENDORS

A. Prior to any contract award, all communication concerning this *Bid Solicitation* **must** be addressed through OSP.

B. Vendor **must not** alter any language in any solicitation document provided by the State.

C. Vendor **must not** alter the Official Bid Price Sheet.

D. All official documents and correspondence related to this solicitation **shall** be included as part of the resultant contract.

E. Proposals **must** be submitted only in the English language.

F. The State **shall** have the right to award or not award a contract, if it is in the best interest of the State to do so.

G. Vendor **must** provide clarification of any information in their response documents as requested by OSP.

H. Qualifications and proposed services and EBT System **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.

I. Vendors may submit multiple proposals.

1.18 REQUIREMENT OF ADDENDUM

A. This *Bid Solicitation* **shall** be modified only by an addendum written and authorized by OSP.

B. An addendum posted within three (3) calendar days prior to the bid opening **shall** extend the bid opening and may or may not include changes to the Bid Solicitation.

C. The vendor **shall** be responsible for checking the OSP website, http://www.arkansas.gov/dfa/procurement/bids/index.php, for any and all addenda up to bid opening.

1.19 AWARD PROCESS

A. Successful Vendor Selection

The Grand Total Score for each vendor, which **shall** be a sum of the Technical Score and Cost Score, **shall** be used to determine the ranking of proposals. The vendor with the highest ranking proposal **shall** move forward to the next step in the solicitation process.

B. Negotiations

1. If the State so chooses, it **shall** have the right to conduct negotiations with the highest ranking vendor. All negotiations **shall** be conducted at the sole discretion of the State. The State **shall** solely determine the items to be negotiated.

2. If negotiations fail to result in a contract, the State **shall** declare the vendor as non-responsive and will begin the negotiation process with the next highest ranking vendor. The negotiation process will be repeated until an anticipated successful vendor has been determined, or until such time the State decides not to move forward with an award.

C. Anticipation to Award

1. Once an anticipated successful vendor has been determined, the anticipated award **will** be posted on the OSP website at http://www.arkansas.gov/dfa/procurement/pro_intent.php.

2. The anticipated award will be posted for a period of fourteen (14) calendar days prior to the issuance of a contract. Vendors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen (14) day posting period.

3. OSP **shall** have the right to waive the policy of Anticipation to Award when it is in the best interest of the State.

4. It is the vendor's responsibility to check the OSP website for the posting of an anticipated award.

D. Issuance of Contract

1. Any resultant contract of this *Bid Solicitation* **shall** be subject to State approval processes which may include Legislative review and approval.

2. A State Procurement Official will be responsible for award and administration of any resulting contract.

1.20 MINORITY BUSINESS POLICY

A. Minority is defined by Arkansas Code Annotated § 15-4-303 as a lawful permanent resident of this State who is:

- African American
- American Indian
- Asian American
- Hispanic American
- Pacific Islander American
- A Service Disabled Veterans as designated by the United States Department of Veteran Affairs

B. The Arkansas Economic Development Commission (AEDC) conducts a certification process for minority businesses and disabled veterans. The vendor's Certification Number should be included on the vendor's *Proposal Signature Page*.

1.21 STATE AND FEDERAL REQUIREMENTS FOR EQUAL OPPORTUNITY POLICY

A. In compliance with Arkansas Code Annotated § 19-11-104, OSP is required to have a copy of the vendor's *Equal Opportunity (EO) Policy* prior to issuing a contract award.

B. *EO Policies* may be submitted in electronic format to the following email address: eeopolicy.osp@dfa.arkansas.gov, but should also be included as a hardcopy accompanying the solicitation response.

C. The submission of an *EO Policy* to OSP is a one (1) time Requirement. Vendors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other State agencies that **must** also comply with this statute.

D. Vendors, who are not required by law to have an *EO Policy*, **must** submit a written statement to that effect.

1.22 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS

A. Pursuant to Arkansas Code Annotated § 19-11-105, prior to the award of a contract, selected vendor(s) **must** have a current certification on file with OSP stating that they do not employ or contract with illegal immigrants.

B. OSP will notify the selected vendor(s) prior to award if their certification has expired or is not on file. Instructions for completing the certification process **will** be provided to the vendor(s) at that time.

1.23 PAST PERFORMANCE

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a vendor's past performance with the State may be used to determine if the vendor is "responsible". Proposals submitted by vendors determined to be non-responsible **shall** be disqualified.

1.24 TECHNOLOGY ACCESS

A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with State funds. The vendor expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory Requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.

B. ACCORDINGLY, THE VENDOR EXPRESSLY REPRESENTS AND WARRANTS to the State of Arkansas through the procurement process by submission of a Voluntary Product

Accessibility Template (VPAT) for 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means.

2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use.

3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means.

5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact.

6. Integrating into networks used to share communications among employees, program participants, and the public.

7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

C. State agencies cannot claim a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies **must** evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency **must** provide written documentation supporting the selection of a different product, including any required reasonable accommodations.

D. For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act (ADA) or similar State and Federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired **shall** be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.

E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

1.25 VISA ACCEPTANCE

A. Awarded vendor should have the capability of accepting the State’s authorized VISA Procurement Card (p-card) as a method of payment.

B. Price changes or additional fee(s) **shall not** be levied against the State when accepting the p-card as a form of payment.

C. VISA is not the exclusive method of payment.

1.26 PUBLICITY

A. Vendors **shall not** issue a news release pertaining to this *Bid Solicitation* or any portion of the project without OSP's prior written approval.

B. Failure to comply with this Requirement **shall** be cause for a vendor's proposal to be disqualified.

1.27 RESERVATION

The State **shall not** pay costs incurred in the preparation of a proposal.

1.28 FNS REQUIRED FEDERAL PROVISIONS

The Implementation vendor must comply with the following provisions:

Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented by the Department of Labor Regulations (41 CFR Part 60): The Executive Order prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over $10,000 in Government business in one (1) year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. The Executive Order also requires Government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.

The Clean Air Act, Section 306:

1. No Federal agency may enter into any contract with any person who is convicted of any offense under Section 113(c) for the procurement of goods, materials, and services to perform such contract at any facility at which the violation which gave rise to such conviction occurred if such facility is owned, leased, or supervised by such person. The prohibition in the preceding sentence shall continue until the Administrator certifies that the condition giving rise to such a conviction has been corrected. For convictions arising under Section 113(c)(2), the condition giving rise to the conviction also **shall** be considered to include any substantive violation of this Act associated with the violation of 113(c)(2). The Administrator may extend this prohibition to other facilities owned or operated by the convicted person.

2. The Administrator **shall** establish procedures to provide all Federal agencies with the notification necessary for the purposes of subsection (a).

3. In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation's air, the President **shall**, not more than one hundred eighty (180) days after enactment of the Clean Air Amendments of 1970 cause to be issued an order:

(1) requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of this Act in such contracting or assistance activities, and

(2) setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

4. The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the United States (U.S.) and he **shall** notify the Congress of such exemption.

5. The President **shall** annually report to Congress on measures taken toward implementing the purpose and intent of this section, including but not limited to the progress and problems associated with implementation of this Section. [42 U.S.C. 7606]

The Clean Water Act:
No Federal agency may enter into any contract with any person who has been convicted of any offense under Section 309(c) of this Act for the procurement of goods, materials, and services if such contract is to be performed at any facility at which the violation which gave rise to such conviction occurred, and if such facility is owned, leased, or supervised by such person. The prohibition in preceding sentence **shall** continue until the Administrator certifies that the condition giving rise to such conviction has been corrected.

1. The Administrator **shall** establish procedures to provide all Federal agencies with the notification necessary for the purposes of subsection (a) of this section.

2. In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation's water, the President **shall**, not more than one hundred eight (180) days after the enactment of this Act, cause to be issued an order: requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of this Act in such contracting or assistance activities, and setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

3. The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the U.S. and he **shall** notify the Congress of such exemption.

4. The President **shall** annually report to the Congress on measures taken in compliance with the purpose and intent of this section, including, but not limited to, the progress and problems associated with such compliance.

   (1) No certification by a contractor, and no contract clause, may be required in the case of a contract for the acquisition of commercial items in order to implement a prohibition or requirement of this section or a prohibition or requirement issued in the implementation of this section.

   (2) In paragraph one (1), the term "commercial item" has the meaning given such term in section 4(12) of the Office of Federal Procurement (OFP) Policy Act (41 U.S.C. 403(12)).

The Anti-Lobbying Act:
This Act prohibits the recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the federal government in connection with a specific contract, grant, or loan. As required by Section 1352, Title 31 of the U.S. Code and implemented at 34 CFR Part 82 for persons entering into a grant or cooperative agreement over one hundred thousand dollars ($100,000), as defined at 34 CFR Part 82, Section 82.105 and 82.110, the applicant certifies that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement;
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal grantor or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned **shall** require that the language of this certification be include in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

Americans with Disabilities Act:
This Act (28 CFR Part 35, Title II, Subtitle A) prohibits discrimination on the basis of disability in all services, programs, and activities provided to the public by State and local governments, except public transportation services.

Drug Free Workplace Statement:
The Federal government implemented the Drug Free Workplace Act of 1988 in an attempt to address the problems of drug abuse on the job. It is a fact that employees who use drugs have less productivity, a lower quality of work, and a higher absenteeism, and are more likely to misappropriate funds or services. From this perspective, the drug abuser may endanger other employees, the public at large, or themselves. Damage to property, whether owned by this entity or not, could result from drug abuse on the job. All these actions might undermine public confidence in the services this entity provides. Therefore, in order to remain a responsible source for government contracts, the following guidelines have been adopted:

1. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the work place.
2. Violators may be terminated or requested to seek counseling from an approved rehabilitation service.
3. Employees **must** notify their employer of any conviction of a criminal drug statue no later than five (5) days after such conviction.
4. Although alcohol is not a controlled substance, it is nonetheless a drug. It is the policy of the Arkansas Department of Health (ADH) Women, Infants, and Children (WIC) Program that abuse of this drug will also not be tolerated in the workplace.
5. Contractors of Federal agencies are required to certify that they will provide drug-free workplaces for their employees.

Debarment and Suspension:
Debarment, suspension, and other responsibility matters: As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions, as defined at 34 CFR Part 85, Sections 85.105 and 85.110.

The applicant certifies that it and its principals:

(3) Are not presently debarred, suspended, proposed for debarment, and declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

(4) Have not within a three (3) year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(5) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph one (1)(b) of this certification; and

(6) Have not within a three (3) year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.

Where the applicant is unable to certify to any of the statements in this certification, he or she **shall** attach an explanation to this application.

Royalty-Free Rights to Use Software or Documentation Developed:
The Federal government reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for Federal purposes, the copyright in any work developed under a grant, sub-grant, or contract under a grant or sub-grant or any rights of copyright to which a vendor purchases ownership.

SECTION 2 – MINIMUM REQUIREMENTS

- ***Do not** provide responses to items in this section unless specifically and expressly required.*

2.1 INTRODUCTION

Vendor **shall** design an electronic benefits transfer (EBT) System for DHS/DCO that **will** deliver benefits on a single card. The vendor **shall** provide an electronic draft and electronic final copy of the documentation specified in the Performance Indicators below to the state. All system documentation is subject to State and Federal review and approval. Such documentation encompasses all of the written materials described below including status reports, design documents, system manuals, project plans, test plans and reports, and training materials.

State and Federal agencies **shall** participate in the specified system testing and **shall** participate with vendor in assessing test results. System testing **shall** be completed to the satisfaction of the State and Federal agencies prior to commencement of the implementation phase of the project.

During each phase of the project (Implementation, Design, Development and Testing, Transition-In, Operations and Maintenance, and Transition-Out), the vendor **shall** be required to prepare a Weekly Status Report (WSR) in Microsoft Word or Excel. The WSRs **shall** be due via email to the following link provided from EBT Support at Ebt.support@dhs.arkansas.gov. at the close of business on the following Monday. WSRs **shall** provide progress information on all completed, ongoing, and planned project activities. These reports **shall** summarize any outstanding project issues or obstacles and detail any proposed deviations from planned activities, schedules, or staffing.

The EBT Service System is crucial to efficiently provide services to the citizens of Arkansas, and the capability of DHS/DCO to provide reliable service to its cardholders depends on the ability of the selected vendor to provide timely and accurate information. Unreliable operation of DHS/DCO systems causes severe stress to the cardholders of DHS/DCO and a strong negative impact on the State's reputation.

As a result, the vendor **must** meet DHS/DCO requirements around levels of system availability and timeliness of service and system performance.

2.2 GENERAL REQUIREMENTS

A. Vendor **must** have, at least a minimum, of three (3) years' experience in developing, implementing and managing financial systems such as EBT, Electronic Funds Transfer (EFT) and financial network services, and transaction processing.

B. The successful vendor **shall** use existing commercial networks, installed ATMs and POS terminals. All Food and Nutrition Services (FNS) approved SNAP retailers **shall** have the opportunity to participate in EBT.

C. Vendor **shall** provide transaction processing, retailer management, customer service, and all services, supplies and functions for the EBT system to include the following:

1. Provide accurate and timely distribution, availability and tracking of public benefits.

2. Provide all FNS-approved SNAP retailers an opportunity to participate in EBT.

3. Provide a secured system environment, support and operational procedures designed to prevent fraud and foster accuracy in business processes.

4. Provide all EBT operating software, application software, security systems, telecommunication software/equipment, and any other products necessary to maintain the EBT processing environment.

5. Provide network connectivity between DHS/DCO and EBT from primary and backup sites.

6. Provide equipment refresh which applies whether or not there is a change of EBT Vendor.

7. Provide access to the host system through a browser-based administrative application.

8. Implement an EBT System to include all phases of operations: Implementation, Design, Development, Transfer, Operations and Maintenance.

9. Maintain and support all development, testing environments and production releases for enhancements, and upgrades during all operational phases.

10. Manage EBT account processing, card production, Personal Identification Number (PIN) selection, reporting, transaction history retention, manual voucher authorization and purchases.

11. Develop and execute retailer participation agreements with Third Party Processors (TPPs) and direct connect retailers.

12. Add new retailers and delete decertified retailers as advised by FNS.

13. Establish and operate a twenty four (24) hour per day, seven (7) day per week, Customer Service Call Center for cardholders to obtain account balances, report lost or stolen EBT cards, file claims on problem transactions, and obtain general information or guidance. Also include a twenty four-seven (24/7) retailer support structure for authorizing manual voucher purchases and for providing assistance for equipment problems and settlement/reconciliation problems.

14. Establish and provide a problem escalation and resolution procedure for reporting, tracking, problem escalation, notification, resolution and root cause analysis.

15. Host a secure web portal for EBT cardholders to check their balances, view the Arkansas EBT brochure, and check recent transactions and access general EBT information.

16. Train staff on the operation of the EBT System, and updating all procedures manuals for all transactions, processes and/or reports used by the staff and users.

17. Agree to provide additional services to the State through the time and materials process which could include, e.g., enhancements to the system.

18. Provide metrics for performance showing service level criteria required.

D. The vendor **shall** assure that cash assistance cardholders have adequate access to ATMs and POS terminals to obtain cash benefits. In this regard, vendor **shall** employ a network that fulfills the FNS Formula for terminal placement, for exempt retailers who elect to utilize State-deployed EBT equipment only. Vendor **shall** adhere to 7 CFR § 274.3(b) for POS deployment.

2.3 IMPLEMENTATION PHASE

A. The implementation of Vendor's EBT system **shall** be divided in to five (5) parts:

1. Design
2. Development and Testing
3. Transition In
4. Operations and Maintenance
5. Transition Out.

B. All areas of work needed up to and including transfer or conversion of the data **shall** be completed during these phases. Once conversion is completed, any new development efforts will be done during the Operations and Maintenance Phase. Vendor **shall** address each of the phases in the Project Work Plan (PWP).

2.4 DESIGN PHASE

A. Within thirty (30) calendar days of the contract award, vendor shall provide a Change Management Plan in accordance with Section 2.7.C

B. Within thirty (30) calendar days of the contract award, vendor **shall** meet with DHS/DCO and provide a Functional Design Document that, at a minimum, **shall** describe the requirements for the following system functions:

1. Account Maintenance
2. Benefit Management
3. Card Management
4. PIN Management
5. Transaction Processing
6. Settlement
7. Administrative Terminal

C. Within forty-five (45) calendar days of the contract award, vendor **shall** meet with DHS/DCO and provide a Detailed Design Document that describes the following: File layouts used by State and current vendor can be found in *Attachment H, EBT File Formats*.

1. Total System Configuration, including System Hardware
2. Functionality
3. File Layouts
4. Message and File Flows
5. Interactive Voice Response System (IVRS) Scripts

6. Data Elements

7. System Interfaces

8. Settlement and Reconciliation Functions

9. System Security Plan.

D. The vendor **shall** provide an Interface Control Document (ICD) which details the interface between the State and vendor's EBT System. The ICD **shall** document the interface functionality requirements and detail the file layouts and specifications. This document **shall** be updated within thirty (30) days of any changes.

E. Within thirty (30) calendar days of the contract award, vendor **shall** provide a System Development Life Cycle (SDLC) Testing Plan. The basic premise of the life cycle testing approach is that any changes made, either by vendor, DHS/DCO or USDA **shall** be properly tested prior to being introduced into the production environment.

F. The vendor **shall** develop system test plans during the Design Phase. Test plans **shall**, at a minimum, outline the test purpose, methodology, environment, and approval rating system. Test plans are due to DHS/DCO prior to completion of Design Phase. Test plans **shall** be developed for the following:

1. System Functional Demonstration

2. System Acceptance

3. System and Network Capacity

4. IVRS

5. System Interface Test

G. Within thirty (30) calendar days of the contract award, the vendor **shall** provide DHS/DCO an evaluation in either Microsoft Word or Excel of the types of service interruptions that may impact the EBT System's operations, and therefore, require the use of a back-up and recovery process. For each potential interruption type, vendor **shall**, at a minimum, have a plan that details the steps to be taken to survive and recover from the interruption.

H. Within forty five (45) calendar days of the contract award, vendor **shall** prepare and provide to DHS/DCO, an EBT System Security Plan (SSP) detailing, at a minimum, the security provisions and proposed user profiles established within the EBT System.

1. The plan **shall** describe the system security design to protect the system and its resources from unauthorized modification, disclosure, and destruction. Vendor **shall** prepare a security plan consistent with USDA SNAP regulations, 7 CFR Section 277.18.

2. The plan **shall** provide security measures for storage and procedural controls, communications access controls, message validation, administrative and operational procedures, security risk analysis of the EBT System, an EBT contingency plan and compliance with Arkansas Office of Information Technology (OIT) standards for password management and inclusion of a Warning Banner as defined either in Microsoft Word or Excel at the following:
http://www.techarch.state.ar.us/domains/security/standards/password_standard_statement.pdf and
http://www.techarch.state.ar.us/domains/security/standards/warning_banner_standard_statement.pdf.

I. The vendor **shall** prepare and submit a Training Plan either in Microsoft Word or Excel within thirty (30) calendar days of contract award that identifies the proposed deadlines and supportive tasks for planning, design, development, production and distribution of all training materials.

1. The training **shall** address the timeline for creation of the deliverables as noted in Attachment K, Deliverable Chart, and the timeframe for training the State staff and retailers.

J. Vendor **shall** provide a sample copy of the retailer and Third Party Processor (TPP) Agreement with its Proposal. All retailer and TPP agreements **shall** be approved by FNS and are subject to review by DHS/DCO. Vendor **shall** provide the State, either in Microsoft Word or Excel, with a list of all FNS approved Retailers with the TPP agreements and an updated listing **shall** be provided to the State quarterly. The first (1st) updated listing **shall** be due four (4) months after end of the Transition-In Period.

1. Vendor **shall** complete participation agreements for a minimum of eighty five percent (85%) of the current retailer population, prior to completion of the database transfer.

K. Within thirty (30) calendar days of contract award, and then annually thereafter, the vendor **shall** prepare either in Microsoft or Excel, and submit an Anti-Fraud Plan, as referenced in Section 2-Minimum Requirements, Fraud Analysis Prevention, Section 2.32.

2.5 DEVELOPMENT AND TESTING PHASE

Vendor **must** within thirty (30) calendar days of the contract award, submit a Comprehensive Test Plan (CTP) either in Microsoft Word or Excel. The test plan **shall** include all aspects of the project's implementation to demonstrate achievement of knowledge transfer and successful transition. The plan **shall** also clearly delineate vendor responsibilities and DHS/DCO responsibilities.

The Development and Testing Phase **shall** commence after awarding and within thirty (30) days following approval from DHS/DCO, and completion of the Design Phase and during any EBT system upgrade performed.

A. Vendor **shall** configure and test the EBT System according to the system specifications defined and agreed upon in the Design Phase.

B. The vendor **shall** complete system testing and provide the final training materials to DHS/DCO during the Development and Testing Phase.

C. The vendor **shall** perform testing on all components and functional areas of the EBT system before and after delivery of the system. Vendor **shall** provide system test scripts to DHS/DCO within thirty (30) calendar days of contract award detailing step-by-step instructions on the actual tests and system functions to be demonstrated. Test scripts **shall** also describe the desired system outcomes and test results. Vendor **shall** develop test data and update the Test Plan as deemed appropriate by DHS/DCO.

D. Vendor **shall** conduct the following system tests and demonstrations:

1. Functional Demonstration – this test **shall** provide State and Federal representatives the opportunity to review and observe planned EBT System operations mainly at the EBT vendor facilities.

2. Interface Test –testing **shall** be conducted between DHS/DCO's EBT interface System, all appropriate USDA/Federal Systems, and vendor's EBT System to ensure that all files sent between the Systems are properly received, accepted, and processed by USDA and DHS/DCO.

3. Transition Testing - Vendor **shall** be required to demonstrate to USDA and DHS/DCO the conversion process of the EBT System from the current vendor. Part of the conversion test is a validation of conversion results, and the ability to perform test transactions against the converted database. Test transaction **shall** include, at a minimum, client transactions (e.g., SNAP and cash transactions) and administrative transactions (e.g., benefit additions, card cancellations and replacement transactions). The State **shall** require a minimum of two (2) "dry runs" before actual conversion.

4. System Acceptance Testing – this test **shall** provide the State and Federal representatives the opportunity to test the EBT System functionality and ensure compliance with the system design requirements primarily at the EBT vendor facilities.

5. Performance Testing (Stress) – The purpose of this test is to ensure that there **shall** be sufficient capacity within the EBT System being provided to handle the expected transaction volume.

    a. Test results from the stress test **shall** be used to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so the Arkansas EBT System can accommodate the anticipated transaction volumes.

    b. The vendor may, as an option, use current production data in order to develop a system capacity model for modeling the anticipated transaction volumes. If the vendor utilizes this option they **shall** provide a description on how the modeling will be performed, and how the results of the modeling exercise will be reported to the State.

    c. Stress testing **shall** be done by vendor under management from DHS/DCO review prior to the Federal acceptance test done by FNS and the results **shall** be made available to the State agency.

6. Automated Response Unit (ARU) Test – The ARU system **shall** be tested to ensure the system properly accepts, processes, and transfers both retailer and client calls consistent with the system requirements and within the specifications in the RFP.

    a. The ARU testing **must** be a part of the State's system acceptance test.

7. Call Center Testing-The Call Center **shall** be tested to ensure the Customer Service Representatives (CSRs) respond appropriately to cardholder inquiries and that calls are answered within the specifications defined in this RFP.

8. Field Test – This demonstration **shall** test the EBT System's processing capabilities from the point of transaction entry through authorization, settlement, and funds movement. The State **shall** participate in field-testing.

E. The vendor **shall** provide documentation either in Microsoft Word or Excel of its internal testing results describing the results of each test that is performed for SNAP and Cash.

1. The documentation **shall** describe the intended scope and results from the tests, and any system modifications as necessary to resolve system errors and deficiencies found by vendor, USDA or DHS/DCO during the testing.

2. Vendor **shall** submit the test reports either in Microsoft Word or Excel before any State testing, as well as any additional re-testing that is required to satisfy the test objectives to USDA and DHS/DCO, within five (5) calendar days after each test.

F. Vendor **shall** revise the detailed design documents to reflect any system modifications identified by USDA, and DHS/DCO, and made as a result of the system testing.

1. If revisions are required, the updated design documents **must** be completed within thirty (30) calendar days of change and are subject to State approval.

2. Federal review and approval **shall** be required for any changes affecting SNAP benefits.

G. Vendor **shall** provide a manual to EBT Support on Systems Operations and Interface Procedures for interfaces with Federal and State batch files within thirty (30) calendar days of contract award, and updated as needed thereafter. This manual **shall** include, but not limited to the following:

1. Introduction detailing the purpose.

2. Audience (Cover page for Federal and State)

3. Organization (DHS/DCO and FNS)

4. Procedures:

a. On-line file transmission and times

b. Procedures for balancing file transmissions sent/received

c. Administrative terminal configuration

d. Problem resolution and escalation procedures

e. Change order approval procedures

f. Batch maintenance record formats and conventions

5. Documentation.

H. Vendor **shall** provide a Reports Manual either in Microsoft Word or Excel within forty five (45) calendar days of contract award describing all standard reports to be generated by vendor.

1. Brief description of the data files provided to DHS/DCO for internal report generation, the frequency they are produced, and how the state will access them.

2. Brief description of the data files provided to the State for internal report generation, including file format and frequency.

3. Description of the vendor's capability to provide ad-hoc reports within forty eight (48) hours of request.

I. Vendor **shall** provide a Settlement/Reconciliation Manual within thirty (30) calendar days of contract award. At a minimum, the manual **shall**:

1. Provide guidance and procedures to DHS/DCO on performing a daily reconciliation of the vendor’s EBT System for SNAP and TANF benefits as defined within 7 CFR 274.4 USDA Regulations concerning the SNAP Program.

2. Identify the specific EBT reports from the vendor's system that are required for settlement and reconciliation of the vendor's EBT System.

3. Detail any reports the State **must** generate to complete reconciliation.

J. Vendor **shall** provide an EBT Administrative Terminal Manual within ninety (90) calendar days of contract award that provides guidance and procedures for State and County staff on the functionality of the Administrative Terminal within the EBT System.

2.6 TRANSITION-IN PHASE

A. Vendor **must** provide either in Microsoft Word or Excel a detailed Transition-In plan, that establishes a seamless transition between the current EBT vendor's team and the successful vendor's team, that includes:

1. Transition methodology
2. Hiring staff
3. Working with the current EBT vendor to develop a transition and interim support plan
4. Purchasing and installing equipment
5. Creating/installing software programs and/or policies and procedures
6. Establishing necessary supporting contracts
7. Staff training
8. The key transition personnel and their respective roles
9. All those with access to the EBT services including cardholders, merchants, third (3rd) party providers, etc.
10. Milestones and key deliverable dates
11. The reporting mechanism for providing weekly reports during the transition
12. Experiences and/or relevant information from prior transitions and/or implementations
13. Risk assessment and mitigation recommendations/solutions
14. Bank Account Structure

B. The plan **must** be acceptable to DHS/DCO, and any unacceptable portion **must** be revised to DHS's/DCO approval.

C. Vendor **shall** complete the Transition-In Period of the new EBT System within seven (7) months of the contract start date, unless both the vendor and DHS/DCO agrees in writing that an alternate date is acceptable to both parties.

2.7 TRANSITION-IN REQUIREMENTS

A. Vendor **must** collaborate with DHS/DCO to ensure a smooth transition of operations.

B. Vendor **must** work during the Transition-In period as if time is of the essence, because this period of time provides an opportunity for the new vendor staff to gain a full understanding of the technical environment in order to provide all the services outlined in this RFP and thereby support all system users.

C. Vendor **must** become familiar with DHS/DCO's processes, reports, and metrics, and become familiar with processes and services provided by DHS/DCO. Vendor **must** within thirty (30) calendar days of the contract award conduct a Transition-In Kick-Off Meeting at DHS/DCO location in Little Rock. Vendor **shall** present an overview of the Transition-In Plan including the project schedule, plans for submitting key transition deliverables, plans for monitoring DHS/DCO's review and approval of deliverables, plans for all transition activities, change management and other areas of coordination between vendor, the current EBT vendor, and DHS/DCO.

D. Vendor **must** conduct weekly status meetings with DHS/DCO and the current EBT vendor. Vendor Project Manager **shall** attend all status meetings with DHS/DCO and the current EBT vendor. Vendor **shall** generate a status report either in Microsoft Word or Excel in preparation for the status meeting. In the status report, vendor **shall** address:

1. Project schedule (current status of all tasks)
2. Near term activities
3. Key Milestones and Training Activities
4. Deliverables (submitted, due, overdue, approval status, and payment status)
5. Knowledge Transfer
6. Staffing levels
7. Project risks (including mitigation status)
8. Quality assurance (tasks and status)
9. Issues (log of identified issues with status of each)
10. Action items (log of items with status of each)
11. Other topics requested by DHS/DCO

E. Vendor **must** generate minutes for all status meetings and distribute the minutes via e-mail within two (2) business days after the meeting for DHS/DCO's review and approval.

F. Vendor **must** complete a review of all systems documentation prior to the completion of the Transition-In Period.

G. Vendor **must** attend Q and A sessions with the current EBT vendor and advise DHS/DCO of any areas of concern based on previous presentations, and reviews of documentation. The current vendor, DHS/DCO and the replacement or incoming vendor **shall** conduct technical interchange meetings as requested by either DHS/DCO or vendor. The purpose of these meetings is to quickly resolve key technical issues that arise by assembling the appropriate DHS/DCO and vendor staff to understand and resolve the issue.

H. Vendor **must** participate in a Performance Readiness Review (PRR). The PRR **shall** be comprised of a compliance review of the subtasks and Deliverables included in the Transition-In Period. Each Deliverable **shall** be checked for total compliance with all required specifications of the task. DHS/DCO **shall** confirm that all staff proposed for the additional tasks listed in the contract has been oriented to DHS/DCO's processes and procedures.

2.8 OPERATIONS AND MAINTENANCE PHASE

A. The Operations and Maintenance Phase **shall** begin at the conclusion of the Transfer Phase. During this phase the vendor **shall** assume complete operational support, maintenance, and full responsibility of the following ongoing activities and tasks:

1. EBT Central Computer Up Time
2. Government Automated Clearing House (ACH) Settlement
3. Account setup and benefit authorization
4. EBT Switching Services
5. Host response time for Administrative Terminal Transactions
6. Inaccurate Transactions
7. Customer Service (Benefit recipients)
8. Production of Retained Records
9. Technical Requirements to be provided by Vendors
10. POS Terminal Processing Standards
11. POS Terminal Support Services
12. Equipment Installation for EBT Only Retailers
13. Issuance of EBT Cards
14. Project Status Reporting
15. Response to Enhancement/Change Requests

B. Provide immediate notification of any issues or system problems with EBT to DHS/DCO.

C. Provide status reports on the system operation, per the System Performance Reports.

D. Notify DHS/DCO of any previously unscheduled system downtime or maintenance, including: upgrades, updates, testing, and fixes, within thirty six (36) hours.

E. Updating and providing key design plans and operations manuals approved during the Design and Development phases, including:

1. Detailed Design Document
2. Back-up and Recovery Plans
3. System Security Plan
4. System Operations/Interface Procedures Manual
5. Reports Manual
6. Settlement/Reconciliation Manual

7. EBT Administrative Terminal Manual
8. SNAP Disaster Plan
9. POS Operations Manual
10. Training Manual

2.9 EBT SYSTEM FUNCTIONALITY

A. Vendor **shall** provide a secure fully redundant web-based EBT System that complies with all Federal and State laws, and regulations. Circuits **shall not** be installed in a DHS/DCO facility. The EBT System **shall** be operational, seven (7) days a week, twenty-four (24) hours a day, three hundred sixty five (365) days per year.

B. Vendor **shall** have a contingency plan for circumventing communication outages of longer than five (5) minutes.

C. Vendor **shall** provide a security process to ensure that access to the EBT System **shall not** be compromised by any unauthorized access. Vendor **shall** provide DHS/DCO with the capability to assign user EBT administrative terminal users passwords and a web interface for active users to securely reset their own password and the logging of failed log-in attempts. Vendor **shall** comply with the most current specifications in State of Arkansas Information Security (AIS) Policy or the FNS Security Policy, whichever is more stringent. Vendor **shall** also provide DHS/DCO with the ability to create groups of EBT administrative terminal users with custom security roles.

D. Vendor **shall** allow for the following DHS/DCO update capabilities in the EBT System:

1. Enable/disable account access
2. Allow for updating demographics
3. Provide memo field to add notes for case comments, to include date stamp

E. The vendor **shall** provide FNS online access at the implementation of Arkansas's EBT System.

F. The vendor's EBT System **shall** support both batch and online, real-time transmissions between the Department's mainframe systems and vendor's EBT database.

G. The vendor **shall** develop a system that allows for the transfer of authorized EBT benefits from the department's online eligibility file used by DHS/DCO, the return of benefit utilization information, other data, and reports.

1. Vendor **shall** assume all costs associated with the development, testing, and on-going operation, maintenance, and upgrading of this interface telecommunications link.
2. The State **shall** pay a fixed price to the vendor for system implementation and transition costs from the current vendor's EBT System to the new vendor's EBT System.
3. The fixed-price start-costs **shall** be paid to the vendor in three (3) installments.
    a. The first (1st) installment, consisting of forty percent (40%) of the total start-up costs, **shall** be paid upon the successful completion of the State's system acceptance test.

b. The second (2nd) installment, consisting of an additional forty percent (40%) of the total start-up costs, shall be paid upon successful conversion to the new vendors EBT System.

c. The final installment, consisting of the remaining twenty percent (20%) of the start-up costs, **shall** be paid following the final acceptance by the State agency of any and all issues remaining following conversions.

H. Vendor agrees that agency **shall not** make any modifications to its systems to accomplish this interface.

I. Vendor **shall** be responsible for determining, in conjunction with DHS/DCO's telecommunications staff, the appropriate design and capacity of the interface link to ensure that all transmissions **shall** be completed within the performance parameters set forth herein.

1. All batch transmissions between systems **shall** be confirmed by the receiving party with a confirmation message, one (1) per file transmission.

J. Vendor **shall** demonstrate that it has appropriate control procedures to ensure that all transmitted data **shall** be accurately and completely received so as to prevent the processing of incomplete and/or duplicate data.

K. Vendor **shall** provide an automated inventory control system to effectively manage vault card assignments.

L. Vendor's inventory control system **shall** track cards received, issued, and voided by DHS/DCO. It also **shall** include prompts for low inventory/reorder conditions and appropriate management reports.

M. Vendor's inventory control system **shall** also include a card issuance database that **shall** include, at a minimum, cards issued, activated, undelivered, and canceled.

N. Vendor's inventory control system, including the database **shall** be accessible to DHS/DCO via secure password.

2.10 EBT CARD

A. Vendor **shall** provide EBT card that complies with the most current SNAP regulations at 7 CFR 274.8(b)(5) and 7 CFR 274.8(b)(10)(iii), specifications in the Quest Operating Rules (QOR), the International Standards Organization (ISO), and the American National Standards Institute (ANSI) relating to cards used for financial transactions. The State plans to continue use of the current Arkansas EBT card design.

B. Vendor **shall** be responsible for all card production including:

1. Initial card issuance

2. Card replacement

3. Vault cards

4. Card activation

5. PIN selection

6. Current inventory

7. Maintenance of a card issuance database that **shall** be accessible to DHS/DCO twenty four-seven (24/7) via password.

C. Vendor **shall** print EBT card with the following language and information:

1. "USDA is an Equal Opportunity Provider and Employer."(Non-discrimination statement in accordance with 7 CFR § 274.2(e) (5)).

2. Cardholder and Retailer Customer Service numbers.

3. "Do Not Write Your PIN Number On This Card" "If found, return to address to be provided by vendor"

4. "TTY (Telecommunications Relay Service for Hearing/Speech Impaired)"

D. Vendor **shall** print the following on the EBT card sleeve:

1. "Buying, selling, or otherwise misusing SNAP benefits is a Federal crime. To report suspected abuse, visit Customer Service Call Center number: 1-800-997-9999

2. Cardholder Web Portal address.

E. Vendor **shall** provide card security features that meet FNS standards and QOR.

F. Vendor **must** permit the continued use of cards currently in use by DHS/DCO cardholders until the card is reported lost, stolen or damaged or a replacement card is issued.

1. The current PIN **shall** also remain functional until a new card is issued or the PIN is changed by the cardholder via the IVRS.

G. Vendor **shall** allow multiple cardholders to have access to the SNAP account. However, only one (1) EBT card holder **shall** have access to a cash account. Each card **shall** contain unique identifying data and use an owner selected PIN while accessing the same benefit account(s).

H. Card mailers **must** be written in English and Spanish.

I. When mailing a card to an authorized representative, the primary cardholders name **must** appear on the card mailer.

2.11 EBT CARD ISSUANCE

A. Vendor **shall** mail initial and replacement cards, First (1ST) Class through the United States Postal Service (USPS), to the cardholder no later than the next business day, after the following:

1. Vendor receives cardholder information from DHS/DCO.

2. When old card is reported lost, stolen, or damaged and the address and security requirements for cardholder information have been verified.

B. Vendor **shall** change returned EBT cards by the Postal Service to an "undeliverable" status.

C. Vendor **shall** generate a daily electronic Card Returned Report either in Microsoft Word or Excel for DHS/DCO.

D. Vendor **shall** activate EBT cards and allow for new PIN assignment via the IVRS.

1. Vendor **shall** disable an EBT card, not the benefit account, after four (4) consecutive, inaccurate PIN attempts at a POS terminal. (The terminal shall be a VeriFone Vx510 or better).
2.
    a. The disabled card **shall** remain blocked from all EBT transactions until 12:01 AM the following day.

    b. In accounts with multiple cards, all other cards **shall** be allowed continued access to any remaining available benefits.

E. Vendor **shall** mail all initial cards to cardholder and packet **shall** include the EBT brochure along with the EBT card, card sleeve and card mailer. If assigning a PIN by mail in conjunction with card issuance, vendor **shall** mail the PIN separate from the card, one (1) business day after the card is mailed. See Reference 7 CFR 274.2. Historic card issuance data is provided in Attachment F.

F. Vendor **shall** provide a Cardholder Protective Password solution that will prevent other individuals from changing the PIN or Status of a card. The Cardholder Protective Password solution **shall**:

1. Be auto-generated by the EBT System

2. Contain random letters and numbers

3. Require a Customer Service Representative (CSR) to request a cardholder protective password before the card status can be changed or a PIN selected.

4. Allow only the EBT Project Office Staff to generate passwords via a request from DHS/DCO County Office staff.

G. Vendor **shall** deactivate all EBT cards that are reported lost, stolen, or non-functioning (damaged) and issue a new card.

H. Vendor **shall**, via the Customer Service Call Center, replace a lost, stolen, and/or damaged card if the cardholder's address on the EBT System is the cardholder's current address as verified by the CSR.

1. If the address or security requirements are not met or do not match what is in the EBT System, the vendor **shall** instruct the cardholder to contact DHS/DCO to update their information.

I. Vendor **shall** provide the cardholder with free replacement cards. All replacement cards mailed **shall** include an EBT card sleeve and mailer.

2.12 CUSTOMER SERVICE CALL CENTER

A. Vendor **shall** provide a Customer Service Call Center to assist DHS/DCO cardholders and retailers accepting the Arkansas DHS/DCO card, and **shall** provide the following services:

1. The Customer Service Call Center **shall** consist of an IVRS and a Help Desk staffed with a required suitable number of CSR's to maintain the minimum requirements listed in A-G.

2. The Customer Service Call Center **shall** be available toll-free, twenty four (24) hours a day, seven (7) days a week.

3. Help Desk access and support for clients using rotary phones.

4. Vendor **shall** provide support from the IVRS and Help Desk in both English and Spanish.

5. Vendor **shall** utilize the current 1-800-997-9999 number for DHS/DCO cardholders.

6. The Customer Service Call Center **shall** be located within the boundaries of the U.S.

7. ARU-Performance standards regarding number of rings prior to answer and average time on hold **shall** be as follows for the ARU measured over the calendar month.

8. At a minimum ninety-nine percent (99%) of all calls will be answered within four (4) rings (four (4) rings are defined as twenty-five (25) seconds) and the remaining one percent (1%) **shall** be answered with thirty-five (35) seconds.

9. Vendor should, at a minimum, meet the data information requirement below.

10. Please see the Recipient Help Desk Data table listed below:

Date	IVR Calls Offered	IVR Calls Answered	IVR Average Talk Time	CSR Opt Out Calls	CSR Opt Out Percentage
06/2014	615,307	615,307	0:53	25,426	4.13%
07/2014	650,025	650,025	0:53	25,507	3.92%
08/2014	625,877	625,877	0:52	24,902	3.99%
09/2014	607,667	607,667	0:52	24,128	3.97%
10/2014	638,290	638,290	0:54	24,709	3.87%
11/2014	631,596	631,596	0:55	22,741	3.60%
12/2014	628,407	628,407	0:53	23,543	3.75%
01/2015	667,966	667,966	0:52	24,210	3.62%
02/2015	534,223	534,223	0:52	18,590	3.48%
03/2015	601,903	601,903	0:53	21,556	3.58%
04/2015	599,414	599,414	0:53	21,690	3.62%
05/2015	607,234	607,234	0:53	21,608	3.56%

11. Vendor **shall** have the Customer Service Call Center operational and available when the Operations and Maintenance Phase begins.

2.13 INTERACTIVE VOICE RESPONSE SYSTEM (IVRS)

A. The vendor **shall** provide an IVRS that allows cardholders and retailers to obtain information using an automated system.

B. The IVRS **shall** comply with the ADA Act and provide TTY capability for cardholders and retailers with hearing disabilities.

C. For Cardholders, vendor **shall**:

1. Provide access to the IVRS via public telephone.

2. Provide an option to report a claim from the main menu.

3. Permit access to account balances and transaction history.

4. Permit card activation/PIN assignment.

5. To report a lost/stolen card, to request a replacement card, and for problem resolution, call **shall** be directed by IVRS to a CSR.

D. For Retailers, vendor **shall**:

1. Provide manual authorization approval.

2. Provide Help Desk assistance for problem resolution, including but not limited to: connectivity, equipment performance, funds settlement, claims.

E. The vendor **shall** submit the IVRS scripts during the Transition-In period for review and written approval by DHS/DCO.

F. The vendor **shall** seek pre-approval of any changes to the scripts in writing, by DHS/DCO.

2.14 HELP DESK

A. The vendor **shall** provide a twenty four-seven (24/7) help desk with live CSRs, and **shall** provide assistance in the following areas:

1. For Cardholders:

a. General information, i.e. mechanism to report lost, stolen or compromised cards.

b. Problem resolution, i.e. transaction disputes.

2. For Retailers:

a. General DHS/DCO-related inquiry or support

b. Manual Authorization approval

c. Daily deposit inquiries/settlement data

d. Account problem resolution

3. The vendor **shall** provide Data Processing Technical Support Help Desk services to DHS/DCO twenty four (24) hours a day, seven (7) days a week in order to resolve technical and system problems, locate files, and address transmission issues, etc.

a. The Data Processing Technical Support Help Desk **shall** also monitor the system and transmission line performance real time, and proactively resolve issues.

b. All technical and support services shall be provided by employees located within the United States.

2.15 EBT PORTALS

A. For Cardholders:

1. The vendor **shall** have a clear method to providing a Cardholder Portal, and **shall** have the capability of being accessed by Arkansas cardholders via the internet.

2. The vendor **shall** ensure that individual cardholder records are available only to an authorized user of the Cardholder Portal.

3. Vendor **shall** ensure all data and information housed by the system are fully protected against hacking and other unauthorized access.

4. The Cardholder Portal **shall** allow EBT cardholders to authenticate themselves by using secure Web protocols in Spanish as spoken in Arkansas and English, User IDs and Passwords. These cardholders **shall** be able to create passwords and change passwords, at a minimum every ninety (90) days through the cardholder portal in accordance with State of Arkansas (IS) Policy.

5. Cardholder Portal **shall** also allow the cardholder to:

    a. Obtain current account balances

    b. View the benefits that have been posted to the EBT account but are not yet available

    c. View the details of transactions (for a minimum of three (3) years)

    d. View and print transaction history (for a minimum of three (3) years)

    e. View the issuance schedule for EBT and Cash benefits

    f. View EBT program information

6. Vendor **shall** provide reports on usage of the Cardholder Portal, including:

    a. Total number of cardholders accessing the portal during a reporting period

    b. A breakdown of the number of users that access the portal provided by the functions they use. (*See Section 2 – Minimum Requirements, Reporting Sections.2.38 - 2.45*)

B. For Retailer:

1. The vendor **shall** develop and maintain a Retailer Portal which can be accessed by Arkansas retailers via the Internet in Spanish as spoken in Arkansas and in English.

2. Retailers **shall** be able to create passwords and change passwords, at a minimum every ninety (90) days through the retailer portal in accordance with State of Arkansas (IS) Policy.

3. The vendor **shall** fully describe in the bidder's technical proposal the functions that **will** be available through its proposed Retailer Portal, including recommendations for additional transactions and/or uses of the portal which would represent an effective and economical application of this technology.

4. Retailer Portal **shall** allow the following:

    a. Access to at least three (3) years of transaction history.

    b. View ACH deposits

    c. Access to informational materials, i.e., State issuance schedule, Quick Reference Guide (QRG), etc.

2.16 TRAINING

A. The vendor **shall** provide hands-on, initial, on-going, and ad-hoc training to all EBT Project Office staff and staff trainers employed by DHS/DCO, including retailers.

1. Training for equipment provided by a third (3rd) party processor, an independent sales organization, or a value added reseller, **shall** be provided by that processor.

B. The vendor **shall** also provide training to designated DHS/DCO central office and county office staff. This training does not need to be a hands-on training but needs to be presented in a manner that **shall** ensure that this group receives sufficient and appropriate training for successful system inquiry by DHS/DCO.

C. The vendor's training materials **shall** alert cardholders, retailers, and DHS/DCO staff to the functions and capabilities, as well as the consequences of abuse or misuse, of the EBT System.

D. The vendor's training materials and live trainings **shall** emphasize that intentional misuse or abuse of the system **shall** result in investigations by State and/or Federal authorities, and that sanctions **shall** be imposed for documented violations. Sanctions may include administrative disqualification, recovery through recoupment/restitution, dismissal from employment, and/or referral for criminal prosecution. The message during training **shall** clearly state that it is a crime to defraud the EBT System.

E. The vendor **shall** submit, for DHS/DCO's approval, any and all training programs including training aids prior to their use and DHS/DCO **shall** retain ownership of any documentation that is developed and used in training.

F. Cardholder Training:

1. The vendor **shall** provide all current EBT cardholders with training materials (mailer inserts) prior to data transfer.

2. The vendor **shall** include the EBT printed training material with all new card mailings.

3. Training materials **shall** be written in at the fifth (5th) grade reading level as determined by DHS/DCO, and in compliance with EBT Regulations.

4. Training material **shall** be prepared in both English and Spanish print and **shall** be included in all meetings and trainings.

5. Vendor **shall** develop an EBT training video for the purposes of EBT training of cardholders.

6. The EBT training video and printed training material **shall** be distributed to the DHS/DCO EBT Office and to every DHS/DCO County Office. Three (3) CD's and one (1) pamphlet per County office and ten (10) each for Central office.

   a. The eighty six (86) DHS/DCO County Office addresses can be found in Attachment B, DHS/DCO Office Locations.

   b. The training video **shall not** be longer than fifteen (15) minutes.

   c. The training video **shall** be directed at a fifth (5th) grade education level, and **shall** be provided in English, Spanish, and closed-captioning.

7. Training pamphlet and video **shall** include:

a. Cardholder Training:

i. Training material **must** include: use of the Arkansas EBT card including the type of benefit transactions that can be processed at EBT terminals.

ii. Training material **must** include: use of the Arkansas EBT card at ATMs, including the type of benefit transactions that can be processed at the ATMs and related fees.

iii. Training material **must** include: use and safeguarding of the card and PIN.

iv. Training material **must** include: Card replacement.

v. Training material **must** include: PIN change methods and procedures.

vi. Training material **must** include: Guidance on reporting problems with the card or its use and on reporting a lost or stolen Arkansas EBT card.

vii. Training material **must** include: use of Transaction receipts to track balances.

viii. Training material **must** include: use of the Customer Service Call Center.

ix. Training material **must** include: Cardholder service functions, including a prominent display of the toll-free Customer Service Call Center number.

x. In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

xi. Training material **must** include: Information on requesting and the processing of adjustments against a cardholder's EBT account.

xii. Training material **must** include: Adherence to EBT policy regarding misuse of benefits.

xiii. Training material **must** include: EBT benefits **shall** not be used to pay for any eligible food purchased prior to the time at which an EBT card is presented to authorized retailers or meal services.

xiv. Training material **must** include: EBT benefits cannot be sold for cash or exchanged for non-food items.

xv. Training material **must** include: information about the use of cards across state lines (Interoperability).

xvi. Training material **must** include: vendor **shall** provide all updates and maintain a supply of required training materials and videos on demand throughout life of contract.

b. Retailer Training:

i. The vendor **shall** be responsible for all aspects of initial and on-going training provided to TPP retailer unless equipment is provided by a TPP.

ii. If, equipment is being provided by a TPP retailer, then TPPs should be responsible for providing the necessary training as needed.

iii. Vendor **shall** develop and provide a Retailer User Manual (RUM) and a Quick Reference Guide (QRG) within ninety (90) calendar days of contract award for distribution to all retailers participating in the EBT System.

c. EBT Training:

i. Vendor **shall** provide hands on training of the new web-based EBT System to an estimated twelve (12) EBT trainers, six (6) fiscal staff, and five (5) EBT project office staff.

ii. Vendor **shall** train an estimated one hundred (100) administrative staff from a variety of internal operating departments.

- Staff persons are located in different EBT County Office locations, as listed in Attachment B, DHS/DCO Office Locations, and will be trained at each individual location.

- Staff members **shall** require a general training overview as well as function-specific training associated with their specific areas of responsibility e.g., fraud/security, settlement, system performance, inventory control.

iii. Vendor **shall** provide an EBT Administrative Terminal User Manual (ATUM) for distribution to all DHS/DCO EBT staff trained in the new EBT System.

2.17 POS TERMINALS

1. Vendor **shall** provide all approved retailers the opportunity to participate in the EBT System.

2. Vendor **shall** supply POS terminals to all FNS approved exempt retailers who choose not to purchase their own equipment. This equipment **shall** be restricted to EBT use only. Store types exempt from the retailer cost provisions of the Agricultural Act of 2014 are listed in the table below:

STARS Business Type Codes and Descriptions		
Business Type Code	Description	Store or Meal Service
AD	Drug and/or Alcohol Treatment Program	Meal Service
BC	Non-profit Food Buying Co-op	Store
BW	Shelter for Battered Women and Children	Meal Service
CD	Communal Dining Facility	Meal Service
DF	Direct Marketing Farmer	Store
FM	Farmers' Market	Store
GL	Group Living Arrangement	Meal Service
HP	Homeless Meal Provider	Meal Service
MC	Military Commissary	Store
MD	Meal Delivery Service	Meal Service
SC	Senior Citizens' Center/Residential Building	Meal Service

3. Vendor **must** procure and maintain current and new retailer POS equipment at all FNS approved exempt retailer locations.

a. The vendor **shall** be responsible for all aspects of initial and on-going training provided to TPP retailer unless equipment is provided by a TPP.

b. If, equipment is being provided by a TPP retailer, then TPPs should be responsible for providing the necessary training as needed.

4. Vendor **shall** have a clear method to blocking access to TANF benefits at POS terminals in accordance with the Middle Class Tax Relief (MCTR) and Job Creation Act of 2012. Cardholders **shall not** be permitted to use their EBT card at the following:

   a. Gambling or gaming establishments.

   b. Adult entertainment venues where performers disrobe or perform in an unclothed state for entertainment.

   c. Liquor stores that sell exclusively or primarily intoxicating liquor.

      i. This does not include a grocery store that sells both liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food Nutrition Act of 2008).

5. Agency **shall** notify the vendor of any locations that are prohibited from using the EBT System to transact cash benefits, e.g., Group Living Arrangements.

6. Group Living Arrangements/Meal Services

   a. Vendor **shall** enter into agreements for the deployment of POS equipment with USDA/FNS approved group living arrangements/meal services, of which the State currently has sixty (60).

   b. Vendor **shall** be responsible for the authorization of cardholder-initiated SNAP transactions.

   c. The EBT System **shall** only accept SNAP transactions from POS terminals of FNS approved retailers.

   d. Vendor **shall** ensure that benefits within the EBT account are distributed on a first (1st) in, first (1st) out (FIFO) basis.

7. Interoperability

   a. Vendor **shall** support the Federal requirement of processing interoperable SNAP transactions, including SNAP transactions performed at a State of Arkansas retailer where the cardholder has benefits issued by a state other than Arkansas.

   b. Vendor **shall** demonstrate that it has the capability of accepting and processing cardholder transactions occurring at out-of-state (non-Arkansas) retailers.

8. POS SNAP Transaction Types

   a. SNAP Purchases

   b. SNAP Returns

   c. Manual Authorizations

   d. Voucher Clears

   e. Balance Inquiries

   f. Voids or Cancellations

g. Reversals

h. Vendor **shall** accept and process EBT transactions where the card number has been manually entered into the POS terminal.

i. Transactions **shall** be entered manually with the card number at times when an EBT card is damaged and/or the POS terminal is unable to read the magnetic stripe. PIN entry by the cardholder **shall** be still required on manually entered transactions.

- DHS/DCO **shall** have the right to remove key entry capability at individual retailer locations if the function is abused.

9. Manual Voucher Process

a. Vendor **shall** process manual vouchers for SNAP transactions only when electronic transactions are not available due to disasters and EBT System failure.

b. The exempt retailers listed below **shall** be able to continue to use manual vouchers for purposes other than disasters or EBT System failures:

i. Exempt retailers as listed in Section 2.17 POS TERMINALS

ii. Retailers authorized before March 21, 2014 and currently using manual vouchers **shall** continue until further notice from the USDA/FNS.

iii. A new retailer with one (1) of the aforementioned exemptions until further notice from the USDA/FNS.

c. Retailer **shall** complete a manual voucher, including the cardholder's signature on the voucher.

i. The cardholder's signature **shall** be substituted for the cardholder's PIN.

ii. A retailer **shall** always obtain an approval number from the EBT Retailer Help Desk prior to dispensing the purchased goods.

iii. If approval is not obtained and goods are dispensed, the retailer **shall** be liable for the full transaction amount.

d. If the retailer uses manual vouchers to conduct ongoing business, they **must** clear the manual voucher within fifteen (15) calendar days of the voucher approval, electronically on the POS terminal or by mail.

i. If the retailer does not clear the manual voucher within fifteen (15) calendar days after receiving telephone approval, the approval number **shall** expire and the funds **shall** return to the cardholder's EBT account. The liability for the transaction then rests with the retailer.

10. Benefit Transaction POS Functions

a. Retailer Log-on and Log-off Security Functions - The retailer's staff **shall** interact with EBT security processes in order to access the system using the POS terminal. Vendor's procedures and software **shall** control staff access via authority level and define management controls to access system.

b. Settlement Processing - The POS terminal **shall** allow the retailer to access the system to process the various close of business functions in the Retailer and Financial Institution Account Processing as required.

2.18 FINANCIAL TRANSACTION PROCESSING

A. Vendor **must** identify networks that **shall** be included in the EBT System and **shall** be responsible for ensuring that all ATMs accessible by Arkansas cardholders display the Quest logo.

B. Vendor's EBT System **shall** identify and capture both, on and off-line financial transactions including:

1. On-line EBT transactions executed on the financial network

2. On-line transaction processing related to cardholder accounts initiated at access terminals

3. On-line transaction processing related to retailer and financial institution accounts, initiated at access terminals

4. System initiated transactions

5. On-line processing interactions

6. Off-line transaction processing-manual voucher transactions

2.19 DAILY BENEFIT TRANSMISSION

A. DHS/DCO **shall** transmit to the vendor a file of SNAP benefits.

B. The transmission **shall** take place according to a mutually agreed upon schedule, every State business day.

C. **Shall** be submitted as one (1) file, but this transmission will consist of recurring and one (1) time benefits.

D. This file **shall** contain a payment date and time, which **shall** represent the first (1st) day and time of day these particular benefits can be accessed by the cardholders.

E. Vendor **shall** ensure the following:

1. File is validated by assuring that the record totals and benefit amount totals equal with the summary totals provided by DHS/DCO.

2. A pre-processing check of the file is performed to make sure the file is structured correctly to prevent duplicate processing and to check that there is nothing unusual in the file.

3. Once everything is checked, the file **shall** be processed and a processing summary report **shall** be sent back to the State.

a. Summary **shall** show the total number of cases processed, the total dollar amount, and a listing of any case demographic or issuance that was rejected. The file **shall** consist of the following information:

i. Account number

ii. Issuance number

iii. Issuance type

iv. Payment name

v. County number/record number

vi. Payment date and time of availability to cardholder

vii. Benefit amount

viii. DHS/DCO account code

4. New accounts are established for each new cardholder.

   a. If an account already exists, benefits **shall** be credited to that account, but are not to become available before the payment date.

   b. An account **shall** receive one (1) or more different benefits on any payment date or transmission.

   c. An active case **shall** be billed only once in the billing month regardless of the number of authorized benefits that has been posted.

   d. Monthly benefits posted prior to the end of the month shall **not** constitute a billable case until the benefit has been made available to the client, i.e., availability date of the benefit has been reached.

   e. A "holdover" which occurs when a client accesses his/her benefits from a previous month and no new benefits have been authorized and made available for the current month is not an active case.

5. Identity of each individual benefit stored in the account is retained.

Note: Vendor's EBT System **shall** permit DHS/DCO to close and reopen accounts (case numbers)

2.20 TRACKING BENEFIT WITHDRAWALS

A. Vendor's EBT System **shall** be capable of the following:

1. Tracking and retaining the identity of each individual whole benefit, as well as the first (1st) withdrawal from a benefit.

   a. If all benefit funds are not withdrawn, then the remaining amount is referred to as a partial benefit.

   b. Every subsequent withdrawal from that account is charged against that partial benefit until it is totally withdrawn.

   c. Ensure that there is only one (1) partial benefit per account at any one (1) time.

2. Upon a withdrawal, determining which whole benefit to access on a FIFO, concept. (An account may contain multiple whole benefits at one (1) time.)

3. If two (2) or more whole benefits are received on the same day, selecting the oldest benefit from which to begin accessing for withdrawals.

4. Reporting the tracking and reporting of benefit access to DHS/DCO in an electronic format.

5. Vendor **shall** provide all benefit information originally provided by DHS/DCO related to that benefit on the daily return/monthly aging report file.

Note: DHS/DCO **shall not** make any system modifications to accommodate this or any other processing requirement.

2.21 ACCOUNT BALANCES

A. An EBT SNAP benefit account **shall not** close when a SNAP case closes. The former recipient **shall** remain entitled to the account balance.

1. As long as benefits remain in the EBT SNAP account, the former recipient **shall** have the right to still have cards issued or reissued and select or change PINs.

2. Benefits **shall** remain available to the household for twelve (12) months from the date of availability, or the last time accessed, whichever occurs last.

3. After six (6) months inactivity, the EBT account **shall** be in a dormant status. The account **shall** remain dormant until the EBT account becomes active again (usually through the accessing of benefits via the EBT card).

4. After twelve (12) continuous months of inactivity, the inactive benefit(s) **shall** be expunged from the account. The household **shall** no longer access expunged benefits, but they may be applied to a SNAP overpayment claim.

Note: Vendor **shall not** be responsible for any notifications to the cardholder of the benefit returned to DHS/DCO, except that the vendor **shall** provide appropriate funds unavailable/decline message at a POS terminal.

2.22 ACCOUNT CLOSE OUT

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 vendor **shall not** remove their accounts from the active account database. The vendor **shall** close accounts from the active 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 one hundred eighty (180) days.

   a. The one hundred eighty (180)-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; if inactive then the account **shall** become new. If on the day of conversion, the vendor **shall** reactivate if possible; if not possible then the vendor **shall** create a new account.

2. An account with benefits not accessed for one hundred eighty (180) days and resulting in the benefits being returned and a zero (0) balance. Any subsequent benefit authorizations **shall** reset the day count to zero (0).

2.23 TRANSACTION HISTORY

A. Vendor **shall** provide DHS/DCO on-line inquiry for all account benefit transaction activity for a minimum of three (3) years, if three (3) years of data is available, from the date of the final withdrawal that closed out a benefit. Information should be obtained without reactivating closed accounts.

B. On-line transaction activity for partial benefits **shall** remain available, as long as the partial benefit has not been returned. This on-line capability **shall** permit the inquiry of and receipt of account information in the following ways:

1. By account, summary credit, debit and current balance information.

2. By account, detailed information on all SNAP transactions for a specified period of time, including the date, time, location, and amount.

3. By account, detailed information on all transactions for a specific retailer, POS terminal.

4. By account, EBT card issuance and replacement history, including information, i.e., account balances at time of replacement and summary totals of card replacements over a specified time period from one (1) day up to three (3) years.

5. By retailer, detail information on all cash or SNAP transaction for a specified period of time, listing such information i.e., account numbers, days, times, locations, terminals and amounts.

6. By retailer, detail information on all transactions for a particular account.

C. Vendor **shall** move transaction history to an off-line storage file for the duration of the contract after three (3) years on-line storage.

1. This storage file **shall** include all pertinent information regarding the transaction, including the following:

   a. Cardholder card and account numbers

   b. POS number and location

   c. Date and amount of the transaction.

2. Access to the data **shall** be granted to DHS/DCO and other authorized government agencies as required for investigative and auditing purposes.

3. This file **shall** be delivered in a mutually agreed upon format to DHS/DCO's new EBT vendor as part of the overall database transfer process, when the contract is terminated.

4. This off-line information retrieval **shall** provide for different sorting of the information. The following are requirements of how off-line history **shall** be stored:

   a. By account, transactions occurring at out-of-state locations over a specified time period from one (1) day up to three (3) years.

   b. By retailer and/or by store, summary transaction history over a specified time period from one (1) day up to three (3) years.

   c. By retailer and account, even dollar transactions over a variable threshold over a specified time period from one (1) day up to three (3) years.

2.24 RETAILER & FINANCIAL INSTITUTION ACCOUNT PROCESSING

A. USDA/FNS approved retailers and financial institutions interested in participating in EBT as acquirers of cash financial transactions, the vendor's EBT System **shall** support the following functions to process the cardholder's accounts:

1. System Recognition

   a. The vendor's EBT System **shall** maintain control files that recognize a participating EBT retailer.

   b. The vendor's system **shall** allow transactions only from POS terminals recognized by the control files. These files **shall** store information i.e., store name, address, and Federal authorization number.

   c. The vendor **shall** use the FNS Retailer EBT Data Exchange (REDE) system.

   d. The vendor's EBT System **shall not** allow duplicate terminal identification numbers.

   e. As part of the initial set-up of a retailer account, a pre-note transaction **shall** be sent through the ACH network in order to verify the appropriate information i.e., retailer's bank American Bankers Association (ABA) number, retailer bank account number and to minimize rejected items. The vendor **shall** comply with Section 6.22, Bank Requirements, and bank regulation requirements at 7 CFR§ 274.8(c)(1).

2. Service Termination

   a. Vendor **shall** support termination of a retailer by FNS.

   b. The EBT System **shall** support a service termination function i.e., a "hold status", or termination status.

   c. Retailer **must** be removed/de-activated from the vendor's database immediately upon receipt of the REDE file from FNS.

3. ATM/POS Settlement Processing

   a. The vendor **shall** accomplish settlement for SNAP benefits for electronic and manual voucher transactions. Terminal settlement **shall** reconcile out of balance situations.

   b. Financial reimbursement for transactions performed at participating retailers **shall** be based on the daily Federal Reserve (FR) deadlines. Transactions that are processed after the deadline for the current business day **shall** be credited to the following business day's totals.

4. Fund Transfer

   a. After settlement between the terminal and the EBT System, the vendor **shall** transfer funds to the appropriate retailer accounts for the value of the transactions executed for the business day. The actual transfer of funds occurs through the ACH process after system settlement for the business day. If a TPP is involved, the vendor will not settle to the retailer but will settle to the TPP of record.

   b. All activity **shall** be reflected on daily settlement reports in Microsoft Word or Excel and transmitted to DHS/DCO.

c. If retailer's refunds exceed its sales, a debit to the retailer account **shall** be generated and performed through the ACH process.

5. Dispute Processing

a. The vendor **shall** process disputes that arise when daily balancing totals at the retailer and financial institution level do not match those in the vendor's EBT System.

b. The vendor **shall** also process disputes that arise when funds transferred or deposited to the retailer and financial institution accounts, via the ACH, do not match totals calculated independently by the retailer.

c. Cardholder-retailer dispute resolutions **shall** meet the adjustment regulations in seven (7) CFR § 274.2 (g)(2).

6. Retailer Account Transaction History

a. The vendor's EBT System **shall** allow for on-line inquiry for all retailers account transaction activity for a period of three (3) years.

b. After three (3) years, the vendor **shall** move the transaction history to an off-line storage file for the duration of the contract. Access to the data **shall** be made available to DHS/DCO and authorized government agencies for investigation and audit purposes within forty eight (48) hours of request.

c. The vendor's history file **shall** include all pertinent information regarding the transaction, including the retailer identifier, the POS number and location, the date, time, type, and amount of the transaction, and the cardholder card and account numbers.

d. The on-line inquiry **shall** provide access to daily ACH deposit information for each retailer and financial institution that conducts EBT transactions.

7. Retailer Account Management

a. Vendor **shall** be responsible for managing retailer participation in the State of Arkansas EBT program in accordance with USDA/FNS regulations and State requirements as set forth in this RFP.

b. Vendor **shall** establish and maintain all agreements in order to establish a benefit delivery network to deliver cardholder benefits. This **shall** include relationships with food retailers, where cardholders **shall** be able to use their EBT cards for food purchases.

c. Vendor **shall** notify, in writing, all retailers that fees **shall not** be charged to cardholders for accessing benefits.

d. Vendor **shall** provide for periodic, planned meetings and communications with retailer associations, as well as with user advocacy groups. DHS/DCO will facilitate such meetings and communications in order to evaluate system usage and discuss problems. Vendor **shall** be responsible for collecting any data, preparing an agenda, and providing any and all support materials for such meetings or communications. All materials and/or other forms of information **shall** be approved by DHS/DCO prior to distribution.

8. System Settlement and Reconciliation

   a. Vendor **shall** assure that benefits received from DHS/DCO are accurately posted to cardholder accounts.

   b. Vendor **shall** accurately debit/credit cardholder's accounts for refunds.

   c. Vendor **shall** accurately credit retailers for benefits disbursed.

   d. Vendor **shall** settle and reconcile accounts every banking business day at a time to be specified by vendor, and in accordance with applicable State and Federal regulations.

   e. Vendor **shall** conduct settlements for retailers and TPPs through the existing ACH infrastructure. The vendor **shall** have an originating and receiving relationship with the ACH, either directly or through one (1) of its subcontractors. Vendor **shall** also have access to the appropriate regional network(s) and be capable of settling DHS/DCO transactions.

   f. For retailers or TPPs, vendor **shall** originate an ACH credit for the total balance due for DHS/DCO benefits provided during the DHS/DCO processing day being settled. The benefit provider credits **shall** be entered into the ACH for settlement on the next banking day. Credits due DHS/DCO benefit providers who are connected to the vendor through a transaction switch, TPP, or national network **shall** settle utilizing the QOR.

   g. Vendor **shall** ensure that both Direct Connect (DC) and TPPs receive DHS/DCO credits within two (2) business days of system settlement. DHS/DCO will continue to settle on the business day after transactions are posted and processed and all debits in the settlement **shall** be posted to DHS/DCO accounts in the overnight ACH cycle.

   h. Vendor **shall** support the following outputs of the settlement and reconciliation processes:

      i. EBT Benefits Extract

         - The vendor **shall** provide a daily file of all transactions processed through the EBT System

         - This file **shall** identify daily authorizations received from EBT and applied to the DHS/DCO system and **shall** include: daily cancels, withdrawals, refunds, voids, reversals, repayments, and remaining available balance (for each account)

         - The file **shall** summarize, by EBT benefit code (program), total authorizations, cancellations, ending balances, terminal activity, benefit refresh, repayments, and aged benefits

         - Unsettled funds **shall** be handled the next business day. The vendor **shall** report any unsettled funds to the State. FNS has determined that unsettled funds **must** be returned to the U.S. Treasury and their policy **must** be followed.

ii. Aged Benefits

- An EBT SNAP benefit account **shall not** close when a SNAP case closes. The former recipient **shall** remain entitled to the account balance
- As long as benefits remain in the EBT SNAP account, the former recipient **shall** still have cards issued or reissued, and select or change PINs
- Benefits **shall** remain available to the household for as long as the case remains active
- After six (6) months inactivity, the EBT account **shall** move into a dormant status
- The account **shall** remain dormant until the EBT account becomes active again (usually through the accessing of benefits via the EBT card)
- After twelve (12) continuous months of inactivity, the inactive benefit(s) **shall** have the right to be expunged from the account
- The household **shall** no longer access expunged benefits, but they **shall** be applied to a SNAP overpayment claim

iii. Retailer/Merchant Credit Detail

- The vendor **shall** create files of all EBT payments made by retailers and financial institutions via the EBT networks
- Daily settlement reporting **shall** be provided to DHS/DCO summarizing by benefit program the total retailer ACH for SNAP programs
- DHS/DCO will use this daily settlement report as the basis for transferring funds to reimburse the Concentrator Banks (CBs)
- In the event that only (1) one CB is involved for the settlement of both cash and EBT, then the vendor **shall** provide a settlement report summarizing by benefit program, the total settled for cash programs, and a separate total settled for programs

iv. EBT Transfer File

- This file is a transfer file that **shall** provide a daily net transaction total by retailer authorization number
- The vendor **shall** transmit this file weekly or as subsequently required by FNS, to the FNS Minneapolis Computer Support Center (MCSC)

i. Vendor **shall** comply with the FNS regulations at 7 CFR § 274.4 (a) and the FNS reconciliation requirements to perform reconciliation for all DHS/DCO programs. Vendor **shall** reconcile:

i. Cardholder account daily beginning balances and net draws versus the ending balance.

ii. Cardholder net redemptions versus acquirer settlement values.

iii. Total funds, entering, exiting, and remaining in the system each day.

iv. Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding.

v. The net settlement value of all transactions to the sum of the net settlement values for all benefit programs.

j. Vendor **shall** determine the total amount of Federal funds by program necessary to reimburse its account for the total credits due to EBT acquirers.

i. The information generated during the system cut-off and balance processing **shall** be used by the EBT vendor to prepare the daily settlement files.

ii. The EBT vendor **shall** maintain audit trails throughout the settlement process.

2.25 CURRENT SETTLEMENT BACKGROUND/SUMMARY

A. The current EBT settlement process **shall** be required unless and until it is changed by written agreement with DHS/DCO. Therefore, the vendor **shall**, at a minimum, use the flow of funds as follows:

1. EBT Benefits – Fidelity National Information Services (FIS) technology is the current processor and accumulates the approved EBT transactions each day.

2. FIS distributes the transactions to the CB with credits to the merchant banks (accounts) and debits to the settlement (Concentrator) account.

Note: DHS/DCO receives the settlement report from its EBT processor, determines the amount of food benefit transactions. FIS initiates a drawdown immediately against the food benefit letter of credit. When received, these funds are credited to the settlement account.

2.26 ADJUSTMENT PROCESSING

A. The vendor and/or retailer/TPP **shall** make adjustments to resolve errors and out-of-balances related to system problems.

B. The vendor **shall** have the capability to process the adjustment and have this reflected in the cardholder's account.

C. The vendor **shall** comply with Federal regulations regarding the recording, tracking, and processing of these types of adjustments. See 7 CFR § 274.2(g).

D. Adjustments made by the vendor **shall** cause money to be moved either to or from the cardholder's EBT account and **shall** impact the daily settlement.

E. The vendor **shall** provide notification to DHS/DCO of pending debit adjustments so that notification can be provided to the cardholder. All debit adjustments **shall** be approved by DHS/DCO.

2.27 MAINTENANCE & CHANGE REQUESTS

A. Change requests **shall** minimize service downtime by ensuring that requests for changes are:

1. Recorded

2. Evaluated

3. Authorized
4. Prioritized
5. Planned
6. Tested
7. Implemented
8. Documented
9. Reviewed in a controlled and consistent manner.

B. The vendor's Change Request process **shall**:

1. Utilize standardized methods and procedures for efficient and prompt handling of all changes
2. Record all changes to service assets and configuration items in the configuration management system
3. Manage and minimize business risk
4. Support business needs and goals
5. Reduce risk exposure
6. Minimize the severity of any impact and disruption
7. Be successful on the first (1st) attempt

C. Vendor **shall** adhere to the following change management process for the implementation of a change request:

1. DHS/DCO **shall** request the vendor to perform any testing, (*as defined in Section 2.5., Development and Testing Phase*) prior to implementation into the production environment.
2. Vendor **shall** provide DHS/DCO adequate documentation as determined by DHS/DCO to demonstrate testing has been performed.
3. The vendor **shall** schedule and coordinate the implementation of the Change Request.
4. The vendor **shall** have a release control process that ensures that changes are tested first (1st) in a test environment.
5. The controlled release process of implementing releases in production **shall** have a fall back plan in place in case the release does not work as planned.
6. The vendor **shall** obtain approval from DHS/DCO prior to implementation.

2.28 DHS/DCO PROBLEM MANAGEMENT

A. Vendor **shall** have specific strategies for problem management controls to include the following:

1. Incident reporting

2. Logging
3. Tracking
4. Problem escalation
5. Notification
6. Resolution
7. Root cause analysis
8. Twenty four-seven (24/7) hardware monitoring
9. Online batch and back-ups.

B. Vendor **shall** track and correct system defects, which are malfunctions or functional deviations from approved system requirements.

C. Vendor **shall** correct system performance issues identified by retailers, cardholders, or State staff.

D. Vendor **shall** take corrective and preventive action and ensure that the system performs as designed and required by DHS/DCO.

E. Vendor **shall** promptly document reported problems upon receipt and monitor controls, communicate, and report on each problem until resolved and/or completed correctly.

F. Vendor **shall** maintain appropriate and timely communications with DHS/DCO and affected users on all problems from the onset through resolution. Updates **shall** be provided to DHS/DCO every twenty (20) minutes for Sev1 and Sev2, and every two (2) hours for Sev 3 and Sev4. DHS/DCO will define the list of notifications after Contract award. Vendor may also be required to produce or assist DHS/DCO in the notification to cardholders or retailers as defined by DHS/DCO.

G. Vendor **shall** provide a mechanism for expedited handling of problems that are of high business priority to DHS/DCO to include a Root Cause Analysis (RCA), as follows:

1. A preliminary RCA **shall** be required for all Critical/Severity1 (SEV1) incidents within twenty four (24) hours of the incident, which needs to follow the problem management process for documenting severity levels.

2. An Interim RCA **shall** be submitted every twenty four (24) hours with updated information. A final RCA **shall** be required no later than seventy two (72) hours after resolution is approved and completed.

3. The RCA **shall** contain: details regarding the issue; a severity level timeline from inception to completion; corrective and preventive measure(s) taken; and updated report information.

H. Vendor **shall** correct all problems within the reasonable scope of vendor's responsibility. A problem **shall not** be considered to be corrected until the vendor receives validation from DHS/DCO that the issue is resolved to DHS/DCO's satisfaction.

I. Vendor **shall** proactively provide to DHS/DCO appropriate reports on problems, including: statistics on total number of problems, outstanding problems and resolution time.

J. Vendor **shall** Integrate and coordinate problem reporting processes and procedures with DHS/DCO.

K. Upon notification of an issue, the vendor **shall** notify DHS/DCO and follow a Problem Management Process (PMP). The vendor **shall** classify issues based on the severity levels described below, communicate appropriately until resolution, and provide a RCA. The severity levels **shall** be as follows:

1. Critical/Severity 1 (SEV1) – trouble ticket has one (1) or more of the following characteristics:

    a. The incident has a major business impact

    b. Normal Business operations cannot be conducted

    c. Multiple end-users cannot run a production application

    d. The affected end-user is high profile (as defined by DHS). E.g. DHS/DCO EBT Project Office staff.

    e. The incident cannot be circumvented

2. High/Severity 2 (SEV 2) – trouble ticket has one (1) or more of the following characteristics:

    a. The incident has a substantial business impact

    b. Normal business operations are severely impeded

    c. The application/system functions but usability is severely limited for multiple end-users

    d. The application/system has experienced continual or repeated incidents

3. Medium/Severity 3 (SEV 3) – trouble ticket has one (1) or more of the following characteristics:

    a. The incident has a limited business impact

    b. Normal business operations are minimally impeded

    c. The end-user can run the application but has lost some functionality

    d. The incident is not continual or repeated

4. Low/Severity 4 (SEV 4) – trouble ticket has one (1) or more of the following characteristics:

    a. The incident has no business impact

    b. Normal business operations are not impeded

    c. The end-user can run the application

    d. The request is an end-user inquiry only

Note: DHS**/**DCO **shall** have the right to modify the priority level and time-to-correct period if in his or her sole judgment it is in the best interest of the contract. DHS/DCO **shall** have the right to waive, in writing, the vendor's requirement to correct a reported deficiency if in his or her sole judgment; the deficiency has been incorrectly reported.

L. Vendor **shall** report all defects or problems to DHS/DCO based on the priority assigned to the defect or problem. Problems or issues with the system **shall** be reported through an Incident Report and updated per the required notification process.

M. Vendor **shall** monitor the DHS/DCO application, network devices, telecommunications, online activity and batch activity twenty four-seven (24/7), three hundred sixty five (365) days and notify DHS/DCO of any issues. Notification **shall** occur within twenty (20) minutes of a suspected identification of a SEV1 or SEV 2 incident, and within two (2) hours of a SEV3 or SEV 4 incident. Notification start time **shall** begin once the problem is reported.

N. Vendor **shall** as part of the notification process to DHS/DCO, include in the notification, at a minimum, the following:

1. Date and time of incident
2. Severity Level
3. Detailed description of the problem
4. Expected impact on operational functions
5. A corrective action plan, and preventive action plan of future occurrences
6. Expected time of problem resolution, and RCA
7. Time resolved
8. Length of time to resolve
9. Security Risk

2.29 CONTRACT MONITORING & PROBLEM RESOLUTION

A. The vendor **shall** comply with all processes and requests made by DHS/DCO in conducting monitoring oversight activities during the term of the contract.

B. The vendor **shall** allow DHS/DCO to complete scheduled and unscheduled site visits, as appropriate, to assess performance, determine contract compliance, and report on delivery of services required under this contract.

C. Vendor **shall** provide support to DHS/DCO and technical assistance to support batch execution in all of DHS/DCO's key environments (operations).

D. Vendor **shall** perform all batch processes during non-prime time hours (between 7:00 PM and 7 AM).

E. Vendor **shall** perform all online processing during prime-time hours (between 7:00 AM and 7:00 PM).

F. Vendor **shall** provide twenty four-seven (24/7), three hundred sixty five (365) days production support to DHS/DCO's staff, including:

1. Monitoring batch job specifications and providing technical support to ensure the successful batch execution.

2. Providing a method to define predecessors/successors relationships, deficiencies and efficiencies.

3. Scheduling procedures and applying necessary number of initiators and priorities for timely job execution.

4. Providing a method of accepting the batch, and returning accurate confirmation.

5. Providing daily activity files to DHS/DCO and accurate reports.

G. Vendor **shall** document and maintain a problem log of both, batch and online issues encountered.

1. The log **shall**, at a minimum, include: date, time, problem type (batch or online), problem description and resolution.

2. The log **shall** be delivered to DHS/DCO with the appropriate status report to be determined by DHS/DCO.

3. The vendor **shall** perform Trend Analysis (TA) on the issues and make recommendations for improvement as needed.

H. Vendor **shall** describe specific policy and problem resolution procedures related to cardholder notification and service interruptions.

1. The vendor **shall** provide problem resolution procedures no later than ten (10) calendar days after contract start date, and ten (10) calendar days prior to each contract anniversary date.

2. The vendor shall adhere to the following re: Dispute Resolution Process:

- In the event of any dispute arising during the term of the contract concerning payment or performance of the contract, either party may serve notice of such dispute on the other party, and the dispute shall be decided by the Director of Arkansas Office of State Procurement who shall reduce the decision to writing within ninety (90) days after the Director takes the matter under submission for decision.

- Pending final determination of any dispute hereunder, vendor shall proceed diligently with the performance of the contract.

I. Vendor service interruptions **shall** not be scheduled during prime-time hours (between 7:00 AM and 7:00 PM).

1. Notifications for routine service interruptions **shall** be provided in writing to DHS/DCO and scheduled during agreed upon down-times.

2. Notifications for non-routine service interruptions **shall** be provided within fifteen (15) minutes of the unscheduled interruption. A follow up assessment and triage of the interruption **shall** be provided within one (1) hour of the unscheduled interruption.

3. When the issue is resolved, the vendor **shall** notify required staff of the resolution.

2.30 SYSTEM PERFORMANCE

A. System performance factors **shall** include the system processing speed, availability, reliability, capacity (to absorb volume increases), and ease of use.

B. The vendor **shall** provide an EBT System that, at a minimum, meets the performance standards consistent with USDA Federal regulations in 7 CFR § 274.8(b) for:

1. Availability:

a. The vendor **shall** ensure that the EBT System is available and functioning for the processing of transactions.

b. EBT System availability **shall** be the percent of time the system is functioning for the processing of transactions.

c. Per 7 CFR § 274.8(b)(2)(i), the EBT System's central computer **shall** be available ninety nine point nine percent (99.9 %) of scheduled up-time, twenty four-seven (24/7), three hundred sixty five (365) days.

d. The total system **shall** be available ninety eight percent (98%) of scheduled up-time, twenty four-seven (24/7), three hundred sixty five (365) days.

2. Reliability:

a. The Vendor **shall** ensure that the EBT System is reliable and accurate in the processing of transactions.

b. EBT System transactions **shall** include the following:

i. EBT terminal and ATM initiated

ii. System initiated

iii. Manual data-entered

iv. Credits and debits to retailer accounts

v. Household accounts

vi. Financial institutions processed through EBT system central or host computers.

c. The EBT System's central computer **shall** permit no more than two (2) inaccurate EBT transactions for every ten thousand (10,000) transactions processed.

3. Performance, Processing Speed and Response Time:

a. The vendor **shall** ensure that the EBT System meets performance and technical standards, in accordance with 7 CFR §274.8(b) in the areas of system processing speeds.

b. The vendor **shall** meet the Response Time Standards (RTS) found at 7 CFR § 274.8(b)(1) for all on-line EBT transactions.

i. RTS are defined as the time between pressing "Enter/Send" at the input device and the receipt and display of the response.

c. RTS for transactions originating at ATMs, the Customer Service Call Center and administrative terminal **shall** be in accordance with general industry standards.

d. All EBT transactions **shall** be processed in accordance with 7 CFR § 274.8(b)(1).

4. Transaction Volume Changes:

a. The vendor **shall** accommodate fluctuations in volumes of EBT transactions, especially increases, without a degradation of service.

5. Ease Of Use:

a. The vendor **shall** provide a user-friendly, determined by DHS/DCO, EBT System that, at a minimum, complies with the requirements of 7 CFR § 274.8(b) (4).

2.31 SYSTEM SECURITY PLAN

A. The vendor **shall** provide an EBT System Security Plan that describes the administrative, technical and system controls for the new EBT System. This plan **shall** provide for the ongoing certification and examination of the EBT vendor's operations and control system. The system security measures **shall**, at a minimum, comply with the following:

1. The security language relevant for State Agencies found in the EBT Handbook 901 Section 8 (Systems Security).

2. FNS EBT Regulations in 7 CFR. § 274.8(b) (3) and 7 CFR. § 277.18(p)

3. FNS EBT System Security Guidelines Handbook, Version 6.0, February 2004

4. QORs

B. Vendor **shall** conduct a Risk Assessment of the System consistent with National Institute of Standards and Technology (NIST) Risk Management framework within ninety (90) calendar days of operation.

C. Vendor **shall** produce an EBT System Security Plan of the system consistent with NIST and the EBT Security Guidelines before the system goes live.

D. Vendor **shall** perform and deliver Security Assessment and Authorization documentation prior to operations of the EBT System and every three (3) years thereafter.

E. Vendor **shall** provide an annual Statement on Standards for Attestation Engagements (SSAE) sixteen (16) review.

F. Vendor **shall** backup all current online transactions to an off-site facility on a daily basis. The vendor **shall** provide encryption for all backups, while in transit and at risk with Federal Information Processing Standards (FIPS) one hundred forty – two (140-2) Encryption.

1. Disaster Recovery – The FNS DSNAP guidance requires an annual text of the vendor's back-up site. This would be a test of the State's primary eligibility and EBT interface systems to the vendor's back-up data center. The FNS expectation is the vendor's hot back-up site will begin operations within one (1) hour of the decision to switch to the back-up facility. The vendor is to provide copies of the test results to the State within thirty (30) calendar days of the test.

2. Disaster Recovery – The FNS DNAP guidance requires the vendor to support the State in the recovery of the State's eligibility and EBT interface systems as the State's back-up site in the event of a disaster at the State's primary data center.

G. Vendor **shall** establish policies and procedures for Vulnerability Testing and Patch Management to ensure that application, system and network device vulnerabilities are evaluated and vendor supplied security is applied in a timely manner.

1. All established policies and procedures relating to security **shall** be listed in the EBT System Security Plan.

H. Vendor **shall** specify that the Service Provider has protection against data contamination between cardholders (compartmentalization) if there is more than one (1) cardholder. The vendor **shall** protect against data contamination (compartmentalization) between cardholders other than EBT.

I. Vendor **shall** provide security measures for the following areas:

1. Facilities Physical Security

2. System Security

3. System Data Security, and

4. Administrative and Personnel Security

J. Facility Physical Security:

1. Vendor **shall** utilize physical security and access control systems to limit access to any facilities used to produce cards, process data, or house sensitive data.

2. Vendor **shall** regulate access to primary and backup data centers in such a way that the flow of all persons can be monitored and controlled.

3. Vendor **shall** implement physical security protection measures to deny unauthorized access to EBT data processing and telecommunications facilities.

K. Vendor **shall** provide a systematic and procedural controls for the following:

1. Control of Card Stock: The vendor **shall** be responsible and liable for all un-issued card stock until such stock is either received by the State of Arkansas or mailed to cardholders.

2. Control of PINs: The vendor **shall** be responsible for ensuring the confidentiality of the PIN during generation, issuance, storage, and verification.

a. The vendor **shall** incorporate an encryption standard equivalent to the FIPS one hundred forty two – two (142-2) regulations to control all PINs so that the number is never transmitted or stored in the clear.

b. The vendor **shall**, at a minimum, provide for authentication of data encoded on the card's magnetic stripe and PIN, and the PIN controls listed at 7 CFR 274.8(b)(3)(c) and in Chapter nine (9), Security, of the QORs.

3. Computer/Communications Access Controls: The vendor **shall** provide communications software to control access to the EBT System. Communications access control software **shall**, at a minimum, provide the following capabilities which include:

a. User Identification and Authentication: The vendor **shall** require unique identification from each user to access the system i.e., user ID and password, and support blind password display. The vendor **shall** require authorized users to change their passwords once every ninety (90) calendar days. The vendor **shall** maintain a user identification and authentication system that, at a minimum:

   i. Restricts access to files, databases, transactions, and programs to those personnel needing access to such data to meet professional responsibilities.

   ii. Authenticates data so that it cannot be accessed by any unauthorized user. The system **shall** also provide the capability of associating this identity with all actions taken by that individual subject to audit.

   iii. Maintains information for determining the authorizations of individual users.

   iv. Allows DHS/DCO the capability to assign user passwords and a web interface for active users to securely reset their own password. The vendor **shall** also provide DHS/DCO with the ability to create groups with custom security roles.

   v. Allows DHS/DCO to implement a lockout threshold for excessive invalid access attempts. The log on IDs and passwords of users no longer authorized to access the system **shall** be deleted on-line, real-time.

b. Discretionary Access Controls: The vendor **shall** use identification and authorization data to determine user access to information and the level or type of information accessed to ensure that users without such authorization are not allowed access to data.

c. System Access Audit Controls

   i. The vendor **shall** maintain an audit trail of access to the system and maintain and protect such records from modification, unauthorized access, or destruction.

   ii. The vendor **shall** have defined and controlled access between named users and named objects (including but not limited to: files and programs).

   iii. The audit trail **shall** be able to record the following types of events: log on, log off, change of password, creation, deletion, opening and closing of files, program initiation, and all actions by system operators, administrators, and security officers.

   iv. For each recorded event, the audit record **shall** identify date and time of the event, user, type of event, and the success or failure of the event.

      - For log on, log off, and password changes, the origin of the request (including but not limited to, terminal ID) **shall** be included in the audit record

      - For file related events, the audit record **shall** include the file's name

      - The system administrator (or system security administrator) **shall** be able to selectively audit the actions of one (1) or more users based on individual identity

d. EBT Transaction Communications: The vendor **shall** provide controls to ensure that EBT transaction communications are safeguarded and that EBT transactions are processed only for properly executed transactions from authorized terminals.

L. Security Incidents and Reporting

1. A security incident **shall** be defined as results or incidents from intentional or unintentional actions and may include loss and/or theft of computer media, introduction of malicious code, unauthorized attempts to gain access to information, or failed performance of the system security function.

2. The vendor **shall** establish and maintain incident management responsibilities and procedures to ensure a quick, effective, and orderly response to security incidents. Procedures **shall** cover all potential types of security incidents, including the following:

    a. Discovered viral infection

    b. Discovered malicious code e.g., viruses, trap doors, logic bombs, worms, and Trojan horses

    c. Uncovered hacker activity

    d. Discovered system vulnerabilities

    e. Unauthorized attempt, successful or unsuccessful, to access the EBT System

    f. Deviation from security policy

    g. Other unusual activities

    h. In addition to normal contingency plans (designed to recover systems or services as quickly as possible), the procedures **shall** also cover the following:

        i. Analysis and identification of the cause of the incident

        ii. Planning and implementation of remedies to prevent recurrence, if necessary

        iii. Collection of audit trails and similar evidence

        iv. Communication with those affected by or involved with recovery from the incident

        v. Report of the action to the security administration function at DHS/DCO.

M. System Data Security

The vendor **shall** protect system data to ensure that system and confidential information is not disclosed for unauthorized purposes. At a minimum, the vendor **shall** comply with the following data security controls:

1. Vendor **shall** ensure that designated users from DHS/DCO may only access the system in relation to EBT system data and operations.

2. Vendor **shall** ensure that any sensitive information made available in any format **shall** be used only for the purpose of carrying out the provisions of this contract.

3. Vendor **shall** provide adequate internal controls through separation of duties.

4. Vendor **shall** provide backup procedures to ensure the continuation of operations in the event of a temporary disruption in operations.

5. Vendor **shall** provide backup procedures to allow benefit access when the EBT vendor's computer, system terminals, or communications are not operational. Backup procedures **shall** include manual transaction processing of EBT benefits.

6. Vendor **shall** establish contingency plans for benefit delivery in the event of catastrophic disruption of benefit delivery services. The EBT vendor **shall** move to a backup system within thirty (30) minutes of system disruption.

7. Vendor **shall** maintain adequate documentation of system operating procedures, and requirements.

8. Vendor **shall** provide DHS/DCO a security features user guide to describe the security features provided by the system, how to use them and how they interact with one (1) another.

9. Vendor **shall** ensure that the application that enforces access controls is continuously protected against tampering and/or unauthorized changes.

N. Administrative and Personnel Security

1. The vendor **shall** ensure the integrity of the EBT System operations, including personnel involved in system and security administration.

2. The vendor **shall** ensure appropriate screening as determined by DHS/DCO is conducted of all vendor and subcontractor personnel who are assigned to work on the EBT System.

3. Vendor **shall** prepare and conduct a quarterly and annual test for all State and vendor employees regarding the EBT System. Vendor **shall** compare assigned roles and responsibilities with the currently held list.

4. Vendor **shall** prepare and conduct, quarterly and annually testing, for all State and vendor employees regarding the EBT System. Vendor shall compare assigned roles and responsibilities with the currently held list.

2.32 FRAUD ANALYSIS PREVENTION

A. Vendor **shall** provide an Anti-Fraud Plan that includes locating and stopping fraud by actively and aggressively monitoring the activities of cardholders, employees, retailers and others for the purpose of identifying, at the earliest possible opportunity, evidence of fraudulent conduct.

B. Anti-Fraud Plan provided by the vendor **shall** include a description of Fraud Analysis techniques intended for fraud prevention of cardholders served through remote banking service systems. The vendor **shall** ensure all data through business rules and analytical models are in near-real time or in batch so that suspicious activity may be spotted with greater accuracy. The vendor **shall** state specific fraud analysis techniques and tools used to show a full comprehensive approach for the following:

1. Detection and Alert Generation

2. Fraud Data management

3. Predictive and Prevention Analysis

4. Alert Management

5. Social Network Analysis

6. Drill Down Dashboard

7. Analysis Reports

8. Risk Behavior

9. Data Mining Techniques

C. Standardized and/or ad-hoc reports that **shall** be used by either DHS/DCO or the vendor for the purpose of detecting and preventing fraud. These reports may be requested by DHS/DCO at any time during the length of the contract and **must** be provided within ten (10) days of request. A description of responsibility and procedures to refer any potentially fraudulent cases to the DHS/DCO and cooperate with the Attorney General (AG), the Office of the Inspector General (OIG), or any other law enforcement agency when requested, in investigating cases of alleged fraud.

D. An annual review of the Anti-Fraud Plan with DHS/DCO which **shall** include trends in the industry, current fraud detected, if any, counter measures taken to eliminate fraud and types of preventive measures implemented.

1. The vendor **shall** work with DHS/DCO to proactively identify additional or revised anti-fraud measures.

2. Measures **shall** be monitored and reported on monthly and all measures are subject to DHS/DCO's approval.

E. A description of the internal control framework (control environment, risk assessment, control activities, information and communications, and ongoing monitoring) to show the establishment and enforcement of a strong anti-fraud program and controls.

2.33 THIRD PARTY PROCESSORS

A. FNS regulations require DHS/DCO to provide retailers the opportunity to use TPPs for EBT transactions, if they choose. TPPs **shall** meet the FNS requirements in 7 CFR § 274.3 (d).

B. Vendor **shall** provide the following:

1. An EBT System interface for TPPs. TPPs are financial institutions, cardholder authorization processors, and food retailers driving their own terminals that are capable of relaying electronic transactions to a central database computer or authorization that have contracted for EBT services.

a. TPPs **shall** also include food retailers using their own terminals that are capable of relaying electronic transactions to a central database computer for authorization.

2. A written TPP certification standard to allow TPPs access to the EBT System. All TPP agreements **shall** be approved by DHS/DCO and FNS and include the following requirements:

a. Terminal IDs- TPPs **shall** give each terminal a unique ID and include those terminal IDs as part of their transaction messages. The vendor **shall** include those IDs in the ALERT data submitted to FNS.

b. Transactions –TPPs **shall** be able to support the entire transaction set included in the EBT regulations. The vendor **shall** be able to process all of these transactions.

c. Interoperability – TPPs **shall** be able to process transactions for cards issued by all States for all EBT equipment they support.

d. Balance Information- TPPs **shall** be able to display remaining balances on the printed receipt for all EBT equipment they support.

i. State the date, merchant's name and location, transaction type, transaction amount and remaining balance for the SNAP account;

ii. Comply with the requirements of 12 CFR part 205 (Regulation E) in addition to the requirements of this section; and

iii. Identify the SNAP households member's account number (the PAN) using a truncated number or coded transaction number. The household's name **shall not** appear on the receipt except when a signature is required when utilizing a manual transaction voucher.

e. Servicing only EBT-authorized retailers – TPPs **shall** only route EBT transactions for retailers authorized by FNS to redeem EBT benefits.

3. A certification test performed for each TPP requesting an interface with the EBT System.

a. This test **shall** ensure that every TPP function, message, response, and error exception meets the TPP standard set forth by the vendor as well as all applicable Quest and FNS EBT operating rules.

b. Vendor **shall** issue the TPP a test script, test cards, and required instructions prior to a scheduled test. Additionally, the certification **shall** include, at a minimum, performance testing (throughput and stress), and a review of system security, PIN encryption, and disaster recovery plans.

4. Settle all transaction disputes between TPPs and DHS/DCO cardholders.

2.34 INDEPENDENT AUDIT AND CERTIFICATION

A. The vendor **shall** submit copies of its annual audits of its data processing, operations, disaster recovery, and security functions upon request by DHS/DCO. DHS/DCO **shall** be permitted to inspect (unannounced site visits, review (ad hoc information requests), investigate and audit Vendor performance records concerning EBT and facilities engaged in EBT work.

B. The Vendor **shall** provide, to DHS/DCO who will later forward to FNS, an Annual Written Certification stating that the vendor and its subcontractors are in compliance with applicable banking regulatory requirements and EBT program specific requirements. These certifications **shall** be subject to independent verification and validation. The following EBT program eight (8) numbered points that follow are specific requirements and **shall** be addressed in the vendor's self-certification of compliance covered by the annual audit:

1. Banking and Financial Services Rules: The vendor **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 program requirements, applicable regulatory requirements, and the effectiveness of the internal control structure.

6. Written certification of compliance with the EBT program 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.

C. The vendor **shall** engage an independent auditing firm to conduct an annual Service Organization Controls (SOC) one (1) and SOC two (2) report in accordance with Statement on Standards for Attestation Engagements (SSAE) No. sixteen (16) on the issuance, redemption and settlement of SNAP benefits.

D. The SSAE-sixteen (16) report should cover twelve (12) months of EBT System operations, or for the initial report to Arkansas. The report should cover the period of time the vendor was providing EBT services to the State.

E. Audits **shall** be performed at the vendor's expense and are subject to the following:

1. SOC one (1) reports are designed to help service organizations that operate information systems and provide information system services to other entities, build trust and confidence in their service delivery processes and controls.

2. SOC two (2) reports are intended to meet the needs of a broad range of users that need information and assurance about the controls at a service organization that affect the security, availability, and processing integrity of the systems the service organization uses to process users' data and the confidentiality and privacy of the information processed by these systems.
3. SOC two (2) audits of the vendor's EBT operations and computer systems software and hardware that delivers SNAP and cash benefits through ATM's and POS devices **shall** be performed in accordance with audit guidance: Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (Guidance) as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time; or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization to assess the security of client data in an outsourced or cloud computing arrangement. The independent external auditing firm **shall** have prior experience in conducting SOC two (2) Type two (2) Report audits. The Annual SOC audit **shall** include:

    a. A description of the vendor's system and the suitability of the design and operating effectiveness of controls relevant to one (1) or more of the following trust principles [Security, Availability, Processing Integrity, Confidentiality, or Privacy] as defined in the aforementioned Guidance.

    b. The identity of subcontractors that provide essential support for the services provided under the contract. The vendor **shall** have the right to audit each subcontractor's performance pursuant to the SOC two (2) audit.

    c. A final SOC two (2) Report, provided directly to DHS/DCO within forty five (45) days after the State's fiscal year end on June 30th. The first (1st) audit **shall** be due on or before August 15, 2018, and every year thereafter.

F. In the event that deficiencies are identified, by the entity conducting the SOC audit, in a SOC audit requiring a Corrective Action Plan (CAP), DHS/DCO **will** notify the vendor in writing within thirty (30) calendar days. The vendor **shall** submit the CAP to DHS/DCO within seven (7) business days after receipt of written notification that the CAP is required. The Vendor's CAP **shall** describe in detail the remedial actions that **shall** be taken by the vendor to resolve the deficiencies and the time line (begin and end dates) for completing each action and **shall** be subject to review and approval by State Project Manager.

G. If the vendor fails at any time to obtain an annual SOC one (1) and/or SOC two (2) Audit during the term of this contract, DHS/DCO **shall** have the right to retain an independent audit firm to perform an audit of the vendor's EBT operations and computer systems software and hardware related to SNAP and cash benefits through ATM's and POS devices, being hosted by the vendor at the vendor's sole cost and expense. The vendor **shall** allow the independent audit firm to access its facility for purposes of conducting the SOC one (1) and two (2) audits, and provide any necessary support to the independent audit firm in the performance of the audit. Such access **shall** include the creation of cases and cards to be used by investigators and the posting of benefits. DHS/DCO **shall** invoice the vendor for all costs and expenses incurred for any auditing functions.

2.35 BANK REQUIREMENTS

The vendor **shall** include its bank account structure in the Transition-In Plan. The vendor **shall** be responsible for payments to and from the CB for services rendered. The vendor **shall** remain as the single point of contact **for problem resolution of issues arising from CB activities.**

The following federal requirements to be performed by the CB and forms the basis of the subcontract between the vendor and the CB. The minimum functions of the CB are as follows:

A. Receive from the vendor a daily ACH tape or other crediting process approved by DHS/DCO, with information on DHS/DCO benefits transacted and credited to each retailer.

B. Transfer the ACH tape or other crediting process to the Federal Reserve System or other entity.

C. Post debits to the State of Arkansas account at the CB.

D. Accept reimbursement initiated by vendor from the appropriate U.S. Treasury account, via the Automated Standard Application for Payments (ASAP) System or other payment process approved by FNS. At the option of the State, the State may designate another entity as the initiator of reimbursement for FNS redemptions, provided the entity is acceptable to FNS.

E. Vendor **shall** cooperate with CB to establish a formal process and set of procedures to effect discrepancy reconciliation and error resolution when necessary. These procedures **shall** provide for resolution of errors within ten (10) business days of the report of errors by the retailer or financial institution.

Note: The vendor **shall** be liable for any errors in the creation of the ACH tape or its transmission to the CB. The vendor **shall** provide DHS/DCO with inquiry access to the CB account(s). In the event software is needed to access the Concentrator account(s), the vendor **shall** install the necessary software to the existing DHS/DCO computer hardware at vendor's expense. The Department will be accessing the Concentrator account each business day to verify the processing of at least two (2) required transactions (credit/debit) to the account. There will be one (1) credit for DHS/DCO activity, which DHS/DCO will initiate via wire transfers through the ASAP system.

2.36 PROJECT MANAGEMENT

A. Vendor **shall** provide a staffing plan with its proposal, and **shall** include the following:

1. An organization chart showing how the vendor proposes to staff the project.

2. Listing of key personnel and describe all resource requirements (positions including but not limited to: title, function, etc.) roles and responsibilities.

3. Maintaining staffing levels consistent with levels during the operational phase of the contract through the end of the contract.

B. Vendor **shall** designate a DHS/DCO Project Manager who **shall** be responsible for carrying out the tasks as outlined in this RFP.

1. The vendor **shall** designate two (2) Managers; an Implementation Project Manager and an Operational Project Manager.

2. The designated Project Manager(s) **shall** maintain regular and frequent contact with DHS/DCO and all designated staff.

3. Replacement of any Vendor Project Manager **shall** be in compliance with Key Personnel.

C. Vendor's project management tasks **shall** encompass all duties associated with each of the following areas:

1. Ensuring project conformity with the DHS/DCO environment, overall DHS/DCO strategic plan, and long-range vision of DHS/DCO's objectives.

2. Implementing the technical solutions and implementation plans.

3. Managing the staffing resources.

4. Conducting weekly status meetings with DHS/DCO.

a. Vendor **shall** provide both verbal and a brief written status update including activities completed, upcoming activities, issues, and risks to the project management office.

b. The written status **shall** be submitted during the status meeting and follow an agreed upon format.

c. DHS/DCO and the vendor **shall** work together to determine the recurring day and time for this meeting.

d. Status meetings **shall** begin within thirty (30) calendar days from the contract award.

5. Maintaining an electronic and hard copy project library, or project libraries, as applicable.

a. These document libraries **shall** contain copies of the DHSDCO Vendor's Proposal, Contract, Deliverables (drafts, revisions, and final versions), and all final work products.

b. These libraries **shall** be maintained throughout the duration of the contract.

c. Libraries **shall** contain all relevant project-related documentation i.e., the following:

i. Meeting minutes

ii. Meeting agendas

iii. Action item lists

iv. Risk assessments

v. Reports

vi. Insurance certificates

vii. Problem escalation and resolution tickets and any correspondence between the Vendor and State Project Manager.

d. The vendor **shall** deliver these libraries and an inventory of their contents to DHS/DCO upon conclusion of this contract.

6. Documenting the outcome of all key stakeholder meetings and publish meeting minutes within two (2) business days of the meeting.

7. Producing a monthly status report of activities by the fifteenth (15th) calendar day following the close of the month. If the fifteenth (15th) day falls on a weekend or holiday, the status report **shall** be delivered by the business day before the fifteenth (15th) calendar day or as directed.

8. Developing a Project Management Plan (PMP) within thirty (30) calendar days from the Contract award and updated as requested by DHS/DCO. The PMP **shall** define how the vendor **shall** apply its project management methodology to achieve maximum benefit for the State.

a. The PMP components **shall**, at minimum, cover the following:

i. All required deliverables and how they will be achieved

ii. Transition- In and Out

iii. Automated tools, including application of software solutions

iv. Configuration management – approach and solution

v. Document repository and control

vi. Calendar of events and deadlines

vii. Decision support and prioritization

viii. Project deliverable review procedures

ix. Cardholder/stakeholder relationship management

x. Reporting of status and other regular communications with DHS/DCO, including a description of the vendor's proposed method of ensuring adequate and timely reporting of information.

b. The PMP (and components thereof) **shall** be reviewed and updated periodically as needed, but, in any event, at no less than six (6) month intervals and **shall** also include the following:

i. The vendor **shall** submit a preliminary PWP within thirty (30) calendar days of the contract award. DHS/DCO **will** review and comment on the PWP within ten (10) business days. The final PWP **shall** be submitted, for DHS/DCO's approval, within ten (10) business days following the receipt of the comments from DHS/DCO.

ii. The PWP **shall** establish the timeframes for the deliverables and include a specific approach and schedule to transition from the current team to their own and clearly identify the tasks and level of effort. The PWP **shall** include a clear breakdown of the following tasks and responsibilities:

- tasks that will be the responsibility of DHS during the transition
- fields to track the task
- resource
- planned start date
- revised start date
- actual start date
- planned end date
- revised end date
- actual end date
- percent complete
- task dependencies

iii. The PWP **shall** also include a section detailing how planned development activity for implementation at a future time will be accomplished as well as a similar strategy for testing.

iv. The PWP **shall** be developed using MS Project Two thousand (2000) or later. The vendor **shall** update its PWP on a weekly basis. A copy of the updated PWP **shall** be provided to DHS/DCO.

D. The vendor **shall** deliver a Final Staffing Plan within thirty (30) calendar days from contract award.

E. The vendor **shall** be responsible for developing and maintaining a Communication Plan that serves as the guideline to manage communications across the enterprise including status reporting and other key communications.

1. A draft report **shall** be provided within thirty (30) calendar days after contract execution for State review, and then as needed.

2. The final Communication Plan **shall** be issued within five (5) calendar days of the receipt of DHS/DCO's comments.

F. The vendor **shall** be responsible for developing and maintaining a thorough Risk Management Plan.

1. The plan **shall** include the vendor's approach to managing risk as well as describe the vendor's understanding of risk management and define those risks it perceives for the contract and the related mitigating strategies.

2. The report **shall** be provided within thirty (30) calendar days after contract execution, and annually thereafter.

G. The Quality Assurance/Quality Control (QA/QC) Plan **shall** describe the methods, procedures, and measures followed to implement quality installations, changes, and upgrades to existing and new systems in the DHS/DCO environment.

H. The vendor **shall** define how quality will be built into products, services, and Deliverables and how continuous improvement will be sustained and supported throughout the life of this contract. The report **shall** be provided within thirty (30) calendar days after contract execution.

I. The Configuration Plan **shall** describe and address the methods and tools to be used for maintenance, problem reporting, and version control to maintain software as it is being developed, and/or maintained/enhanced.

J. The plan **shall** contain strategies for build deployment, procedures for roll-back in the event of anomalies that dictate such decisions, and recommendations for managing any system dependencies.

1. This report **shall** be provided within thirty (30) calendar days after contract execution.

K. Within thirty (30) calendar days of the contract award, the vendor **shall** prepare an EBT System Security Plan detailing, at a minimum, the security provisions and proposed user profiles established within the EBT System.

L. The plan **shall** describe the system security design to protect the system and its resources from unauthorized modification, disclosure, and destruction.

M. Vendor **shall** prepare a security plan consistent with 7 CFR Section 277.18.

N. The plan **shall** also provide security measures for the following:

1. storage and procedural controls

2. communications access controls

3. message validation

4. administrative and operational procedures

5. security risk analysis of the EBT system, an EBT contingency plan and compliance with Arkansas (OIT) for password management and inclusion of a Warning Banner as defined at http://www.techarch.state.ar.us/domains/security/standards/password_standard_statement.pdf and http://www.techarch.state.ar.us/domains/security/standards/warning_banner_standard_statement.pdf

O. The vendor **shall** prepare and submit a Training Plan within thirty (30) calendar days of contract award that identifies the proposed deadlines and supportive tasks for planning, design, development, production and distribution of all training materials.

1. The training **shall** address the timeline for creation of the deliverables as noted in Attachment K, Deliverable Chart, and the timeframe for training the State staff and retailers.

2.37 KEY PERSONNEL

A. The vendor's key personnel **shall** consist of, at a minimum, one (1) individual in each of the following labor categories:

1. EBT PROJECT MANAGER

    a. Education: A Bachelor's degree from an accredited college or university with a major in Computer Science, Information Systems, Engineering, Business, or other related scientific or technical discipline. A Master's degree is preferred. A Master's degree in one (1) of the above disciplines equals one (1) year specialized and two (2) years general experience.

    b. General Experience: **Must** have five (5) years of PM experience, including at least five (5) years of software management experience, and a PMP certification.

    c. Specialized Experience: At least five (5) years of direct supervision of software development, integration maintenance projects experience.

2. LEAD BUSINESS ANALYST

    a. Education: A Bachelor's degree from an accredited college or university in Computer Information Technology, Computer Science, Management Information Systems or other information technology related field.

    b. General Experience: **Must** have five (5) years of experience designing, developing, testing, implementing and maintaining application systems and programs.

3. LEAD PROGRAMMER

    a. Education: A Bachelor's degree from an accredited college or university in Computer Information Technology, Computer Science, Management Information Systems or other Information Technology related field.

    b. General Experience: **Must** have five (5) years of computer experience in information systems design.

    c. Specialized Experience: At a minimum, three (3) years of experience as an application programmer with knowledge of computer equipment and ability to develop complex software to satisfy design objectives.

The personnel filling these key positions **shall** meet all of the Key Personnel requirements as stated in this RFP.

2.38 REPORTING

A. All of the information requested in the list of reports **must** be maintained by the vendor on-line. Reports that include county data **must** be sorted by county and show county totals, as well as, State totals.

B. All reports designated herein **shall** be sent to DHS/DCO or FNS, whichever is applicable, in electronic format either in Microsoft Word or Excel. Daily reports **shall** be delivered no later than midnight (12:00 pm) Central Standard Time (CST) for the previous day's activity. All reports designated as Monthly **shall** be due no later than the second (2nd) business day of the month following the reporting month. Daily and Monthly reports **must** be delivered in a single report. Partial reports **shall** not be acceptable.

C. Vendor **shall** provide these reports to the State in order to account, reconcile, and audit the EBT System processing and operations.

D. Required categories for reporting **shall** include:

1. Financial Reports
2. Batch Processing
3. Card
4. Billing
5. Security
6. Program Management
7. System Performance

2.39 FINANCIAL REPORTING

A. Vendor **shall** provide daily account activity reports either in Microsoft Word or Excel reflecting all account actions received from the State via batch and/or on-line administrative terminal processing.

1. Account Activity Files Report - Vendor **shall** provide a detailed audit trail of all system functions and transactions which impact the account balance or status of an account.

2. ACH Activity - Vendor **shall** provide a report that details and summarizes information on money movement initiated to settle cardholder transaction activity e.g., withdrawals and purchases. The detail **must** include all merchant deposits and direct deposits for each business day.

3. Daily Direct Deposit Report - Vendor **shall** provide a detailed and summarizes information of cardholder direct deposit transactions on a daily basis. Data elements **must** include cardholder name, case number, card number, and direct deposit amount.

4. Daily Statistical Report

    a. Vendor **shall** provide a daily summary of cardholder transaction activity on the system.

    b. Timing **must** correspond with the established Settlement Day cutoff.

c. Vendor **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

v. Direct deposits

vi. Withdrawals

d. Vendor **shall** provide the count and amount for each transaction type.

e. Vendor **shall** provide a month-to-date summary of the transaction activity for each program code and transaction type.

5. Clearing Report

a. Provides summary information of cardholder transaction activity, e.g., direct deposits, withdrawals, purchases, and administrative adjustments used to determine the daily settlement.

b. Timing **must** correspond with the established settlement day cutoff.

c. Report **must** be summarized by program code and provide separate totals for both cash and food benefits, as well as a grand total.

d. The report **must** also reconcile the total switch log amount to the total settlement amount; accounting for all reconciling items, e.g., direct deposits, access fees, and switch adjustments.

6. System Accounting Report - Vendor **shall** provide information based on the program or sub-program level selected. The report must include all settling transactions and **must** match the settlement totals for the date selected for all SNAP and Cash programs.

7. Benefit Liability Report - Vendor **shall** provide a report on returns benefit liability account information. This **shall** include any activity that impacts the cardholder's balance and changes the available outstanding benefit liability of the vendor's system. This information shall be presented on selected program or sub-program level for the selected date.

8. Benefit Repayment Report - Vendor **shall** provide a report with detailed information on repayment transactions done through an administrative terminal. Repayment on cash **shall not** be allowed.

9. Adjustment Activity Detail Report - Vendor **shall** provide a report that details debit and credit adjustments made to EBT accounts. List of all daily account adjustments **shall** include:

a. PAN (Parent Action Network)

b. vendor tracking code

c. date/time/type and amount of adjustment

d. date/time and amount of original transaction

e. initiator

10. Interoperability (IOP) ACH Report - Vendor **shall** provide a report that details the information on settlement for interoperable transactions in Microsoft Word or Excel.

11. Store Tracking and Redemption System (STARS) Food Stamp Redemption Report - A FNS required report for SNAP activity for a specific settlement date. This report shows transactions authorized for each FNS retailer and reported to the FNS Redemption Center for tracking and monitoring funds paid. The transaction types **shall** be reported to show credits, debits and adjustments to the retailer's account.

12. Account Management Agent (AMA) Batch - Vendor **shall** provide a report that documents the file that was sent to AMA for settlement and reconciliation on a daily basis.

13. Retailer Terminal Activity Report - Vendor **shall** provide a detailed listing of ATM, POS and voucher activity by terminal at each location.

2.40 BATCH PROCESSING

A. Vendor **shall** propose a standard set of batch processing reports either in Microsoft Word or Excel to ensure the complete and accurate transfer of data during nightly batch processing.

B. Reports **must** contain the following:

1. Batch Confirmation Message - Provides a confirmation message for all overnight batch files received from the State. The confirmation message **will** 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 add, change, payee change and delete records.

2. External File Processing Report - Provides detailed totals of all external files that have processed each day. This file also captures any errors external files encountered during the processing.

2.41 CARD REPORTS

A. Card Issuance/Replacement Report (Vault Cards)

1. Vendor **shall** provide daily and monthly reports either in Microsoft Word or Excel detailing vault card activity, listing the card numbers issued.

2. Vendor **shall** include the following categories:

a. County Office

b. User name

c. Cardholder Name

d. Case Number

e. New card number

f. Old card number

g. Reason for Vault Card activity

h. Issuance date and time.

3. Vendor **shall** include a summary for each county office showing the replacement reason and the number of cards issued for each reason.

4. Vendor **shall** provide the number of cards that were a new issuance and the number that were replacement cards.

B. Card Issuance/Replacement Summary (Mailed Cards)

1. Vendor **shall** provide daily and monthly reports either in Microsoft Word or Excel that summarize the number of cards issued by mail.

2. Vendor **shall** include a summary for each county office showing the replacement reason and the number of cards issued for each reason.

3. Vendor **shall** provide the number of cards that were a new issuance and the number that were replacement cards.

C. Card Replacement Analysis Report

1. Vendor **shall** provide a monthly report either in Microsoft Word or Excel 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.

D. Card Replacement Analysis

1. Vendor **shall** provide a monthly report by county then by case number either in Microsoft Word or Excel, of all cardholders who were issued a replacement card during the month.

2. The report **must** show the county office, case number, cardholder name, card number, issue date and time and number of cards replaced.

E. Card Replacement Analysis Summary

1. Vendor **shall** provide a monthly report either in Microsoft Word or Excel which summarizes the number of cards replaced for each county.

2. The report **must** list each county and show for each a list of cardholders who have been issued three (3) cards, four (4) cards, five (5) cards, six (6) cards, seven (7) cards and more than seven (7) cards.

F. Returned Card Report - Vendor **shall** provide daily report either in Microsoft Word or Excel that details cards that have been returned to the vendor as undeliverable.

G. Inactive Cards – Vendor **shall** provide daily report either in Microsoft Word or Excel that identifies the cards that have been issued and not activated after ten (10) calendar days or greater from the issuance date.

2.42 BILLING REPORTS

A. Vendor **shall** provide a monthly report either in Microsoft Word or Excel with details of billable cases.

1. Billable cases are cases for which one (1) or more financial transactions have been posted during the billing month. A financial transaction represents a credit to the cardholder's EBT account.

B. Vendor **shall** provide a monthly summary of billing information for each benefit type, including miscellaneous billing information, and showing a net billed amount for the month.

2.43 SYSTEM SECURITY REPORTS

A. Administrative Terminal Activity Report

1. Vendor **shall** provide daily and monthly listing either in Microsoft Word or Excel of all administrative terminal activities received and processed by the EBT System.

2. Administrative terminal activity **shall** include but not limited to the following:

a. benefit repayment

b. user login

c. user logout

d. administrative terminal user change password

e. card status

f. open new case

g. set up cardholder

B. Administrative Terminal Last Access Report - Vendor **shall** provide a monthly on-line report either in Microsoft Word or Excel of all DHS/DCO users, showing the last time they logged into the EBT System and indicating those where it has been greater than sixty (60) days since they logged into the system.

C. Administrative Terminal Failed Logon (Monthly) - Vendor **shall** provide a daily report (monthly report of daily activity provided daily) either in Microsoft Word or Excel of all DHS/DCO users who entered an invalid password for their user ID while trying to log onto the EBT System.

D. Access Definition Report - Vendor **shall** provide a daily account either in Microsoft Word or Excel of all users of the EBT System with the roles identified. The report **must** show each role with the privileges of each role, and **shall** include the following:

1. Date user was added

2. Login ID

3. Name

4. Role ID

5. Role Name

6. Status (date changed or deleted)

2.44 PROGRAM MANAGEMENT REPORTS

A. Out of State ATM Activity Report

1. Vendor **shall** provide monthly report either in Microsoft Word or Excel that identifies all transactions that occur outside of the state.

    a. DHS/DCO **shall** be provided the ability to select a date range for the consecutive months the EBT card was used for the date range selected.

        i. For example: *card #001 is on the report because the card was used out of state a minimum of at least once a month for seven (7) consecutive months. Card #002 is not on the report because it was used 010101, 030101 and 060101 out of state (this would not be on the report due to it not being consecutive).*

2. The report **shall not** include transactions that occurred in Arkansas and Border States, e.g., Texas, Louisiana, Mississippi, Missouri, and Tennessee.

B. Repayment Report - Vendor **shall** provide a daily report either in Microsoft Word or Excel that details repayments made by cardholders for SNAP benefits, repayment on cash is not allowed.

C. Voucher Authorization Report – Vendor **shall** provide a daily report either in Microsoft Word or Excel that details the voucher authorizations performed daily. The report includes FNS retailer number, voucher authorization number, dollar amount, and date/time.

D. Voucher Expiration Report - Vendor **shall** provide a daily report either in Microsoft Word or Excel that details the voucher authorizations that have expired. The report includes FNS retailer number, voucher authorization number, dollar amount, and date/time.

E. Voucher Settlement Report - Vendor **shall** provide a daily report either in Microsoft Word or Excel that details the vouchers that have cleared. The report includes FNS retailer number, voucher authorization number, dollar amount, and date/time.

F. Large Account Balance Report – Vendor **shall** provide a monthly report either in Microsoft Word or Excel that lists all cardholders with a large balance in their SNAP and/or Cash account. The report will list all cases with a balance of one thousand dollars ($1,000) or more dollars in the EBT account, which may have both SNAP and cash components.

G. Large Dollar Transactions Report

1. Vendor **shall** provide a monthly report either in Microsoft Word or Excel that lists transactions made during the month, SNAP only, for one hundred dollars ($100) or more.

    a. The one hundred dollars ($100) amount is a configurable parameter, and **shall** be changed in the future by DHS/DCO if desired.

    b. Do not include large stores where large transactions occur frequently.

2. Report **shall** have the ability to provide data from a date range entered into the EBT Administrative Terminal.

H. Even Dollar Transactions – Vendor **shall** provide a monthly report either in Microsoft Word or Excel that lists the even dollar transactions made during the month -SNAP only one hundred dollars ($100.00) or more). Report **shall** have the ability to provide data from a date range entered.

I. Rapid or Repeated Transactions Report – Vendor **shall** provide a monthly report either in Microsoft Word or Excel that lists the transactions made during the month, SNAP only, where a client performs two (2) or more transactions within three (3) minutes of each other at the same store. Three (3) minutes is a configurable parameter.

J. Redemption of Entire Benefit in One (1) Transaction Report

1. Vendor **shall** provide a monthly report either in Microsoft Word or Excel that lists transactions made during the month, (SNAP only, for two hundred dollars ($200) or more), where the account balance after completion of the transaction is zero dollars.

    a. The two hundred dollar ($200) amount is a configurable parameter, and can be changed in the future by DHS/DCO if desired.

2. Report **shall** be queried to pull more than one (1) month to look for pattern.

K. Multiple Transactions on the Same Day

1. Vendor **shall** provide a monthly retailer report either in Microsoft Word or Excel that lists only SNAP transactions made during the month, for fifty dollars ($50) or more.

    a. Two (2) or more transactions occur at the same store on the same day

    b. Transactions are performed by the same or multiple cardholders.

    c. The two (2) transactions and the fifty dollars ($50) amount are both configurable parameters, and may be changed in the future if desired.

L. Retailer Manual Key Entered Transaction Report - Vendor **shall** provide a monthly report either in Microsoft Word or Excel that details all of the SNAP transaction manual entries occurring at a retailer location.

M. Retailer Terminal Activity Report – Vendor **shall** provide a daily report either in Microsoft Word or Excel that provides a detailed listing of ATM, POS and voucher activity by terminal at each location.

N. POS Supply ACH - Vendor **shall** provide a monthly report either in Microsoft Word or Excel that details the amount of funds sent to exempt retailers for POS supply credit reimbursement.

O. Reversal Activity Report - Vendor **shall** provide a daily report either in Microsoft Word or Excel that lists all reversal transactions.

P. Cardholder Portal Activity Report - Vendor **shall** provide a monthly report either in Microsoft Word or Excel showing how many times the Cardholder Portal is accessed.

Q. Authorized Representative Report (Ad-Hoc report) - Vendor **shall** provide a list either in Microsoft Word or Excel of all authorized representative in the EBT System. Fields to include, but limited to, include:

1. Authorized Representative Name

2. Cardholder Name

3. Client ID

4. Card Number

5. Sorted by Date and Jurisdiction

R. EBT Benefit Issuance Receipt Confirmation File Report

1. Vendor **shall** provide a monthly report either in Microsoft Word or Excel to FNS-Southwest Regional Office which identifies the data elements to be contained in this file

S. FNS Report

1. Vendor **shall** provide a monthly report either in Microsoft Word or Excel to FNS-Southwest Regional Office which identifies the specific retailer where an Arkansas card was used to originate a SNAP transaction and the physical address of the retailer contained in the transaction data set does match with the physical address of the retailer in the FNS REDE file. This report will be provided by the EBT Vendor.

2. FNS **shall** provide a sample report to the State.

2.45 SYSTEM PERFORMANCE REPORTS

A. System performance reports **shall** be used by the State to monitor the operations and performance of the EBT System, Customer Service operations, and the Integrated Voice Response System (IVRS).

B. These reports **shall** provide statistical information on the system utilization and response time.

C. System performance reports **shall** include the following:

1. Host Response Time Analysis Report- Monthly report either in Microsoft Word or Excel that provides analysis information including a statistical summary of response time by retailer terminal, ATM, third (3rd) party, and network acquirers.

2. System Availability - Monthly report either in Microsoft Word or Excel of system availability, including detailed documentation and explanation of both scheduled and unscheduled downtime and processing interruptions. This report is to ensure compliance with the system availability requirements specified in this document, the FNS EBT Regulations, and the EBT Operating Rules.

3. STARS Report

a. Vendor **shall** provide a daily report either in Microsoft Word or Excel that provides SNAP net redemption data to the FNS Minneapolis Computer Support Center (MCSC).

b. The data format and requirements of this file **shall** be specified by FNS. At a minimum, data elements required in this file **shall** include:

i. FNS retail merchant authorization number

ii. Date of Food Stamp redemption

iii. Total daily amount of Food Stamp redemptions by retailer

4. Cardholder and Retailer's Customer Service Call Center and IVRS Activity Report (Monthly)

a. Vendor **shall** provide either in Microsoft Word or Excel the following IVRS data on a monthly basis:

i. Total number of call

ii. Total minutes spent on IVRS

iii. Average call duration

iv. Total calls transferred to Customer Service Representative (CSR)

v. Percent of calls transferred to CSR

b. Vendor **shall** provide either in Microsoft Word or Excel the following CSR data on a monthly basis:

i. Total number of calls received

ii. Number of calls answered including calls placed on hold

iii. Number of abandoned calls from hold (these are not counted as answered calls)

iv. Average time of abandoned calls

v. Average speed of answer
vi.

vii. Average talk time

2.46 TRANSITION-OUT PERIOD

A. Vendor **must** provide either in Microsoft Word or Excel a detailed Transition-Out plan, which establishes a seamless transition between the current EBT vendor's team and the successful vendor's team that includes:

1. Vendor **shall** submit, at one (1) year three hundred sixty five ((365) calendar days) before the end of the base contract period, to DHS/DCO the Transition-Out Plan, which **shall** include a turnover resource plan. The Plan **shall** include a specific approach and schedule to transition between Vendor's team and EBT services and the new vendor's team and EBT services and clearly identify the tasks and level of effort. The Plan **shall** include a clear breakdown of tasks and responsibilities, including those tasks that **will** be the responsibility of DHS/DCO during the transition.

2. Vendor **shall** provide a report any outstanding deliverables and/or tasks and time frames for completion.

3. Vendor **shall** provide a provide a strategy for ensuring that all records and documents resulting from the services provided under the contract have been updated to reflect all changes, enhancements, and modifications. All documentation and records **shall** be written in English, provided in hardcopy, and at least one (1) electronic copy on CD in PDF format and a copy on CD in Microsoft Word at time of turnover.

4. Vendor **shall** cooperate with facilitating the transfer of operations prior to the expiration of the Contract. Incumbent vendor **shall** acknowledge in writing, incoming vendor will be in charge of the transition-out activities

5. Vendor **shall** submit a final turnover plan that contains a description of the resources that vendor **shall** commit and the functions that vendor **shall** perform, along with time frames, in transferring the operation to the successor vendor.

6. Vendor **shall** complete all turnover activities as provided for in vendor's turnover plan and within DHS/DCO-approved timeframes that **will** enable the successful transfer of the operation with no delays or decreases in services.

7. Vendor **shall** cooperate with the incoming vendor and provide requested documentation by the defined deadline, participate in meetings, complete assigned tasks in accordance with the incoming vendors work plan, and behave in a courteous, and professional manner at all times in order to effectuate a seamless transition.

8. Vendor **shall** provide written procedures and policies relating to the protection and control of confidential system media that is transported from one location to another or when there is a change in custody of the media. These policies **shall** be made available to DHS/DCO or its agents and representatives upon request.

9. Vendor **shall** provide written procedures and policies in place that protect against the inadvertent release or destruction of State data.

2.47 TRANSITION-OUT REQUIREMENTS

A. At the expiration of this resultant contract, vendor **shall** work cooperatively and proactively with the new incoming vendor to facilitate a smooth and efficient transition of services.

B. Vendor **shall** participate fully in all meetings called by the incoming vendor as well as DHS/DCO; accomplish all tasks assigned to it; and wherever possible, offer guidance, subject matter expertise and other consultancy services to the process.

C. Vendor **shall** work during the Transition-Out period as if time is of the essence, because this period of time provides an opportunity for the new vendor staff to gain a full understanding of the EBT technical environment in order to provide all the services outlined in this RFP and thereby support all system users.

D. Vendor **shall** ensure sufficient staff and Key Personnel be retained for the duration of the transition.

2.48 SERVICE LEVEL

A. If a breach of this contract has occurred, DHS/DCO will take into account any service level delay for which the vendor is not responsible pursuant to the terms defined herein.

B. The vendor **shall** provide service at or above that as defined in this RFP. Failure to meet standards as outlined in this RFP may result in damages.

C. The vendor **shall** have a comprehensive approach to measuring service in providing a functioning statewide EBT System for the delivery of SNAP benefits through POS devices. Approaches and methodologies **shall** encompass, at a minimum:

1. Twenty four-seven (24/7), three hundred sixty five (365) days production support services

2. Problem determination and resolution

3. EBT System analysis, including but not limited to transactions, queries, and job streams

4. Customer Service

5. Transaction processing

6. Benefit Availability

2.49 PERFORMANCE STANDARDS

A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. *Attachment A: Performance Standards* (Program Deliverables) identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards a vendor **must** meet in order to avoid assessment of damages.

B. The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration.

C. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to Performance Standards will be made in good faith following acceptable industry standards, and may include the input of the vendor so as to establish standards that are reasonably achievable.

D. All changes made to the Performance Standards **shall** become an official part of the contract.

E. Performance Standards **shall** continue throughout the term of the contract.

F. Failure to meet the minimum Performance Standards as specified **shall** result in the assessment of damages.

G. In the event a Performance Standards is not met, the vendor will have the opportunity to defend or respond to the insufficiency. The State **shall** have the right to waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services. In these instances, the State **shall** have final determination of the performance acceptability.

H. Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

SECTION 3 – CRITERIA FOR SELECTION

- ***Do not** provide responses to items in this section.*

3.1 TECHNICAL PROPOSAL SCORE

A. OSP will review each *Technical Proposal Packet* to verify submission Requirements have been met. *Technical Proposals Packets* that do not meet submission *Requirements* **shall** be disqualified and **shall not** be evaluated.

B. An agency-appointed Evaluation Committee will evaluate and score qualifying Technical Proposals. Evaluation will be based on vendor's response to the *Information for Evaluation* section included in the *Technical Proposal Packet*.

1. Members of the Evaluation Committee will individually review and evaluate proposals and complete an Individual Score Worksheet for each proposal.

2. After initial individual evaluations are complete, the Evaluation Committee members will meet to discuss their individual ratings. At this consensus scoring meeting, each member will be afforded an opportunity to discuss his or her rating for each evaluation criteria.

3. After committee members have had an opportunity to discuss their individual scores with the group, the individual committee members will be given the opportunity to change their initial individual scores, if they feel that is appropriate.

4. The final individual scores of the evaluators will be recorded on the Consensus Score Sheets and averaged to determine the group or consensus score for each proposal.

5. Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.

C. The *Information for Evaluation* section has been divided into sub-sections.

1. In each sub-section, items/questions have each been assigned a maximum point value of five (5) points. The total point value for each sub-section is reflected in the table below as the Maximum Raw Score Possible.

2. The agency has assigned Weighted Percentages to each sub-section according to its significance.

RFP Sub-Section Sub-Section Groups	Sub-Section Title Sub-Section Group Title	Maximum Raw Score Available	Weighted Percentage	Maximum Weighted Score Possible
2.2	General Requirements (Experience)	30	5	35
2.7	Transition In Requirements	5	3	21
2.9	EBT System Functionality	40	5	35
2.10, 2.11	EBT Card Requirements	10	5	35
2.12, 2.13 2.14	Customer Service Call Center, Help Desk, IVRS Requirements	45	10	70
2.16	Training	20	3	21
2.17	POS Terminals	20	3	21
2.18, 2.19, 2.20 2.21, 2.22, 2.23 2.24, 2.26	Financial Transaction/Transmission Requirements. Financial Adjustment Processing	30	15	105
2.27	Maintenance & Change Request Processes & Procedures	10	3	21
2.28, 2.29	DHS/DCO Problem Management Contract Monitoring & Problem Resolution	20	5	35
2.30, 2.31, 2.32	System Performance System Security Plan Fraud Prevention Analysis	20	10	70
2.33, 2.34, 2.35	Third Party Processors Independent Audit Certification Bank Requirements	5	10	70
2.36	Project Management	10	3	21
2.37, 2.38, 2.39, 2.40, 2.41, 2.42, 2.43, 2.44	Reporting	10	15	105
2.45, 2.46,	Transition-Out Requirements	5	5	35
	Total	280	**100.0%**	**700**

*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.

D. The vendor's weighted score for each sub-section will be determined using the following formula:

(A/B)*C =D

A = Actual Raw Points received for sub-section in evaluation
B = Maximum Raw Points possible for sub-section
C = Maximum Weighted Score possible for sub-section
D = Weighted Score received for sub-section

E. Vendor's weighted scores for sub-sections will be added to determine the Total Technical Score for the Proposal.

F. Technical Proposals that do not receive a minimum weighted score of three hundred (300) may not move forward in the solicitation process. The pricing for proposals which do not move forward **shall not** be scored.

3.2 COST SCORE

A. When pricing is opened for scoring, the maximum amount of cost points will be given to the vendor with the lowest **ESTIMATED ANNUAL GRAND TOTAL** as shown on the Official Bid Price Sheet. (See *Grand Total Score* for maximum points possible for cost score.)

B. The amount of cost points given to the remaining vendors will be allocated by using the following formula:

(A/B)*(C) =D

A = Lowest Total Cost
B = Second (third, fourth, etc.) Lowest Total Cost
C = Maximum Points for Lowest Total Cost
D = Total Cost Points Received

3.3 GRAND TOTAL SCORE

The Technical Score and Cost Score will be added together to determine the Grand Total Score for the vendor. The vendor with the highest Grand Total Score will be selected as the apparent successful vendor. (See *Award Process.)*

	Maximum Points Possible
Technical Proposal	700
Cost	300
Maximum Possible Grand Total Score	**1,000**

3.4 VENDOR ACCEPTANCE OF EVALUATION TECHNIQUE

A. Vendor **must** agree to all evaluation processes and procedures as defined in this solicitation.

B. The submission of a *Technical Proposal Packet* **shall** signify the vendor's understanding, and agreement that subjective judgments **shall** be made during the evaluation and scoring of the Technical Proposals.

SECTION 4 – GENERAL CONTRACTUAL REQUIREMENTS

- ***Do not** provide responses to items in this section.*

4.1 PAYMENT AND INVOICE PROVISIONS

A. All invoices **shall** be forwarded to:

Arkansas Dept. of Human Services
P.O. Box 1437, Slot S332
Little Rock, Arkansas 72203-1537

B. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance of goods and services by the agency.

C. The State **shall not** be invoiced in advance of delivery and acceptance of any goods or services.

D. Payment will be made only after the vendor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.

E. The vendor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.

F. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.

G. Selected vendor **must** be registered to receive payment and future *Bid Solicitation* notifications. Vendors may register on-line at https://www.ark.org/vendor/index.html.

4.2 ORDER OF PRECEDENCE OF THE PROCUREMENT DOCUMENTS

Any resulting contract **shall** consist of the following document, which in case of conflict, **shall** have priority as listed below, and are hereby incorporated as if fully set forth:

A. Any written amendments to the contract signed by both parties; State and vendor.

B. The initial contract

C. The solicitation document and all attachments

D. Awarded vendor's Technical and Cost Proposal

E. Any Special Instructions and Conditions

4.3 GENERAL INFORMATION

A. The State **shall not** lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a thirty (30) day written notice to the vendor/lessor in the event funds are not appropriated.

B. The State **shall not** pay damages, legal expenses or other costs and expenses of any other party.

C. The State **shall not** continue a contract once any equipment has been repossessed.

D. Any litigation involving the State **must** take place in Pulaski County, Arkansas.

E. The State **shall not** agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.

F. The State **shall not** enter a contract which grants to another party any remedies other than the following:

- The right to possession.
- The right to accrued payments.
- The right to expenses of deinstallation.
- The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
- The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.

G. The laws of the State of Arkansas **shall** govern this contract.

H. A contract **shall not** be effective prior to award being made by a State Procurement Official.

I. In a contract with another party, the State will accept the risk of loss of the equipment or software and pay for any destruction, loss or damage of the equipment or software while the State has such risk, when:

- The extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss, and

- The contract has required the State to carry insurance for such risk.

4.4 CONDITIONS OF CONTRACT

A. The vendor **shall** at all times observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.

B. The vendor **shall** indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the vendor.

4.5 STATEMENT OF LIABILITY

A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of vendor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The vendor **shall** retain total liability for equipment, software and technical and business or operations literature. The State **shall** not at any time be responsible for or accept liability for any vendor-owned items.

B. The vendor's liability for damages to the State **shall** be limited to the value of the Contract or $5,000,000, whichever is higher. The foregoing limitation of liability **shall not** apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. The vendor and the State **shall not** be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability **shall not** apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

C. Language in these terms and conditions **shall not** be construed or deemed as the State's waiver of its right of sovereign immunity. The vendor agrees that any claims against the State, whether sounding in tort or in contract, **shall** be brought before the Arkansas Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

4.6 RECORD RETENTION

A. The vendor **shall** maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law. Upon request, access **shall** be granted to State or Federal Government entities or any of their duly authorized representatives.

B. Financial and accounting records **shall** be made available, upon request, to the State of Arkansas's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

C. Other sections of this *Bid Solicitation* may contain additional Requirements regarding record retention.

4.7 PRICE ESCALATION

A. Price increases will be considered at the time of contract renewal.

B. The vendor **must** provide to OSP a written request for the price increase. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OSP **shall** have the right to require additional information pertaining to the requested increase.

C. Increases **shall not** be considered to increase profit or margins.

OSP **shall** have the right to approve or deny the request

4.8 CONFIDENTIALITY

A. The vendor, vendor's subsidiaries, and vendor's employees **shall** be bound to all laws and to all Requirements set forth in this *Bid Solicitation* concerning the confidentiality and secure handling of information of which they may become aware of during the course of providing services under a resulting contract.

B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and the State **shall** have the right to cancel the contract on these grounds.

C. Previous sections of this *Bid Solicitation* may contain additional confidentiality Requirements.

4.9 CONTRACT INTERPRETATION

Should the State and vendor interpret specifications differently, either party may request clarification. However if an agreement cannot be reached, the determination of the State **shall** be final and controlling.

4.10 CANCELLATION

A. In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding, the State **shall** give the vendor written notice of cancellation, specifying the terms and the effective date of contract termination. The effective date of termination **shall** be thirty (30) calendar days from the date of notification, unless a longer timeframe is specified in the notification.

B. Upon default of a vendor, the State **shall** agree to pay only sums due for goods and services received and accepted up to cancellation of the contract.

C. If the STATE elects to provide the VENDOR with notice to cure any deficiency or defect, the VENDOR may have the time specified in the written "Notice to Cure." Failure by the VENDOR to cure said deficiency or defect, within the authorized time, may result in an immediate termination of this contract.

4.11 SEVERABILITY

If any provision of the contract, including items incorporated by reference, is declared or found to be illegal, unenforceable, or void, then both the agency and the vendor **shall** be relieved of all obligations arising under such provision. If the remainder of the contract is capable of performance, it **shall not** be affected by such declaration or finding and **shall** be fully performed.

SECTION 5 – STANDARD TERMS AND CONDITIONS

- ***Do not** provide responses to items in this section.*

1. **GENERAL**: Any special terms and conditions included in this solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
2. **ACCEPTANCE AND REJECTION**: The State **shall** have the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the State.
3. **BID SUBMISSION**: Original Proposal Packets **must** be submitted to the Office of State Procurement on or before the date and time specified for bid opening. The Proposal Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids **shall** be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Multiple proposals **must** be placed in separate packages and should be completely and properly identified. Late bids **shall not** be considered under any circumstances.
4. **PRICES**: Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the bid **must** be firm for acceptance for thirty calendar days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the *Bid Solicitation*.
5. **QUANTITIES**: Quantities stated in a *Bid Solicitation* for term contracts are estimates only, and are not guaranteed. Vendor **must** bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering agency.
6. **BRAND NAME REFERENCES**: Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the vendor to supply additional descriptive material. The vendor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Vendors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the solicitation.
7. **GUARANTY**: All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The vendor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The vendor **shall** further guarantee that if the items furnished hereunder are to be installed by the vendor, such items **shall** function properly when installed. The vendor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The vendor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES**: Samples or demonstrators, when requested, **must** be furnished free of expense to the State. Each sample should be marked with the vendor's name and address, bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at vendor's expense. After reasonable examination, all demonstrators will be returned at vendor's expense.
9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE**: Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the vendor.
10. **AMENDMENTS**: Vendor's proposals cannot be altered or amended after the bid opening except as permitted by regulation.

11. **TAXES AND TRADE DISCOUNTS**: Do not include State or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.

12. **AWARD**: Term Contract: A contract award will be issued to the successful vendor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written State purchase order authorizing shipment will be furnished to the successful vendor.

13. **DELIVERY ON FIRM CONTRACTS**: This solicitation shows the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the vendor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost **shall** be borne by the vendor.

14. **DELIVERY REQUIREMENTS**: No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.

15. **STORAGE**: The ordering agency is responsible for storage if Vendor delivers within the time required and the agency cannot accept delivery.

16. **DEFAULT**: All commodities furnished **shall** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting vendor. Vendor **must** give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the vendors list or suspension of eligibility for award.

17. **VARIATION IN QUANTITY**: The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.

18. **INVOICING**: Vendor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.

19. **STATE PROPERTY**: Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to Vendor hereunder or in contemplation hereof or developed by Vendor for use hereunder **shall** remain property of the State, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at Vendor's expense to the F.O.B. point provided by the agency or by OSP. Vendor **shall** properly identify items being returned.

20. **PATENTS OR COPYRIGHTS**: Vendor **must** agrees to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.

21. **ASSIGNMENT**: Any contract entered into pursuant to this solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.

22. **CLAIMS**: Any claims the Contractor may assert under this Agreement shall be brought before the Arkansas State Claims Commission ("Commission"), which shall have exclusive jurisdiction over any and all claims that the Contractor may have arising from or in connection with this Agreement. Unless the Contractor's obligations to perform are terminated by the State, the Contractor shall continue to provide the Services under this Agreement even in the event that the Contractor has a claim pending before the Commission.

23. **CANCELLATION**: In the event, the State no longer needs the commodities or services specified for any reason, (e.g., program changes; changes in laws, rules or regulations; relocation of offices; lack of appropriated funding, etc.), the State **shall** have the right to cancel the contract or purchase order by giving the vendor written notice of such cancellation thirty (30) calendar days prior to the date of cancellation.

    Any delivered but unpaid for goods will be returned in normal condition to Vendor by the State. If the State is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, Vendor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation Vendor has provided services which the State has accepted, Vendor may file a claim. **NOTHING IN THIS CONTRACT SHALL BE DEEMED A WAIVER OF THE STATE'S RIGHT TO SOVEREIGN IMMUNITY.**

24. **DISCRIMINATION**: In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the vendor agrees that: (a) the vendor **shall not** discriminate against any employee or applicant for

employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the vendor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the vendor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the vendor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the vendor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or vendor.

Vendor also guarantees to comply with the USDA nondiscrimination statement per 7 CFR 274.2(e)(5).

25. CONTINGENT FEE: The vendor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the vendor for the purpose of securing business.

26. ANTITRUST ASSIGNMENT: As part of the consideration for entering into any contract pursuant to this solicitation, the vendor named on the *Proposal Signature Page* for this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.

27. DISCLOSURE: Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any vendor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.

ATTACHMENT A - PERFORMANCE BASED STANDARDS

ELECTRONIC BENEFITS TRANSFER CONTRACT

Pursuant to Ark. Code Ann. 19-11-1010 et seq., the selected vendor **shall** comply with performance based standards. Following are the performance based standards that **will** be a part of the contract and with which the vendor **must** comply for acceptable performance to occur under the contract.

I. The contract **must** comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the vendor or to the vendor's agents and employees and to the subject matter of the contract. Failure to comply **shall** be deemed unacceptable performance.

II. Except as otherwise required by law, the vendor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the vendor's performance or lack of performance.

III. During the term of the contract, the division/office **will** complete sufficient performance evaluation(s) to determine if the vendor's performance is acceptable.

IV. The contract program deliverables and performance indicators to be performed by the vendor are:

Program Deliverable # 1:

Vendor **shall** design an Electronic Benefits Transfer (EBT) System for Department of Human Services (DHS) and Department of County Operations (DCO) that **will** effectively deliver benefits on a single card. The vendor **shall** provide an electronic draft and electronic final copy of the documentation specified in the Performance Indicators below to the State. All system documentation is subject to State and Federal review and approval. Such documentation encompasses all of the written materials described below including status reports, design documents, system manuals, project plans, test plans and reports, and training materials.

State and Federal agencies **shall** participate in the specified system testing and **shall** participate with the vendor in assessing test results. System testing **shall** be completed to the satisfaction of the State and Federal agencies prior to commencement of the implementation phase of the project.
During each phase of the project (Design, Development and Testing, Transition-In, Operations and Maintenance, and Transition-Out), the vendor **shall** be required to prepare a Weekly Status Report. The Weekly Status Reports **shall** be due by the close of business on the following Monday and **shall** provide progress information on all completed, ongoing, and planned project activities. These reports **shall** summarize any outstanding project issues or obstacles and detail any proposed deviations from planned activities, schedules, or staffing.

Performance Indicator 1:

Project Work Plan – No later than fifteen (15) business days after the contract execution date, vendor **shall** submit to the DHS/DCO EBT Project Manager a revised project work plan, acceptable to DHS/DCO, based on the draft work plan provided in the vendor proposal. The plan **shall** include, at a minimum, the following:

- Detailed narrative
- Schedule of all tasks and deliverables required throughout the project

- Identify individual tasks by project phase (Design; Development and Testing, Transition-In; Operations and Maintenance; and Transition Out)
- Identify all critical path and dependency tasks
- Delineate the responsibilities of the vendor, the State, and Federal agencies
- The Systems Acceptance Test should also include a test of the back-up facilities at both the State agency and the EBT vendor.
- Disaster Recovery test of the State's primary eligibility and EBT interface systems to the vendor's back-up data center. Testing results provided to DHS/DCO within thirty (30) calendar days of test results.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 2:

Transition-In Plan – By the date specified in the final approved Project Work plan, vendor **shall** submit a Transition-In Plan, acceptable to DHS/DCO, outlining the schedule and all activities necessary to ensure the successful transition from the current vendor's EBT System to NEW VENDOR'S' system. The plan **will** include, at a minimum, a detailed plan for the following:

- Migration of transaction acquirers
- Migration of client database
- Migration of retailer database
- Executing retailer and third party processing agreements
- Replacement of EBT-only POS terminals and software
- Transitioning of current Arkansas EBT card
- Transition of call center operations, including the transition of existing call center (both client and retailer) toll-free phone numbers, if possible
- Transition of administrative terminals
- Transition of appropriate settlement amounts
- Transition of benefit aging data to meet AR requirements
- Transition of transaction history
- Transition of three (3) years of EBT account transaction history in accordance, (*with the requirement in Section 2.15, A-5, Items c. and d.)*

The plan **shall** address:

- The processes to be used for the migration
- How the processes **shall** be tested and how the test results **will** be provided to the State for approval
- Timeframes for completion
- Contingency plans for problems and issues that may occur during the migration

- Processes planned for the verification and validation of the migration process, in particular the validation of the clients' account balances that are converted to the new system
- Processes planned to identify and settle transactions incurred prior to conversion, e.g., manual vouchers
- Support/coordination required from the current vendor and its subcontractors
- Support/coordination required from the State
- Risk assessment and risk mitigation strategies
- Expungement process for the weekend of conversion
- Transfer of encryption key
- Transfer of algorithm used for CAV
- Conversion of three (3) years of benefit history
- Necessary training
- User acceptance testing
- Obtain STARS processor id/numbers from FNS for non-Federal liabilities
- Obtain the AMA profile including the letter of credit number from FNS
- Conversion of complete card history

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 3:

Required Design Documents and Plans – By the dates specified in the final approved (PWP) the vendor **shall** submit the following documents and plans:

- **Functional Design Document** - Describes a functional overview and a detailed description of the operating environment, procedures, flow charts and workflow of the EBT System. This document **shall** be updated within thirty (30) calendar days of any changes.
- **Detailed Design Document** - Describes the total system configuration including system hardware, functionality, file layouts, message and file flows, data elements, system interfaces, settlement and reconciliation functions, reports, ad hoc reporting capabilities, and the system security plan. This document **shall** be updated within thirty (30) calendar days of any changes.
- **Interface Control Document (ICD)** - Details the interface between the State and the vendor's EBT System. The ICD documents the interface functionality requirements and details the file layouts and specifications. This document **shall** be updated within thirty (30) days of any changes.

- **Life Cycle Testing Approach** – Describes, at a minimum, system test plans, as appropriate, for each of the project's five (5) phases (Design, Development and Testing, Transition-In, Operations and Maintenance, and Transition-Out) to ensure that any changes made, whether it be by the vendor's system or the State's system, **will** be properly tested prior to being introduced in a production environment. The plan **will** address the nature and extent of integration testing that is to occur to ensure that all systems properly interface with each other and operate as designed. The test system **shall** operate under the same system requirements as the production system. All plans **shall** include testing mirroring the production environment. DHS/DCO **shall** have sole discretion in determining if accelerated testing **will** be conducted.

- **System Test Plans –** Outlines the test purpose, methodology, environment, and approval rating system. Test plans **shall** be developed for a functional demonstration, regression testing, State and Federal system acceptance test, interoperability tests, unsettled funds test, dry run test plans, system and network capacity test, ARU test, system interface tests for interfaces with State eligibility systems and Federal interfaces, and field tests.

- **Backup and Recovery Plans –** Provides an evaluation of the types of service interruptions, which may impact the EBT System's operations and therefore require backup and recovery processes. For each potential interruption type, the plan **shall** detail the steps to be taken to survive and recover from the interruption. The plan **shall** include provisions to ensure the benefits continue to be accessible by clients. In addition, the plan **will** outline the resources committed to each proposed contingency plan and indicate whether the contingency plan has been tested under real or simulated conditions.

- **System Security Plan –** Describes the system security design to protect the system and its resources from unauthorized modification, disclosure, and destruction. Vendor **shall** prepare a security plan consistent with 7 CFR Section 277.18. The plan **shall** also provide security measures for storage and procedural controls, communications access controls, message validation, administrative and operational procedures, security risk analysis of the EBT System, an EBT contingency plan and compliance with Arkansas Department of Information Technology's (DIT) standards and guidelines found at:
  http://www.dis.arkansas.gov/policiesstandards/pages/standards.aspx

- **Training Plan** – The vendor **shall** prepare and submit a comprehensive Training Plan that identifies the proposed deadlines and supportive tasks for the planning, design, development, production and distribution of all training materials to support conversion and ongoing operations. The plan **will** address the timeline for creation of the training materials and products specified in Performance Indicator # 4 under Program Deliverable #2 and the timeframe for training the State and local office staff and retailers. The plan **shall** outline deliverable dates of training products with sufficient time allowed for State review and approval. The State may or may not, at its discretion, implement said training plans.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Program Deliverable # 2:

Vendor **will** develop and test the Arkansas EBT System according to the specifications contained in the system Test Plan developed during the Design Phase. The vendor **shall** configure and test the Arkansas EBT System according to the system specifications defined and agreed upon during the Design Phase consistent with Federal regulations. All deliverables are subject to State review and approval. Many also require Federal review and approval. Vendor **shall** allow ten (10) business days for State review and comment, with an additional sixty (60) calendar days if Federal review is required. The vendor **shall** complete system testing, as well as develop the training materials during the Development Phase.

State and Federal agencies **shall** participate in the specified system testing and **shall** participate with the vendor in assessing test results. System testing **shall** be completed to the satisfaction of the State and Federal agencies prior to commencement of the implementation phase of the project.

Performance Indicator 1:

- **System Tests –** Immediately upon completion and approval by State and Federal authorities of the design documents. The vendor **shall** update the System Test Plans as appropriate and **shall** develop system test criteria and provide system test scripts for approval by DHS/DCO and USDA-FNS. Test criteria **shall** describe the desired system outcomes and performance measures. Test scripts **shall** provide detailed, step-by-step instructions on the actual test and system functions to be demonstrated. The vendor **shall** develop control test data in consultation with the State and representatives of USDA-FNS, as appropriate.

System testing **must** be performed on all components and functional areas of the EBT application system before delivery of the system by the date specified in the final approved PWP. Required system tests and demonstrations that **will** be conducted by the vendor and approved by the State and USDA-FNS during the Development Phase include:

- **Functional Demonstration** – The functional demonstration **will** provide State and Federal representatives the opportunity to review planned EBT System operations. The vendor **shall** prepare a report of the demonstration results including any recommended and required system modifications that were identified. The Functional Demonstration should occur as early as possible but no later than six (6) weeks prior to the System Acceptance Test to ensure the design is proceeding according to the expectations of both the DHS/DCO and the vendor.

- **Interface Testing** – Tests **shall** be conducted between the State eligibility systems to ensure that all files transferred from the State eligibility systems to the EBT Host and from the EBT Host to the State eligibility systems are properly received, accepted, and processed. Tests **shall** also be conducted between the vendor's EBT System and the AMA, ASAP, ALERT, STARS and REDE systems to ensure that all files sent between systems are properly received, accepted, and processed.

- **Transition Testing** –The vendor **shall** be required to demonstrate the conversion process of the EBT System from the current vendor. Part of the conversion test is a validation of conversion results, and the ability to perform test transactions against the converted database. Test transaction **shall** include, at a minimum, client transactions, e.g., SNAP and cash transactions and administrative transactions, e.g., benefit additions, card cancellations and replacement transactions. The State **will** require a minimum of two (2) successful "dry runs" before actual conversion.

- **System Acceptance Test** -The system acceptance test **shall** provide both State and Federal representatives the opportunity to test the EBT System functionality and ensure compliance with the system design requirements and is the final test required before systems acceptance can be approved.

  This test **shall** be a live end-to-end test that replicates the vendor's EBT System. Tests **shall** consist minimally of the Design and Operational functional requirements, security, recovery, system controls, regression and "what if" testing. In addition, as part of the system acceptance testing, the vendor **must** demonstrate the methods and processes for performing daily reconciliation between the State and vendor interface and processing activities including but not limited to return of unsettled funds, Federal EBT interoperability requirements, issuance balancing, provider and retailer financial settlement and expunged funds. During the formal test script portion of the acceptance test, testing representatives **will** follow Design and Operational documents (test scripts) prepared by the vendor and approved by the State and USDA-FNS. The test scripts **shall** cover all facets of the system's operations and test all of the system processing options and environmental conditions, e.g., POS hardware and entry of erroneous data.

  The ad hoc or "what if" portion of the acceptance test provides the State and Federal representatives the opportunity to include various transaction sets and sequences that have not been included in the test scripts and to challenge the system's operations and design.

- **Performance (Stress) Test –** The purpose of this test is to ensure that there is sufficient capacity within the EBT System being provided the State to handle the expected transaction volume. Test results from the stress test **shall** be used to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so the Arkansas EBT System can accommodate the anticipated transaction volumes. The vendor may, as an option, choose to use current production data in order to develop a system capacity model for modeling the anticipated transaction volumes. If the Offeror is anticipating they **will** utilize this option, the Offeror **shall** provide a description on how the modeling **will** be performed, and how the results of the modeling exercise **will** be reported to the State. Stress testing **shall** be done prior to the Federal Acceptance Test and the results **shall** be made available to the State agency.

- **Automated Response Unit (ARU) Test** – The ARU system **shall** be tested to ensure the system properly accepts, processes, and transfers both retailer and client calls consistent with the system requirements and within the specifications in the RFP. The ARU testing **will** be a part of the State's system acceptance test.

- **Call Center Testing**-The Call Center **shall** be tested to ensure the CSRs respond appropriately to customer inquiries and that calls are answered within the specifications defined in this RFP.

- **Field Test** – This demonstration **will** test the EBT System's processing capabilities from the point of transaction entry through authorization, settlement, and funds movement. The State **will** participate in field-testing. The field test **will** be executed on the vendors EBT production system. The field test **will** occur after the UAT has been successfully concluded.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 2:

Test Reports –The vendor **shall** be required to provide documentation of its internal testing results describing the results of each test that is performed for SNAP and Cash. The documentation **shall** also describe the intended scope and results from the tests, and any system modifications that are intended as necessary to resolve system errors and deficiencies found during the testing. The vendor **shall** submit the test reports before any State testing occurs.

Updates to all Documents–The vendor **shall** revise all documents to reflect any system modifications identified and made as a result of the system testing. If revisions are required, the updated design documents **shall** be completed within thirty (30) calendar days of change and are subject to State approval. Federal review and approval **will** be required for any changes affecting SNAP.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 3:

Development of Procedural Manuals - The vendor **shall** develop comprehensive procedural manuals that document the system and its operation in a form acceptable to DHS/DCO. The State **shall** review and approve procedural manuals. The vendor **will** develop the following manuals:

- **System Operations/Interface Procedures Manual**

- The vendor **shall** provide a manual on Systems Operations/Interface Procedures for State and Federal interfaces that **shall** include an introduction giving the purpose, audience, organization, procedures, and documentation. This manual should include, but is not limited to:

    - Federal and state batch files and the times of transmission
    - On-line file transmission
    - Procedures for balancing file transmissions sent/received

- Administrative terminal configuration
- Problem resolution and escalation procedures
- Change order approval procedures
- Batch maintenance record formats and conventions

Reports Manual- Reports Manual **shall** be provided describing all standard reports to be generated by the vendor, the frequency they are produced, and how the state **will** access them. The Reports Manual **shall** also provide a brief description of the data files provided to the State for internal report generation, including file format and frequency. The manual **shall** also describe the vendor's capability to provide ad hoc reports within forty eight (48) hours of request.

Settlement/Reconciliation Manual-The vendor **shall** provide a Settlement/Reconciliation Manual for SNAP and TANF benefits that provides guidance and procedures to the State on performing a daily reconciliation of the vendor's EBT System as defined within 7 CFR 274.4. The manual **shall** identify the specific EBT reports from the vendor's system that are required for settlement and reconciliation of the vendor's EBT System. In addition, the Manual **shall** describe in detail any reports the State **must** generate to complete reconciliation.

Administrative Terminal User's Manual -The vendor **shall** provide an Administrative Terminal User's Manual that provides guidance and procedures for State and County office staff on the functionality of the Administrative Terminal.

Call Center Scripts and Procedures Manual-The vendor **shall** provide Call Center scripts and a procedures manual describing the operations of the client and retailer call centers consistent with technical requirements listed for Customer Service under Performance Indicator 7 in Program Deliverable #4.

Retailer Operations Manual-The vendor **shall** provide a Retailer Operations Manual describing their problem resolution procedures and escalation process. The manual **shall** also include a quick reference guide for manual vouchers.

Facility Security Manual-The vendor **shall** provide a Facility Security Manual describing the vendor's data facilities and security measures.

Business Continuity Manual-The vendor **shall** provide a Business Continuity Manual describing the practices and measures to be applied to insure the continuation of business for such issues as cross-training of critical functions including Project staff and programmers with specific knowledge of the Arkansas systems. The manual **shall** also include disaster recovery for not only the vendor's Project Office and Data Center operations but for such events as a pandemic.

Dispute and Resolution Manual-The vendor **shall** provide a Dispute and Resolution Procedural Manual describing the dispute process for the EBT System in Arkansas. The manual **shall** detail the framework to resolve issues that arise from the day-to-day operations of the EBT System. Depending on what party initiates the dispute, the vendor **shall** provide actions that **shall** be taken to resolve the dispute.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 4:

Training Materials – The vendor **shall** develop training materials acceptable to DHS/DCO and a comprehensive plan for client, retailer and administrative staff, and Administrative Terminal training. Training materials **shall** include:

- **Client Printed Training Material (Training Pamphlet) -** At a minimum, all new cards mailed to EBT clients **shall** contain training material. The training materials **shall** be written in easy to understand language – at a fifth (5th) grade reading level. Printed training materials **shall** be provided in pamphlet format in both English and Spanish. At a minimum, the training pamphlet **shall** include the following topics:

    - Use of the Arkansas EBT card at the POS, including benefit transactions that can be processed at POS terminals
    - Use of the Arkansas EBT at ATMs, including benefit transactions that can be processed on ATMs
    - Use and safeguarding of the card and PIN
    - Card replacement and PIN change method and procedures
    - Manual SNAP transaction processing
    - Guidance on reporting problems with the card or its use and on reporting a lost or stolen Arkansas EBT card
    - Use of transaction receipt to track balances
    - Use of the ARU
    - Customer service functions, including a prominent display of the toll-free Customer Service Help Desk number
    - Nondiscrimination statement October 14, 2015 per 7 CFR 274.2(e)(5)
    - Process for requesting adjustments
    - Safeguarding of confidential information
    - Interoperability information
    - Expungement information
    - Fraud statement regarding the selling of SNAP benefits
    - Disqualification of a person who has been found by a court or administrative agency to have one (1) intentionally obtained cash by purchasing products with SNAP (SNAP benefits that have containers requiring return deposits, discarding the products, and returning the container for the deposit amount, or (2) intentionally sold food purchased using SNAP (SNAP) benefits

- **Retailer Training Materials** – The vendor **shall** provide initial and ongoing training and training material, acceptable to DHS/DCO, to retailers participating in the EBT program. Training **shall** cover both the cash and SNAP programs. FNS Federal Regulation 274.3(e)(7) requires that retail store employees **shal**l be trained in system operation prior to implementation. Such training **shall** include the provision of appropriate written and program specific materials. The vendor shall propose training deliverables in order to meet FNS requirements. Deliverables should address, but are not limited to:

    - Merchant Help Desk toll-free number
    - Use of the ARU
    - Manual voucher processing procedures (this **must** be done on a yearly basis for ongoing retailers)
    - Dispute resolution
    - Signage
    - Adjustments
    - Processing of merchant transactions including, but not limited to key-entered transactions
    - Settlement
    - Interoperability
    - Use of POS equipment for State-supplied retailers
    - Notification procedures for reporting changes in ownership or bank account numbers
    - Requirements for retailers to safeguard confidential client information
    - Assurance that the State and vendor **will** safeguard retailer data consistent with 7 CFR 278.1(q)
    - Fraud training regarding the trafficking of EBT cards
    - Store and forward
    - Unsettled funds notification
    - Quick Reference Guide
    - There is no minimum dollar amount for SNAP transactions
    - There can be no fees charged to SNAP recipients for SNAP transactions
    - The retailer is never to be in possession of a SNAP client's PAN or PIN
    - The card **must** be present for all SNAP transactions

- **Administrative Staff Training Materials** – The vendor **shall** provide written training materials about the new EBT System, acceptable to DHS/DCO, to be used by State and County workers. In addition, the vendor **shall** provide a train-the-trainers session, which includes training materials, desk aids and a PowerPoint presentation, to equip DHS/DCO trainers to train new workers. In addition, updates and revisions of the training materials **shall** be provided in a timely manner to the State whenever the vendor modifies functionality of the EBT System.

- **Administrative Terminal** - The vendor **shall** provide training material that covers all of the functionality supported by the EBT administrative terminal for State and Federal users. The material **shall** cover accessing for administrative terminal functions, security features within the system, and detailed explanation of the screens and functions supported by the administrative terminal application.

- The vendor **shall** provide a training module describing the detail and use of the reports generated by the EBT System. In addition, the vendor **shall** provide on-site training for state office systems staff on field definitions and file layouts of data files transmitted to the State for reporting purposes.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 5:

Card Design/Development – The award of the new EBT contract for EBT services **will** require the use of the State's current EBT card design. The State **will** provide input concerning the card process and reserves the right to approve the reproduction of the card design. The State retains the right to rename or change the design of the EBT card at any time. If the State elects to rename or change the card design, the State **shall** follow the change request process. The vendor **shall** produce the State's EBT card using the same graphics and color processing that is currently being used. However no other security features, .i.e., a hologram, fine line printing, or ultraviolet ink are required for the card. The Offeror's Proposal **must** describe in detail its capabilities to design and/or manufacture the State's EBT card and identify any third (3rd) party or subcontractor involvement in the process.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Program Deliverable # 3:

The vendor **shall** convert the State's EBT processing from the current vendor to the new vendor. While some of the conversion activities, i.e., the EBT-only retailer conversions, may begin prior to the end of the Development phase, none of the database conversion activities **shall** occur until the development activities have been completed, and specific testing has been completed and written approval has been received from the State and USDA-FNS, as required.

The activities taking place during the Transition Phase **shall** follow the process defined within the State approved Transition-In Plan (Program Deliverable 1, Performance Indicator 2).

Performance Indicator 1:

Retailer Conversion –The vendor **shall** transition Arkansas' retailers from the current vendor to the new vendor. The activities within the retailer transition **shall** include but are not limited to the following:

- Implementing agreements with ATM networks, TPPs, EBT only retailers, self-processed retailers, the Call Center and networks, including gateways and switches. A copy of the signed agreements **shall** be maintained by the vendor and **must** be provided to the State upon request.

- Ensuring that subcontractors/vendors, TPPs, retailers, State and County offices, FNS (as needed), financial institutions and recipients are adequately trained on all aspects of accessing the Arkansas EBT System to use benefits authorized by the State.

- Certifying TPP's to the Arkansas EBT System.

- EBT-only retailer conversion, including non-traditional retailers.

- Providing a cash access plan for State approval to be updated annually

- Preparing for transition of Call Centers.

The above activities **will** be completed by the dates and in accordance with the approved Transition-In Plan.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 2:

Database Conversion – The vendor **shall** successfully convert Arkansas' client database from the current vendor to the new vendor. The Cardholder Database Conversion includes but is not limited to:

- Cardholder Database Conversion, (which includes but is not limited to)
- Transaction history-three (3) years
- Client card and demographic data
- Benefit data-three (3) years
- Card replacement history-all history contained in current system
- Implementing new agreements with ATM networks, TPPs, EBT only retailers, self-processed retailers, the Call Center and networks, including gateways and switches. A copy of the signed agreements **must** be provided to the State upon request
- Providing a cash access plan for State approval to be updated annually
- Ensuring that subcontractors/vendors, TPPS, retailers, State and County offices, FNS (as needed), financial institutions and recipients are adequately trained consistent with the requirements of this RFP
- Preparing for transition of Call Centers
- Certifying TPPs
- Establishing and implementing procedures for financial transition of settlement and reconciliation processes from the current vendor to the new vendor, including but not limited to establishing cutoffs, required reports and documentation, transition of ASAP balance, transfer of outstanding manual vouchers for settlement, and dispute resolution procedures
- EBT-only retailer conversion, including non-traditional retailers

The database conversion **will** be completed by the dates and in accordance with the approved Transition-In Plan.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 3:

Financial Settlement – In accordance with the approved Transition-In Plan, the vendor **shall** establish and implement procedures for financial transition of settlement and reconciliation processes from current vendor to the new vendor, including but not limited to establishing cut-off, required reports and documentation, transition of ASAP balance, transfer of outstanding manual vouchers for settlement, and dispute resolution procedures, including existing open claims from current vendor.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Program Deliverable # 4:

The Operations Phase begins after the database has been converted from the previous vendor to the selected vendor. During the Operations Phase, the vendor **shall** maintain ongoing communication to the State on EBT operations and immediately (within thirty (30) minutes) notify the State of any issues or system problems or changes, including changes in what entity performs critical system functions. The vendor **shall** maintain a Project Manager, acceptable to DHS/DCO, for ongoing communications. The project manager **shall** maintain regular and frequent contact with the State's EBT manager and designated staff members. The Project manager **will** be available by telephone within one (1) hour and on-site in the State within forty eight (48) hours upon request by the State through the life of the project at no additional cost to the State.

The ongoing communications required from the vendor includes, but is not limited to, a monthly status report by close of business on the third (3rd) business day of the following month containing open and closed issues, monthly status meeting between the State staff and the vendor, and other State reports/meetings requested by the State. Of particular importance is the advance notification of scheduled system downtime to the State by the vendor. The vendor **shall** communicate to the DHS/DCO EBT Project Manager any scheduled system downtime at least forty eight (48) hours prior to the scheduled down time.

During the Operations Phase, the Contractor **shall** maintain and update as required the key design and operational manuals delivered during the Design and Development Phase as the Standard Operations and Procedures Manual (SOPM) which **shall** include, but is not limited to, the following procedures, policies and design documents.

- Detailed Design Document
- Interface Control Document
- Business and Continuity Plans
- System Security Plan
- System Operations/Interface Procedures Manual
- Reports Manual
- Settlement/Reconciliation Manual
- Administrative Terminal Manual
- Call Center Scripts and Procedures Manual
- TPP Certifications
- Training Manual
- Retailer Operations Manual
- Retailer, TPP, ATM, and other agreements
- EBT SNAP Disaster Plan

The vendor **shall** provide updated manuals and design documents to the State prior to implementing system and operational modifications into production.

Performance Indicator 1:

EBT Central Computer Up Time - The vendor's central host system **shall** be available ninety nine point nine percent (99.9%) of scheduled uptime, twenty four (24) hours a day, and seven (7) days per week. Scheduled up time **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 vendor (either service provider or subcontractor to the vendor), **shall** be available ninety nine point nine percent (99.9%) of scheduled uptime, twenty four (24) hours per day, and seven (7) days per week.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 2:

Government ACH Settlement*:* The vendor **shall** settle transactions in two (2) business days consistent with Federal regulations at 7 CFR 274.3 (a), (3).

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 3:

Account Setup and Benefit Authorization - The account set-up and maintenance function requires generating an account set-up record for the EBT System. The vendor **shall** establish a unique twelve (12) digit EBT account number for use in identifying the EBT account on the vendor's system. The vendor **will** provide the beginning EBT account number to the State for assignment to beneficiaries. The State **will** increase the number incrementally with each new account being added. Previously used numbers cannot be reused.

Monthly ongoing TEA cash benefits **shall** be posted to be accessible to the respective clients no later than 12:01 a.m. Central Standard Time (CST) on the day of availability (currently the first (1st) day of each month). Any other TEA benefit record is considered a daily batch update, and **shall** be available to the client by 12:01 a.m. CST on the next calendar day after the vendor receives the batch update file.

Work Pays benefits are considered monthly benefits and are only sent twice (2 times) a month, on the tenth (10th) business day and the next to last business day of each month. Benefits **shall** be available to the client by 12:01 a.m. CST on the next calendar day after the vendor receives the batch update file. Monthly ongoing SNAP benefits **shall** be posted as available on a staggered schedule. The State **shall** provide an availability date, which is included in the benefit detail record passed to the vendor in the monthly batch file (reference Attachment G) for the contents and format of the file). Currently SNAP benefits are staggered from the fourth (4th) calendar day of each month through the thirteenth (13th) calendar day of each month. On the specific date, benefits **shall** be accessible no later than 12:01 a.m. CST. Any other SNAP benefit record is considered a daily benefit update and **shall** be made available to the client no later than 12:01 a.m. CST on the second (2nd) business day following the day the vendor receives the batch update file.

Account set up and benefit authorization transactions transmitted in on-line mode **shall** be processed immediately.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 4:

EBT Switching Services-The Debit Switch service **shall** be available ninety nine point nine percent (99.9%) in any calendar month after deducting for scheduled downtime or failure of communication lines or telecommunications equipment out of the control of the vendor.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 5:

Host Response Time for Administrative Terminal Transactions - Transactions that originate at Administrative Terminals located in State and County offices **will** be sent to the vendor in on-line processing mode. These transactions are subject to the requirements for two (2) second response.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 6:

Inaccurate Transactions – No more than two (2) inaccurate transactions per every ten thousand (10,000) SNAP and other financial transactions **shall** occur measured on a monthly basis.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 7:

Customer Service- The vendor **shall** provide Client Customer Service twenty four (24) hours a day, seven (7) days a week to provide current EBT account and benefit access information via a toll-free "1-800" number (Refer to Service Requirements**).** At a minimum, the vendor **shall** have the capability to provide client help desk services in English and Spanish. Additionally, the vendor **must** provide (TTY) capability to clients with hearing disabilities.

The vendor **shall** provide a Client Help Desk that meets **or** exceeds the following standards:

- Customer Service Representatives-Performance standards regarding the Average Speed of Answer (ASA) and the abandoned calls for a CSR **shall** be as follows and **shall** be measured over a calendar month: At a minimum, available ninety nine point nine percent (99.9%) of all calls **will** be answered within twenty five (25) seconds, and the remaining one percent (.1%) **shall** be answered within forty (40) seconds. In its proposal, the Offeror **shall** describe how it **will** achieve these standards. In addition, the Offeror's proposal **shall** describe exception reports used to monitor compliance with these standards and proposed procedures to handle exceptions

- ARU-Performance standards regarding number of rings prior to answer and average time on hold **shall** be as follows for the ARU measured over the calendar month: At a minimum ninety nine percent (99%) of all calls **will** be answered within four (4) rings (four (4) rings are defined as twenty five (25) seconds) and the remaining one percent (1%) **shall** be answered within thirty five (35) seconds

- For reporting purposes, the vendor **shall** provide ARU and Customer Service Center activity data

- Help Desk access and support for clients using rotary phones

NOTE: Calls placed on "hold" **shall not** be counted as answered calls.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.
Performance Indicator 8:

Production of Retained Records - Retailer and benefit recipient transaction records **must** be maintained by the vendor for the life of the contract. Records **must** be made available to the State within two (2) business days of their request at no charge to the State.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 9:

Technical Requirements for Terminals – The vendor **must** assure that a retail store has been certified by USDA-FNS to accept SNAP benefits prior to activation of any SNAP POS devices. Terminals deployed through the vendor **shall** meet the operational requirements of the EBT System and support the full EBT transaction set. The terminal **must** provide for visual verification of the transaction message before positive action is taken by the cardholder to release the message for authorization and settlement. In addition, within sixty (60) calendar days of award, the vendor **shall** provide the State with interface specifications that would enable retailers and third (3rd) party terminal drivers to interface directly with the vendor to perform SNAP and cash EBT transactions. The vendor **shall not** unduly withhold certification for retailers and third (3rd) parties who enter into direct connect arrangements with the vendor.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 10:

POS Terminal Processing Standards - POS terminal response time is the amount of time, measured in seconds, from the terminal transmission of a transaction message ("Enter" or "Send" key is pressed) to the receipt of the response on the terminal display.

For leased line systems, ninety eight percent (98%) of EBT transactions **shall** be processed within ten (10) seconds or less and all EBT transactions **shall** be processed within fifteen (15) seconds. For dial-up systems, ninety five percent (95%) of the EBT transactions **shall** be processed within fifteen (15) seconds or less and all EBT transactions **shall** be processed within twenty (20) seconds.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 11:

POS Terminal Support Services – The vendor **shall** provide the following services for all POS terminals deployed by the vendor including POS terminals utilized by exempt retailers, but not limited to state deployed equipment:

- Routine maintenance on all equipment
- Repair or replacement services on faulty POS terminal equipment within forty eight (48) hours of service calls
- Supplies
- Retailer training for all vendor deployed terminals

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 12:

Equipment Installation for exempt EBT Only Retailers - POS terminals **shall** be installed and operational within fourteen (14) business days of the vendor receiving the FNS REDE authorization number measured over a three (3) month rolling period. A period of three (3) consecutive months determined on a rolling basis with a new three (3) month period beginning on the first (1st) day of each calendar month.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Issuance of EBT cards – All card issue requests by the batch Case/Client Maintenance file or replacement requests either through the Administrative Terminal or the Client Help Desk received by 11:59 p.m. **shall** be placed in the mail by noon the next business day. All Arkansas EBT cards **shall** be delivered by direct mail through the USPS.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Performance Indicator 13:

Project Status Reporting - All system generated daily reports **shall** be due by 6:00 am CST for the previous day's activity. All weekly reports **shal**l be due by the close of business on the following Monday. All monthly reports that are system generated **shall** be due by 6:00 am CST on the first (1st) calendar day of the following month. Any manually produced monthly reports **shall** be due by the close of business on the third (3rd) business day of the following month.

Acceptable performance is one hundred percent (100%) compliance measured on a monthly basis.

Performance Indicator 14:

- **Response to Enhancement/Change Requests** – The State may, acting through the Contract Administrator or a designee, make changes in the scope of this contract by written change order. Vendor **shall**, within twenty (20) business days from the date of receipt of the change order, notify the State whether any such change causes an increase or decrease in the cost or time required for performance of any portion of this contract. The State's Contract Administrator may then withdraw the change order, authorize work under the change order, or promptly negotiate a contract amendment pursuant to the procedure for amendment set forth above. Any claims by vendor for an increase under this section **must** be asserted within twenty (20) business days from date of receipt by vendor of the change order or such claim is waived. "Business days" **shall** mean all days except weekends and holidays on which the offices of the State of Arkansas DHS/DCO are closed for business.

- During the performance of the contract, vendor may propose for the State's consideration enhancements or improvements that fall within the scope of the contract. All such proposals accepted by the State for implementation **will** be evidenced by a written Change Order to the contract with mutually agreeable terms and conditions. All costs associated with the development of such proposals **shall** be borne by the vendor.

- Any change order which necessitates expenditures by the State in excess of the total fixed price of the contract requires prior execution of a contract amendment and prior written approval of the USDA.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

Program Deliverable # 5:

The vendor **shall** include in the PWP (PI #1 under Program Deliverable #1) a Transition Plan which establishes timeframes, responsibilities, and deliverables the vendor **shall** provide to accomplish a transition to a new vendor at the end of this contract term. In addition, the vendor **shall** participate in the process to ensure adequate coordination between the existing and new vendor to minimize the risk of any disruption of service to clients, retailers or the State. The vendor **shall** provide specific assurances that it **will** cooperate fully and maintain staffing levels during the transition out.

Performance Indicator 1:

End-Of-Contract Transition Out – The vendor **will** develop a Transition Plan for the end-of contract transition out. The Transition Plan **shall** identify the vendor's responsibilities for the transition of the EBT functions over to the new vendor's system. At a minimum, the vendor's responsibilities during the transition-out **shall** include:

- Meeting with the new vendor on a regular basis for the purposes of planning and coordinating an orderly transition
- Developing an agreement with the selected vendor laying out timeframes, work products, mutual expectations during transition
- Maintaining staffing levels consistent with levels during the operational phase of the contract through the end of the contract
- Providing test data for conversion testing
- Providing up-to-date agreements, design documents and procedural manuals. Provide a strategy for ensuring that all records and documents resulting from the services provided under the contract have been updated to reflect all changes, enhancements, and modifications. All documentation and records **shall** be written in English, provided in hardcopy, and at least one (1) electronic copy on CD in PDF format and a copy on CD in Microsoft Word at time of turnover.
- Coordinating with the new vendor to minimize suspense accounting during the final settlement
- Documenting the reconciliation of account balances and final settlement so that there is a clear and transparent audit trail
- Coordinating the swap of all Call Center numbers to the new vendor
- Transfer of encryption keys if the State continues to use their existing EBT card
- A minimum of two (2) dry runs **will** be conducted when transitioning to a new vendor
- Management of all State owned EBT equipment including the maintenance and repair history of all equipment
- Provide for conversion of three (3) years of the most recent online transaction history onto the new system
- Purging of Arkansas client/cardholder data remaining on the outgoing vendor's database
- Ensure data privacy
- At the end of the contract, the State **will** hold back the final payment until the vendor successfully completes all the transition requirements under its control as set forth in the Transition Plan.

Acceptable performance is one hundred percent (100%) compliance with the performance indicator.

REMEDIES FOR UNACCEPTABLE PERFORMANCE

Unacceptable performance **shall** be determined solely at the discretion of DHS/DCO based on the established Performance Standards and deliverables schedule. For all other standards and tasks, written notification of failure to meet a requirement **shall** be given by the DHS/DCO EBT Project Manager (e-mail shall be an acceptable form of notification). The State **will** notify the vendor of the first (1st) incident of failure to meet one (1) or more of the defined standards and request a corrective action plan. The plan shall be received within ten (10) business days of the written formal notification. If the State does not receive the plan by the due date and no extension has been granted, the State may, at its sole discretion invoke the appropriate remedy per this schedule.

If the State receives the plan by the due date, it **will** cooperate with the vendor to achieve a mutually agreed upon final correction action plan and schedule. The State may, at its sole discretion, invoke **the appropriate remedy if the vendor does not meet the schedule and no extension has been granted.**

The Contractor **shall** have**:**

- Five (5) business days to correct any delayed project task or project deliverable related to the transition to the new EBT System. The State may impose five thousand dollars ($5,000) per deliverable after five (5) business days
- Five (5) business days to correct any delayed task related to the on-going maintenance of the EBT System. The State may impose five thousand dollars ($5,000) per task after five (5) business days
- Twenty-four (24) hours to provide required reports or to correct reports that contained inaccurate information. The State may impose one thousand dollars ($1,000) per occurrence, per day
- Twenty-four (24) hours to transmit missing data files or to submit corrected files for previously transmitted files that contained inaccurate information. The State may impose five thousand dollars ($5,000) per occurrence.

The State and the vendor agree that the following figures represent the reasonable pre-breach estimate of probable loss that **will** be sustained by the State:

- Fifteen thousand dollars ($15,000) if vendor changes Project Managers during transition or conversion without good cause as determined by the State
- Twenty five hundred dollars ($2,500) for each whole percentage point below the tolerance levels on response times
- Five thousand dollars ($5,000) for each whole percentage point below the tolerance levels on system availability requirements
- Ten thousand dollars ($10,000) per occurrence for making any changes in the production system without the express written approval of the EBT Manager. Further, the State **shall** reduce invoices and add any DHS/DCO staff costs in resolving issues arising from this action
- Ten thousand dollars ($10,000) per occurrence for any system/operator error that results in inaccurate payments or inability to access benefits. Further, the State **shall** reduce invoices and add any DHS/DCO staff costs in resolving system/operator error
- The parties may elect to use any or all remedies available to them on default whether set forth above or otherwise available to them by law. In those instances where the failure is the sole and exclusive fault of the State, no liquidated damages **shall** be imposed

ADDITIONAL REMEDIES FOR UNACCEPTABLE PERFORMANCE

In addition to the foregoing, acceptable performance **shall** be determined solely at the discretion of DHS/DCO. One (1) or more of the following remedies will be imposed for unacceptable performance:

1. DHS/DCO **will** notify vendor of unacceptable performance. A meeting between the Division and vendor **will** take place to discuss and develop an informal plan for change.

2. DHS/DCO **will** notify vendor in writing of non-compliance with the program deliverable and performance indicators for that performance indicator. Within ten (10) working days of notification of non-compliance, vendor **must** submit and implement a corrective action plan that is acceptable to the DHS/DCO Contract Manager or designee. Pending submission and implementation of an acceptable corrective action plan, payment may be reduced or withheld as determined by DHS/DCO.

3. Payment may be withheld or reduced as determined by DHS/DCO.

4. The contract may be terminated.

The remedies listed above are not intended to limit or replace any existing elsewhere in this agreement, and are in addition to all others available at law or equity.

MONITORING

DHS/DCO, EBT section **will** monitor performance through a combination of the following:

- Review the EBT System Design Phase
- Review PWP
- Review ICD
- Review Functional and Detailed System Design Document
- Review SLCT Plan
- Review System Test Plan
- Review Business & Continuity Plan
- Review Training Plan
- Review SSP
- On-site review System Tests
    - Functional Demonstration
    - Interface Testing
    - Transition Testing
    - System Acceptance Tests
    - Performance (Stress) Testing
    - ARU Testing

- Call Center Testing
- Field Testing

- Review Test Reports
- Review Revisions to the Functional and Detailed Document
- Review Training Materials
- Review Administrative Staff Training Materials
- Review System Operations/Interface Procedures Manual
- Review Reports Manual
- Review Settlement/Reconciliation Manual
- Review Administrative Terminal User's Manual
- Review Call Center Scripts and Procedures Manual
- Review Retailer Operations Manual
- Review Facility Security Manual
- Review Dispute and Resolution Manual
- Review Compliance with and Amendments to Operating Manuals
- On-site review Data Conversion
- Review of Operations
  - EBT Central Computer Up Time
  - Disputes/Adjustments
  - Disaster response/operations
  - Annual test of back-up facilities:
    - Disaster Recovery-The FNS DSNAP guidance requires an annual test of the vendor's back-up site. This is a test of the State's primary eligibility and EBT Interface Systems to the vendor's back-up data center. The expectation is the vendor's hot back-up site **will** begin operations within one (1) hour of the decision to switch to the back-up facility. The vendor **shall** provide copies of the test results to the State within thirty (30) calendar days of the test.
    - Disaster Recovery-The FNS DSNAP guidance requires the vendor to support the State in the recovery of the State's eligibility and EBT Interface Systems at the State's back-up site in the event of a disaster at the State's primary data center.
  - Timeliness of required reports
  - Government ACH Settlement
  - Account setup and benefit authorization
  - EBT Switching Services
  - Host Response Time for Administrative Terminal Transactions

- Inaccurate Transactions
- Customer Service
- Production of Retained Records
- Technical Requirements for Terminals
- POS Terminal Processing Standards
- POS Terminal Support Services
- Equipment Installation for EBT Only Retailers
- Issuance of EBT cards/PINs
- Project Status Reporting
- Response to Enhancement/Change Requests
- On-line monitoring of customer and retailer call centers, if option is taken

ATTACHMENT B - ARKANSAS DHS LOCAL OFFICE LOCATIONS

County No.	County	Address	PO Box	City	Zip
01-1	Arkansas	100 Court Sq.		Dewitt	72042
01-2	Arkansas	203 S. Leslie	PO Box 1008	Stuttgart	72160
02	Ashley	201 W. Lincoln	PO Box 190	Hamburg	71646
03	Baxter	204 Bucher Dr.	PO Box 408	Mtn. Home	72654
04	Benton	900 Southeast 13th Ct.		Bentonville	72712
05	Boone	2126 Capps Road	PO Box 1096	Harrison	72601
06	Bradley	902 Halligan	PO Box 509	Warren	71671
07	Calhoun	136 Archer	PO Box 1068	Hampton	71744
08	Carroll	304 Hailey Rd.	PO Box 425	Berryville	72616
09	Chicot	1736 Hwy. 65 & 82 So.	PO Box 71	Lake Village	71653
10	Clark	602 S. 10th Street	PO Box 969	Arkadelphia	71923
11-1	Clay	187 N, 2nd Street	PO Box 366	Piggott	72454
12	Cleburne	1521 W. Main	PO Box 1140	Heber Springs	72543
13	Cleveland	201 5th St.	PO Box 465	Rison	71665
14	Columbia	601 E. University	PO Box 1109	Magnolia	71754
15	Conway	#2 Bruce Street	PO Box 228	Morrilton	72110
16	Craighead	1600 Browns Lane, Access Rd.	PO Box 16840	Jonesboro	72403
17	Crawford	704 Cloverleaf Cir.		Van Buren	72956
18	Crittenden	401 S. College Blvd.		W. Memphis	72301
19	Cross	803 Hwy. 64 East		Wynne	72396
20	Dallas	1202 W. 3rd St.		Fordyce	71742
21	Desha	200 North First Street	PO Box 1009	McGehee	71654
22	Drew	444 Hwy. 425 North	PO Box 1350	Monticello	71657
23	Faulkner	1000 E. Siebenmorgan		Conway	72032
24	Franklin	800 W. Commercial		Ozark	72949
25	Fulton	222 Byron Road	PO Box 650	Salem	72576
26	Garland	115 Stover Lane		Hot Springs	71913
27	Grant	#16 Opportunity Dr.	PO Box 158	Sheridan	72150
28	Greene	809 Goldsmith Road		Paragould	72450
29	Hempstead	116 N. Laurel		Hope	71801
30	Hot Spring	2505 Pine Bluff St.		Malvern	72104
31	Howard	534 N. Main	PO Box 1740	Nashville	71852
32	Independence	100 Weaver Ave.		Batesville	72501
33	Izard	278 E. Main St.	PO Box 65	Melbourne	72556
34	Jackson	3rd & Hazel St.	PO Box 610	Newport	72112
35	Jefferson	1222 W. 6th	PO Box 5670	Pine Bluff	71611
36	Johnson	900 S. Rogers Ave.	PO Box 1636	Clarksville	72830

37	**Lafayette**	**2612 Spruce St.**		**Lewisville**	**71845**
38	**Lawrence**	**400 N.W. 4th St.**	**PO Box 69**	**Walnut Ridge**	**72476**
39	**Lee**	**772 W. Chestnut St.**	**PO Box 309**	**Marianna**	**72360**
40	**Lincoln**	**101 W. Wiley St.**		**Star City**	**71667**
41	**Little River**	**90 Waddell St.**		**Ashdown**	**71822**
42-1	**Logan**	**#17 W. McKeen**		**Paris**	**72855**
42-2	**Logan**	**398 E. 2nd.**		**Booneville**	**72927**
43	**Lonoke**	**100 Park St.**	**PO Box 260**	**Lonoke**	**72086**
44	**Madison**	**1013 N. College Av.**	**PO Box 128**	**Huntsville**	**72740**
45	**Marion**	**114 Old Main**	**PO Box 447**	**Yellville**	**72687**
46	**Miller**	**3809 Airport Plaza**		**Texarkana**	**71854**
47-1	**Miss.**	**1104 Byrum Road**		**Blytheville**	**72315**
47-2	**Miss.**	**437 S. Country Club Rd.**		**Osceola**	**72370**
48-1	**Monroe**	**600 N. 11th St.**	**PO Box 354**	**Clarendon**	**72029**
48-2	**Monroe**	**301 1/2 N. New Orleans**		**Brinkley**	**72021**
49	**Montgomery**	**232 Graham St.**	**PO Box 445**	**Mount Ida**	**71957**
50	**Nevada**	**355 W. 1st St. North**	**PO Box 292**	**Prescott**	**71857**
51	**Newton**	**100 Spring St.**	**PO Box 452**	**Jasper**	**72641**
52	**Ouachita**	**222 Van Buren St. NW**	**PO Box 718**	**Camden**	**71711**
53	**Perry**	**213 Houston Ave.**		**Perryville**	**72126**
54	**Phillips**	**104 D'Anna Place**	**PO Box 277**	**Helena**	**72342**
55	**Pike**	**331 E. 13th Street**	**PO Box 200**	**Murfreesboro**	**71958**
56	**Poinsett**	**406 N. Illinois**	**PO Box 526**	**Harrisburg**	**72432**
57	**Polk**	**606 Pine St.**	**PO Box 1808**	**Mena**	**71953**
58	**Pope**	**701 N. Denver**		**Russellville**	**72801**
59	**Prairie**	**663 Market St.**	**PO Box 356**	**DeValls Bluff**	**72041**
60-1	**Pulaski South**	**1105 MLK, Jr.**	**PO Box 2620**	**Little Rock**	**72203**
60-2	**Pulaski North**	**1900 E. Wash. Ave.**	**PO Box 5791**	**No. Little Rock**	**72119**
60-3	**Pulaski SW**	**6801 Baseline Rd.**	**PO Box 8916**	**Little Rock**	**72219**
60-4	**Pulaski East**	**1424 E. Second**	**PO Box 8083**	**Little Rock**	**72203**
60-5	**Pulaski J'ville.**	**2636 West Main**	**PO Box 626**	**Jacksonville**	**72078**
61	**Randolph**	**1408 Pace Rd.**		**Pocahontas**	**72455**
62	**Saline**	**1603 Edison Ave.**	**PO Box 608**	**Benton**	**72018**
62	**Saline**	**101 NW 3rd, Suite E**		**Bryant**	**72022**
63	**Scott**	**131 Hwy 71 Bypass S**	**PO Box 840**	**Waldron**	**72958**
64	**Searcy**	**106 School St.**		**Marshall**	**72650**
65	**Sebastian**	**616 Garrison Ave.**		**Fort Smith**	**72901**
66	**Sevier**	**924 E. Collin Ray Dr., Suite B & C**		**DeQueen**	**71832**
67	**Sharp**	**1467 Hwy. 62/412 Suite B**		**Cherokee Village**	**72529**
68	**St. Francis**	**1200 E. Broadway**	**PO Box 899**	**Forrest City**	**72335**

69	**Stone**	**1821 E. Main**		**Mtn. View**	**72560**
70	**Union**	**123 W. 18th St.**		**El Dorado**	**71730**
71	**Van Buren**	**449 Ingram St.**		**Clinton**	**72031**
72-1	**Wash.**	**4044 Frontage Rd.**		**Fayetteville**	**72703**
72-2	**Wash.**	**4252 Frontage Rd.**		**Fayetteville**	**72703**
73	**White**	**608 Rodgers Dr.**		**Searcy**	**72143**
74	**Woodruff**	**1200 Hwy 33 North**	**PO Box 493**	**Augusta**	**72006**
75	**Yell**	**904 M St./Hwy. 10 E**	**PO Box 277**	**Danville**	**72833**
32-Access	**Arkansas Processing Center**	**1095 White Dr.**		**Batesville**	**72501**

ATTACHMENT C – HISTORICAL CASELOAD DATA

FOR INFORMATIONAL PURPOSES ONLY

Unduplicated Case Count

MONTH/YEAR	SNAP CASES	CASH CASES	COMBINED CASES	TOTAL	TOTAL SNAP CASES
06/2014	215,317	1,026	4,891	221,234	220,208
07/2014	215,022	1,027	4,782	220,831	219,804
08/2014	215,678	1,001	4,778	221,457	220,456
09/2014	215,640	978	4,680	221,298	220,320
10/2014	215,686	1,025	4862	221,573	220,548
11/2014	214,374	1,002	4634	220,010	219,008
12/2014	214,338	976	4679	219,993	219,017
01/2015	213,232	984	4456	218,672	217,688
02/2015	213,102	932	4,325	218,359	217,427
03/2015	209,564	904	4,002	214,470	213,566
04/2015	207,191	900	3,909	212,000	211,100
05/2015	207,155	848	3,851	211,854	211,006

ATTACHMENT D – HISTORICAL VOUCHER DATA

FOR INFORMATIONAL PURPOSES ONLY

Month/Year	Vouchers Added	Vouchers Cleared	Vouchers Expired
06/2014	26	975	1
07/2014	13	763	1
08/2014	15	858	2
09/2014	16	783	2
10/2014	10	999	4
11/2014	36	1086	1
12/2014	10	1349	4
01/2015	13	794	2
02/2015	20	1197	1
03/2015	7	653	1
04/2015	8	787	0
05/2015	21	886	2

ATTACHMENT E – HISTORICAL RETAILER HELP DESK DATA

FOR INFORMATIONAL PURPOSES ONLY

Date	IVR Calls Offered	IVR Calls Answered	IVR Average Talk Time	CSR Opt Out Calls	CSR Opt Out Percentage
06/14	8300	8300	0:53	158	1.9%
07/14	8686	8686	0:51	185	2.1%
08/14	8136	8136	0:52	243	3.0%
09/14	7677	7677	0:53	259	3.4%
10/14	8522	8522	0:53	241	2.8%
11/14	8440	8440	0:57	145	1.7%
12/14	7850	7850	0:58	124	1.6%
01/15	7889	7889	0:51	107	1.4%
02/15	7255	7255	0:57	128	1.8%
03/15	7424	7424	0:49	134	1.8%
04/15	7271	7271	0:50	101	1.4%
05/15	7214	7214	0:52	107	1.5%

ATTACHMENT F – HISTORICAL CARD ISSUANCE AND REPLACEMENT DATA

Month/Year	Active Cards	Returned	Stolen	Lost	Damaged	New Issuance	Total Issued
06/2014	240,399	323	513	7,284	687	3,241	11,725
07/2014	240,525	281	539	7,485	739	3,393	12,156
08/2014	240,695	282	584	7,322	728	3,599	12,233
09/2014	240,435	371	521	7,141	690	3,269	11,621
10/2014	240,442	488	545	7,353	721	3,751	12,370
11/2014	238,815	493	477	6,327	626	2,740	10,170
12/2014	238,287	356	464	6,942	688	3,050	11,145
01/2015	237,470	220	439	7,049	812	2,997	11,297
02/2015	230,450	208	357	5,727	590	2,572	9,246
03/2015	233,086	336	468	6,553	678	2,582	10,281
04/2015	231,567	382	449	6,739	634	2,788	10,610
05/2015	229,966	359	464	6,647	645	2,648	10,404

ATTACHMENT G – CURRENT EBT FILE FORMATS

BATCH MAINTENANCE FORMATS

File Transmission Matrix

The following table represents the files that are currently being sent between the State and the current EBT vendor.

File	Frequency	AR to Vendor	Vendor to AR	Vendor to Card Facility
Case/Client Maintenance File	Daily	Case/Client Maintenance File	Batch Processing Report	
Benefit Maintenance File	Daily/Monthly	Benefit Maintenance File	Batch Processing Report	
Daily Activity File	Daily		Daily Activity File	
Benefit Aging File	Daily		Benefit Aging File	
Adjustment Activity File	Daily		Adjustment Activity File	

Case/Client Maintenance Header Record

The Case/Client Maintenance File is used by the State to add and update case and client information on the existing vendor's EBT System through the batch maintenance process. The record formats included in this file are detailed below.

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	Valid Value: "HC"	Mandatory
003-017	Agency Unique Unique	15	String	Agency discretionary data	Optional
018-023	Agency Code	6	String	Valid Values: "ARDHSF"=SNAP "ARDHST"=TANF	Mandatory
024-039	Maintenance Type	16	String	Valid Values: "CASE/CLIENT"	Mandatory
040-043	Sent Year	4	Int	Year value when the file was sent	Mandatory
044-045	Sent Mo	2	Int	Month value when the file was sent	Mandatory
046-047	Sent Day	2	Int	Day value when the file was sent	Mandatory
048-048	Sent Hour	2	Int	Hour value when the file was sent	Mandatory
050-051	Sent Minute	2	Int	Minute value when the file was sent	Mandatory
052-200	Filler	149	String	Spaces	Spaces

Record Length-two hundred (200) bytes

Case/Client records are transmitted to the EBT vendor in batches. A single transmission may contain multiple batches. Each batch consists of a header record, multiple detail records, and a trailer record. If multiple batches are created with an Agency (ARDHSF or ARDHST) on the same day, the file create time **will** be different for each batch. All alphanumeric fields **will** be left justified and right space filled.

Case/Client Maintenance Detail Record

Position	Description	Length	Type	Values	Required
001-001	Refresh Action	1	String	Valid Values: "A"=Indicates Add "C"=Indicates Change	Mandatory
002-013	EBT Account Number	12	String	EBT Account Number assigned by State	Mandatory
014-022	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
023-024	Client Type	2	String	Flag indicates whether client is primary, or an alternate. Valid values are P, 1C, 1F, 1B, 2C, 2F, 2B, 3C, 3F, 3B, 4C, 4F and 4B	Mandatory
025-030	Case Worker ID	6	String	Case Worker ID	Mandatory
031-033	County Office Code	3	String	County Office of the Case.	Mandatory
034-048	Client First Name	15	String	First Name of the Client.	Mandatory
049-049	Client Middle Initial	1	String	Middle Initial of the Client	Optional
050-069	Client Last Name	20	String	Last Name of the Client	Mandatory
070-099	Street Address 1	30	String	Street Address.	Mandatory
100-129	Street Address 2	30	String	Street Address	Optional
130-149	City	20	String	City	Mandatory
150-151	State	2	String	State abbreviation	Mandatory
152-160	Zip Code	9	Int	Zip Code.	Mandatory
161-168	Birth Date	8	Int	Birth Date (CCYYMMDD)	Mandatory
169-177	SSN	9	Int	Social Security Number.	Mandatory
178-178	Filler	1	String	Was Federal Indicator field-may contain a Y or N	Ignored
179-179	Card Issuance Indicator	1	String	Y= Issue N=Do Not Issue	Mandatory
180-180	PIN indicator	1	String	Currently not Used	Ignored
181-181	Drop Ship indicator	1	String	Y = Yes	Optional
182-199	Filler	18	String	Spaces	Spaces
200-200	Training	1	String	Y=Issue, N=Do Not Issue	Mandatory

Record length-two hundred (200) bytes

On an Add request, if the EBT account does not currently exist on the EBT database, an EBT account should be added to the EBT System. If the EBT account does exist, the client should be added to the indicated EBT account number.

If an Add record is received for a client that currently exists on the EBT database, the add record should be rejected. A match should be performed on the account number, case number and client type in order to determine if the add already exists on the EBT System.

On a Change request, the State **will** send all the demographic information in the record. The vendor will overlay the information on the database for the client with the information in the record.

On a Change request, the State can send the changes to all fields except the Case Number and Account Number.

On a Change request, the State can send the Client Type Change also; here are the possible Client Type changes values:

1F □ 1B 2F □ 2B 3F □ 3B 4F □ 4B 1C □ 1B 2C □ 2B 3C □ 3B 4C □ 4B
1B □ 1F 2B □ 2F 3B □ 3F 4B □ 4F 1B □ 1C 2B □ 2C 3B □ 3C 4B □ 4C

All alphanumeric fields are left justified and right space filled.

Case/Client Additional Case Add Detail Record
This record is used to add a new case to an existing client under an existing EBT Account Number. On an Additional Case Add request, if the case does not exist on the EBT System, the case **will** be added. If the Additional Case Add request is received for a case type (SNAP or TANF) already on the EBT System for the EBT Account, the add record **will** be rejected and the database **will not** be updated. A match should be performed on the account number, case number and client type in order to determine if the add record already exists on the EBT System.

All alphanumeric fields are left justified and right space filled.

Case/Client Additional Case Add Detail Record

Position	Description	Length	Type	Values	Required
001-001	Refresh Action	1	String	Valid Values: "N"=Indicates Add	Mandatory
002-013	EBT Account Number	12	Int	EBT Account Number assigned by State	Mandatory
014-022	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
023-024	Client Type	2	String	Flag indicating whether client is primary or an alternate	Mandatory
025-030	Case Worker ID	6	String	Case Worker ID	Mandatory
031-033	County Office Code	3	String	County Office of the case	Mandatory
034-200	Filler	167	String	Spaces	Spaces

Record Length-two hundred (200) bytes

Case/Client Deactivate Record

This record format is used to deactivate alternate cardholders on an EBT Account. The status card indicator gives the State the ability to deactivate the card at the same time the client is removed from the EBT Account. Once the client is deactivated, any future benefits added to the account **will not** be accessible to the client. If benefit access is to be terminated immediately, the Status Card Flag is set to "Y".

In the current vendor's system, the Status Card Flag is being ignored, as deactivating a cardholder removes the cardholder from the case.

All alphanumeric fields are left justified and right space filled.

Case/Client Deactivate Record

Position	Description	Length	Type	Values	Required
001-001	Refresh Action	1	String	Valid Values: "D"=Indicates Deactivate Client	Mandatory
002-013	EBT Account Number	12	Int	EBT Account Number assigned by State	Mandatory
014-022	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
023-024	Client Type	2	String	Flag indicating whether client is primary or alternate. Valid Values: 1C, 1F, 1B, 2C, 2F, 2B, 3C, 3F, 3B, 4C, 4F and 4B	Mandatory
025-025	Status Card Flag	1	String	Valid Values: Y=Yes N=No	Mandatory
026-200	Filler	175	String	Spaces	Spaces

Record Length-two hundred (200) bytes

This record **wil**l be sent to change a case number that has already been set-up in the Vendor's EBT System. This record is used where an EBT Account was set-up with an incorrect SNAP or TANF case number. In order to change the case number to the correct number, the State **will** send the "O" Case Number Change record identifying the old case number and the new case number. If the old case number does not exist, the record should be rejected. In addition, if the new case number already exists, the record should be rejected.

Case Number Change Detail Record

Position	Description	Length	Type	Values	Required
001-001	Refresh Action	1	String	Valid Values: "O"=Indicates Case Number Change	Mandatory
002-013	EBT Account Number	12	Int	EBT Account Number assigned by State	Mandatory
014-022	Old Case Number	9	String	Old case number on Vendor's EBT System assigned by eligibility system: ARDHST=7 digits-left justified, right space filled ARDHSF=9 digits	Mandatory
023-031	New Case Number	9	String	New case number assigned by eligibility system: ARDHST=7 digits-left justified, right space filled ARDHSF=9 digits	Mandatory
032-200	Filler	169	String	Spaces	Spaces

Record Length-two hundred (200) bytes

Client Type Change Record

Position	Description	Length	Type	Values	Required
001-001	Refresh Action	1	String	Valid Values: "P"=Indicates Client Type Change	Mandatory
002-013	EBT Account Number	12	String	EBT Account Number assigned by State	Mandatory
014-022	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
023-024	Old Client Type	2	String	Flag indicating whether client is primary, or an alternate. Valid Values: 1C, 1F, 1B, 2C, 2F, 2B, 3C, 3F, 3B, 4C, 4F and 4B	Mandatory
025-026	New Client Type	2	String	Flag indicating whether client is primary, or an alternate. Valid Values: P, 1C, 1F, 1B, 2C, 2F, 2B, 3C, 3F, 3B, 4C, 4F and 4B	Mandatory
027-200	Filler	174	String	Spaces	Spaces

Record Length-two hundred (200) bytes

The following table identifies the client types in the Case/Client Maintenance File for the State of Arkansas. Note: No Client Type changes are allowed on a Primary.

Client Type	Description
1C	1st Alternate Cash
1F	1st Alternate FS
1B	1st Alternate Cash/FS
2C	2nd Alternate Cash
2F	2nd Alternate FS
2B	2nd Alternate Cash/FS
3C	3rd Alternate Cash
3F	3rd Alternate FS
3B	3rd Alternate Cash/FS
4C	4th Alternate Cash
4F	4th Alternate FS
4B	4th Alternate Cash/FS

The Client Types are mutually exclusive within each of their respective client types. This means that there can be only one (1) Primary on an EBT Account, as well as only first (1st), second (2nd), third (3rd) or fourth (4th) alternate. The first (1st) character identifies the Alternate and the second (2nd) character **will** identify the benefit to which they have access. There can be only one (1) alternate labeled one ("1") Subsequent alternates **must** be identified as two ("2"), three ("3") or four ("4").

E.g., two (2) alternates on an account could be labeled as one B ("1B") and two F ("2F"). If an Alternate is the same person for both the Cash and Food case, the State **will** send the Alternate with an "x B" Client Type, where x is the Alternate number.

Case/Client Maintenance Trailer Record

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	Valid Value: "TC"	Mandatory
003-011	Total Detail Records	9	Int	Record Count of the total number of detail records	Mandatory
012-020	Number of Adds	9	Int	Number of Add Records	Mandatory
021-029	Number of Changes	9	Int	Number of Change Records	Mandatory
030-038	Number of Deactivates	9	Int	Number of Deactivate Records	Mandatory
039-047	Number of Client Type Changes	9	Int	Number of Client Type Change Records	Mandatory
048-056	Number of Direct Deposit Adds	9	Int	NA-**Will** be set to zeros	Mandatory
057-065	Number of Direct Deposit Changes	9	Int	NA-**Will** be set to zeros	Mandatory
066-074	Number of Direct Deposit Deletes	9	Int	NA-**Will** be set to zeros	Mandatory
075-083	Number of Additional Case Adds	9	Int	Number of Additional Case Add Records	Mandatory
084-092	Number of Case Number Changes	9	Int	Number of Case Number Change Records	Mandatory
093-101	Number of transfers	9	Int	NA-**Will** be set to zeros	Mandatory
102-200	Filler	98	String	Spaces	Spaces

Record length- two hundred (200) bytes

All alphanumeric fields are left justified and right space filled.

Benefit Maintenance File

The Benefit Maintenance File is used by the State to add and update benefit authorization information on the existing vendor's EBT System through the batch maintenance process. The information **will** include the type of benefit, the amount of the benefit and the availability date of the benefit. The record formats in this file **will** include the ability to cancel benefit authorizations. The authorization number assigned to the benefit is required to be unique. Even when a benefit has been cancelled, the authorization number cannot be reused. The record formats included in this file are detailed below.

Benefit Maintenance Files are transmitted to the EBT Vendor in batches. A single transmission may contain multiple batches. Each batch consists of a header, multiple detail records, and a trailer record. All alphanumeric fields will be left justified and right space filled.

The State **will** send both Daily and Monthly Benefit Maintenance Files. The Daily Benefit Maintenance Files are used to send initial benefits, one (1) time benefits, or future dated benefits. The files **will** contain authorization information including the benefit authorization number, type of benefit, amount of benefit and the benefit available date.

The Monthly Benefit Maintenance File is used for monthly reoccurring benefits. The file **will** include all benefit authorizations for the upcoming month's issuance schedule. Each benefit record **will** contain an available date for that benefit authorization.

Benefit Batch Maintenance Header Record

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	Valid Value: “HB”	Mandatory
003-017	State Unique Data	15	String	Agency discretionary data	Optional
018-023	Agency Code	6	String	Valid Values: ARDHST=TANF ARDHSF=SNAP	Mandatory
024-039	Maintenance Type	16	String	This field is edited for valid values and identifies the maintenance type on the Batch Refresh reports to be supplied by the Vendor. Valid Values: FS DAILY FS MONTHLY CASH DAILY CASH MONTHLY	Mandatory
040-047	File Create Date	8	Int	Format of CCYYMMDD	Mandatory
048-051	File Create Time	4	Int	Format of HHMM	Mandatory
052-080	Filler	29	String	Spaces	Spaces

Record Length-eighty (80) bytes

Benefit Batch Maintenance Detail Record

Position	Description	Length	Type	Comments	Required
001-001	Refresh Action	1	String	Valid Values: "A"=Add "C"=Cancel Benefit	Mandatory
002-013	EBT Account Number	12	String	EBT Account Number assigned by State	Mandatory
014-022	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
023-028	Benefit Type (Sub-program)	6	String	Sub-program for the record-unique identifier for the benefit	Mandatory
029-038	Benefit Authorization Number	10	Int	The Benefit Authorization Number **must** be unique for each benefit	Mandatory
039-045	Benefit Amount	7	Int	Benefit amount in cents. The value **must** be left padded with zeros	Mandatory
046-053	Benefit Available Date	8	Int	Date the benefit is available to the Client. Format of CCYYMMDD	Mandatory
054-057	Benefit Available Time	4	Int	Time the benefit is available to the client. Format of HHMM.	Mandatory
058-060	County Office Code	3	Int	Case County Office Code (Service County)	Mandatory
061-061	Benefit Status	1	String	Valid Value: "A"=Active Benefit	Mandatory
062-063	Household size	2	Int	Household size	Mandatory
064-066	Residence County	3	Int	Residence county of household	Mandatory
067-070	Disaster Code	4	String	The disaster code related to the specific disaster for the assigned benefit.	Optional
071-080	Filler	10	String	Filler	Optional

Record Length-eighty (80) bytes

This record format is used to add and cancel benefit authorizations. The Benefit Authorization Number **must** be unique for each benefit. All alphanumeric fields **will** be left justified and right space filled.

A benefit can only be cancelled prior to the availability date. Once a benefit is cancelled, it cannot be changed back to an active status.

Benefit Batch Maintenance Trailer Record

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	Valid Value=”TB”	Mandatory
003-011	Total Detail Records	9	Int	Total number of detail records	Mandatory
012-020	Number of Adds	9	Int	Total number of add records	Mandatory
021-029	Number of Changes	9	Int	NA-**will** be set to zeros	Mandatory
030-038	Number of Cancels	9	Int	Total number of cancel records	Mandatory
039-049	Total Benefit Add Amount	11	Int	Total value of benefit adds in the file.	Mandatory
050-080	Filler	31	String	Spaces	Spaces

Record Length-eighty (80) bytes

All alphanumeric fields **will** be left justified and right space filled.

Daily Activity File

The EBT Vendor **shall** send the State an activity file that contains the details of all approved transactions that affect the outstanding liability on the vendor’s EBT System. This includes transactions, i.e., settling financial transactions and non-settling benefit authorizations. The activity file **shall** be based on transactions at the benefit authorization level, i.e., if a transaction is applied against more than one benefit authorization, there **shall** be more than one (1) detail record in the Daily Activity File for that transaction.

The file consists of a header record, followed by multiple detail records, followed by a trailer record. The record formats included in this file are detailed below.

Daily Activity File Header Record

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	“EH”= Header	Mandatory
003-008	Agency ID	6	String	ARDHSF ARDHST	Mandatory
009-024	File Type	16	String	Valid Values: “HISTORYEXTRACT”	Mandatory
025-032	File create date	8	Int	Date file was sent. Format **shall** be CCYYMMDD	Mandatory
033-036	File create time	4	Int	Time file was sent. Format **shall** be HHMM	Mandatory
037-200	Filler	164	String	Spaces	Spaces

Record length-two hundred (200) bytes

The EBT vendor is required to transmit an extract of all financial activity to the State on a daily basis. Each transmission **shall** contain a header record, multiple records, and a trailer record.

All alphanumeric fields are left justified and right space filled. The FNS number only appears for SNAP transactions.

Daily Activity Detail Record

Position	Description	Length	Type	Comments	Required
001-001	Record Type	1	String	"D"=Detail Record	Mandatory
002-010	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
011-026	Cardholder Number	16	Int	Card used for transaction	Mandatory
027-029	County Office Code	3	Int	County office number for the case	Mandatory
030-031	Program Type	2	String	Program ID for the record: (F)=SNAP program; (C)=TANF Note: the second character **must** be a space.	Mandatory
032-035	Transaction Type	4	String	Please provide coding for all valid transaction types.	Mandatory
036-043	Transaction Date	8	Int	CCYYMMDD-Transaction Log Date	Mandatory
044-049	Transaction Time	6	Int	HHMMSS-Transaction Log Time	Mandatory
050-055	Sub-Program	6	String	See GLOSSARY OF TERMS for Sub-programs	Mandatory
056-056	Credit/Debit Indicator	1	String	"C"=Credit, "D"=Debit	Mandatory
057-063	Transaction Amount	7	Int	Amount of Transaction	Mandatory
064-070	Completed Amount	7	Int	Completed amount of transaction impacting the Benefit Authorization	Mandatory
071-077	Remaining Balance on Benefit Authorization	7	Int	Amount of funds available on authorization after transaction.	Mandatory
078-089	Benefit Authorization	12	String	State generated unique number	Mandatory
090-097	Settlement Date	8	Int	CCYYMMDD-Settlement Date for the transaction	Mandatory
098-104	FNS Number	7	Int	Only included on SNAP transactions	Mandatory only for SNAP
105-124	Merchant Name	20	String	Where the transactions occurred	Mandatory
125-164	Merchant Location	40	String	Address of merchant where the transactions occurred.	Mandatory
165-166	Card entry (Manual Or Swiped)	2	String	"00"=Not a card swipe transaction "01"=Manually Keyed PAN "02"=Card Swiped in Terminal	Mandatory
167-200	Filler	34	String	Spaces	Spaces

Record length-two hundred (200) bytes

Daily Activity Trailer Record

Position	Description	Length	Type	Comments	Required
001-001	Record Type	1	String	"T"=Trailer	Mandatory
002-010	Total Detail Records	9	Int	Total Number of Detail Records	Mandatory
011-020	Total Credits	10	Int	Total dollar value of Credits	Mandatory
021-030	Total Debits	10	Int	Total dollar value of Debits	Mandatory
031-200	Filler	170	String	Spaces	Spaces

Record Length-two hundred (200) bytes

Daily Activity Summary Record

This summary record **will** always follow the trailer record on the Daily Activity File. All Alphanumeric fields **will** be left justified and right space filled.

Field Name	Format	Comments
Record Type	X(2)	Constant= ES
Benefit Type	X(6)	Required
Beginning Balance	S9(11)v99	Dollar amount for this program at the beginning of the processing cycle.
Ending Balance	S9(11)v99	Dollar amount for this program at the end of the processing cycle
Accumulated Authorization Amount	S9(11)v99	Dollar amount of all benefit authorizations for this program for the processing cycle.
Accumulated Cancels Amount	S9(11)v99	Dollar amount of all benefit authorizations cancels for this program for the processing cycle. Includes aging, food benefit conversions, and benefit cancellations.
Accumulated Transaction Amount	S9(11)v99	Dollar amount of all client transactions performed against the benefit. This includes both credit and debit transactions.
Filler	X(23)	Field **will** be set to blanks.

Record Length-two hundred (200) bytes

Benefit Aging File

The Benefit Aging File details all the benefit authorizations falling into the aging periods specified by the State. The record formats included in this file are detailed below.

Benefit Aging Header Record

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	"AH"=Header	Mandatory
003-004	Agency ID	2	String	ARDHSF ARDHST	Mandatory
005-020	File Type	16	String	Valid Value: "AGINGEXTRACT"	Mandatory
021-028	Date Sent	8	Int	CCYYMMDD	Mandatory
029-032	Time Sent	4	Int	HHMM	Mandatory
033-080	Filler	48	String	Spaces	Spaces

Record Length-eighty (80) bytes

The EBT Vendor is required to transmit a daily extract of all benefit authorizations with no activity within the defined aging periods. Each transmission should contain a header record, multiple detail records, and a trailer record. All alphanumeric fields should be left justified and right space filled.

Benefit Aging Detail Record

Position	Description	Length	Type	Comments	Required
001-001	Record Type	1	String	"D"=Detail Record	Mandatory
002-003	Aging Indicator	2	String	"01"=Period 1-90 days "02"=Period 2-180 days "03"=Period 3-270 days "04"=Period 4-365 days (Expungement)	Mandatory
004-005	Program Type	2	String	Program ID for the record; "F"=SNAP "C"=TANF	Mandatory
006-014	Case Number	9	String	Case Number assigned by eligibility System: ARDHST (7 digits-left justified, right space filled) ARDHSF (9 digits)	Mandatory
015-022	Last Access Date	8	Int	CCYYMMDD	Mandatory
023-029	Account Balance (Benefit Authorization balance for expungements)	7	Int	Contains the remaining balance for the benefit type for Aging Indicators: "01"=Period 1 "02"=Period 2 "03"=Period 3 "04"=Period 4 Contains the remaining balance in the benefit Authorization being identified in the detail record for Aging Indicator: "04"=Period 4-Expungement	Mandatory
030-038	Benefit Authorization Number	9	Int	Required on expungements only	Conditional
039-041	County Office Code	3	Int	Eligibility Office Number	Mandatory
042-080	Filler	39	String	Spaces	Spaces

Record Length-eighty (80) bytes

All alphanumeric fields should be left justified and right spaced filled.

Benefit Aging Trailer Record

Position	Description	Length	Type	Comments	Required
001-002	Record Type	2	String	"TE"	Mandatory
003-008	Total Detail Records	6	Int	Total count of detail records	Mandatory
009-014	Total Aging Indicator "01" records	6	Int	Total count of detail records with "01" Aging Indicator	Mandatory
015-020	Total Aging Indicator "02"	6	Int	Total count of detail records with "02" Aging Indicator	Mandatory
021-026	Total Aging Indicator "03" records	6	Int	Total count of detail records with "03" Aging Indicator	Mandatory
027-032	Total Aging Indicator "04" records	6	Int	Total count of detail records with "04" Aging Indicator	Mandatory
033-042	Total Amount of Expunged Benefits	10	Int	Total count of detail records with "04" (Expungement) Aging Indicator	Mandatory
043-080	Filler	38	String	Spaces	Spaces

Record Length-eighty (80) bytes

All alphanumeric fields should be left justified and right space filled.

Case/Client Delete File

The EBT vendor should send the Case/Client delete file to the State when maintenance is performed against the vendor's EBT database and case/client information is purged because of inactivity as mutually agreed upon between the vendor and the State.

The Offeror **shall** detail how and when they perform this function and give their file layout. This function has not been performed on the Arkansas EBT System in the past.

ATTACHMENT H – CURRENT FNS FILE FORMATS

AMA-Record Format for Batch Issuance File from Processor

File Formats (Incoming)

Each batch issuance file received by Account Management Agent (AMA) **must** be in the format specified below in order for data to be successfully processed.

Issuance Files

Processors may send batch files that contain issuance data. Each file is required to have a File Header Record and a File Trailer Record. If the file contains only a File Header and File Trailer Record, then the file trailer's File-Record Count **must** be 000002 and the file **will** be treated as an "empty" file.

If the file is not "empty" it **must** contain a least one (1) project header record, at least one (1) effective date detail record for each project header record, one to five (1-5) unique detail transaction records for each effective date record, and a project trailer record for each project header. The records should be sequenced in the following manner:

Project Header Records should appear in ascending order based on the combination of Agency-Location-Code, Region-Code, Recipient-Organization-ID, Program-Year-Code, and Letter-Of-Credit-Code.
Detail Effective Date Records should appear in ascending order within each project based on Effective-Date.

Detail Transaction Code Records should appear in ascending order within each effective date based on Transaction-Code.

The following depicts the format of this file:

File is block
Record size is characters

File Header Record

Field	Length/Type	Value/Description

** If a processor handles more than one (1) state, the beginning file number may vary.

Project Header Record

Field	Length/Type	Value/Description

Detail Record – Effective Date

Field	Length/Type	Value/Description

Detail Record – Transaction Code

Field	Length/Type	Value/Description

Project Trailer Record

Field	Length/Type	Value/Description

File Trailer Record

Field	Length/Type	Value/Description

Sample File
**********Top of Data**********

The FNS File details all food benefit activity taking place against the benefit authorizations on the EBT System database.

This **will** be sent to FNS only, not to the State.

Interface Control Document (ICD) - Details the interface between the State and the vendor's EBT System. The ICD documents the interface functionality requirements and details the file layouts and specifications. This document **shall** be updated within thirty (30) days of any changes

FNS Header Record

Field Name	Format	Comments
	X(2)	Constant = 1
FRD-ABA	9(9)	FRDABA number with check digit; right justified and left zero filled.
Suffix Code	X(7)	Suffix code from CONFIG.
State	X(2)	State postal code.
County Code	X(3)	County code from CONFIG.
File Create Date	9(6)	YYMMDD
File Create Time	9(4)	HHMM
FNS Location Code	9(4)	The identifying number for the LOC at FED for food benefits. This field is right justified and left zero filled.
Filler	X(43)	Field is set to blanks.

Record Length: e i g h t y (80) bytes

FNS Detail Record

Field Name	Format	Comments
	X(1)	Constant = *b*
ACH Send Date	9(6)	YYMMDD
Filler	X(12)	Field is set to blanks.
Merchant Net Amount	s9(7)v99	Net amount of deposit or withdrawal from the merchant's account + NNNNNNN.NN = deposit - NNNNNNN.NN = withdrawal
FNS ID Number	9(7)	FNS ID number of the store
Filler	X(44)	Field is set to blanks.

Record Length: e i g h t y (80) bytes

Detail records are created and listed by the posting date and the merchant's FNS ID number.

FNS Date Total Record

Field Name	Format	Comments
	X(1)	Constant = C
ACH Send Date	9(6)	YYMMDD
Number of Detail Records	9(6)	Number of detail records on the file; right justified and left zero filled.
Filler	X(6)	Field is set to blanks.
Merchant Net Amount	s9(7)v99	Net amount of deposit or withdrawal from the merchant's account. + NNNNNNN.NN = deposit - NNNNNN.NN = withdrawal
Filler	X(7)	Field is set to blanks.
File Net Amount	s9(9)v99	Net amount for this file.
Filler	X(32)	Field is set to blanks.

Record Length: e i g h t y (80) bytes

Date records are created and listed by posting date. The posting date is the date the money movement was reported and the entry was submitted to the ACH System.

FNS Trailer Record

Field Name	Format	Comments
	X(1)	Constant = T
Filler	X(6)	Field is set to blanks.
Number of Detail Records	9(6)	Number of detail records on the file
Filler	X(6)	Field is set to blanks.
Merchant Net Amount	s9(7)v99	Net amount of deposit or withdrawal from the merchant's account. + NNNNNNN.NN = deposit - NNNNNN.NN = withdrawal
Filler	X(7)	Field is set to blanks.
File Net Amount	s9(9)v99	Net amount for this file.
Filler	X(32)	Field is set to blanks.

Record Length: (e i g h t y) 80 bytes

ACH File

The ACH file is processed daily and contains the debits and credits for all merchant and client bank accounts affected by the day’s activity.

File Header Record

Field Name	Format	Comments
Record Type Code	9(1)	Constant = 1
Priority Code	9(2)	Constant = 02
Originating FI Identification	9(10)	
File Identification	X(10)	
Transmission Date	9(6)	Format: YYMMDD
Transmission Time	9(4)	Format: HHMM
File ID Modifier	X(1)	Constant = A
Record Size	9(3)	Constant = 094
Blocking Factor	X(2)	Fields set to blanks
Format Code	9(1)	Constant = 1
Originating FI Name	X(23)	
Company Name	X(23)	
Reference Code	X(8)	

Company/Batch Header Record

Field Name	Format	Comments
Record Type Code	9(1)	Constant = 5
Service Class Code	9(3)	Identifies the type of dollar items included in the ACH. Valid values: 200 = Debits and credits 220 = Credits only 225 = Debits only 280 = Automated accounting
Company Name	X(16)	Identifies the source of the entry.
Company Discretionary Data	X(20)	
Company Identification	X(10)	Required
Standard Entry Class	X(3)	Constant = CCD
Company Descriptions	X(10)	
Company Descriptive Data	X(6)	
Effective Entry Date	9(6)	Format: YYMMDD
Reserved	X(3)	Field is set to blanks.
Originator Status Code	9(1)	Constant = 1
Originating Routine & Transit Number	9(8)	Transit routing number of the originating depository financial institution.
Batch Number	9(7)	

Entry Detail Record

Field Name	Format	Comments
Record Type Code	9(1)	Constant = 6
Transaction Code	9(2)	Identifies the type of transactions included in the record.
Receiving Routing & Transit Number	9(8)	
R & T Check Digit	9(1)	
Account Number	X(17)	
Amount	9(10)	
Individual ID Number*	X(15)	
Individual Name*	X(22)	
Discretionary Data	9(2)	
Agenda Record Indicator	9(1)	
Agenda Record Indicator	9(15)	

*These fields have been switched to offer merchants a clearer description on their bank statements.

Company/Batch Control Record

Field Name	Format	Comments
Record Type Code	9(1)	Constant = 8
Service Class Code	9(3)	Constant = 200
Entry/Addenda Count	9(6)	
Entry Hash	9(10)	Zero filled
Total Debit Entry Amount	9(12)	
Total Credit Entry Amount	9(12)	
Company Identification	X(10)	
Reserved	X(25)	Field is set to blanks.
Reserved	X(6)	Field is set to blanks.
Originating Routing & Transit Number	9(8)	
Batch Number	9(7)	

File Control Record

~~Field Name~~	~~Format~~	~~Comments~~
Record Type Code	9(1)	Constant = 9
Batch Count	9(6)	
Block Count	9(6)	
Entry/Addenda Count	9(8)	
Entry Hash	9(10)	Zero filled
Total Debit Entry Amount	9(12)	
Total Credit Entry Amount	9(12)	
Reserved	X(39)	Field is set to blanks.

National EBT Retailer Data File (REDE)

The National EBT Retailer Data File lists all merchants that have been certified by the FNS to accept food benefit transactions when they participate in EBT.

This file is received from FNS, not from State.

National EBT Retailer Data Header Record

Field Name	Format	Comments
Transaction Type Code	X(1)	Blank
Creation Date	X(8)	Date the file was created Format: CCYYMMDD
File Type	X(1)	File type indicator D = Daily F = Full Replacement
Transaction Count	9(7)	Count of detail records
Filler	X(18)	Field is set to blanks.

Record Length-thirty five (35) bytes

National EBT Retailer Data Detail Record

Field Name	Format	Comments
Transaction Type Code	X(1)	A = Indicates store added D = Indicates store deleted M = Indicates State code or first (1st) ten (10) characters of store name were modified
Store Identification	9(7)	STARS Authorization Number
State Code	X(2)	Alphabetic State code where store is located
Store Name	X(10)	First (1st) ten (10) characters of the store name
Filler	X(18)	Field is set to blanks.

Record Length-thirty five (35) bytes

National EBT Retailer Data Trailer Record

Field Name	Format	Comments
Transaction Type Code	X(1)	T = Trailer record
Creation Date	9(8)	Date the file was created Format: CCYYMMDD
File Type	X(1)	File type indicator D = Daily F = Full Replacement
Add Transaction Count	X(7)	Total number of add records
Delete Transaction Count	X(7)	Total number of delete records
Modify Transaction Count	X(7)	Total number of modify records
Filler	X(4)	Field is set to blanks.

Record Length-thirty five (35) bytes

ALERT File

The ALERT File details all accepted food benefit activity and reversals taking place against the benefit authorizations on the EBT System database. Note: This file **will** be sent to FNS by the vendor, not to the State.

ALERT File Header/ Trailer

Field Name	Format	Comments
Recipient State	X(2)	Alphabetic Abbreviation (i.e.AR) of state providing benefits to enclosed recipients
Redemption Year	9(4)	Four digit year, i.e.2015, representing year in which enclosed transactions were conducted
Redemption Month	9(2)	Two (2) digit month Values: 01 – 12 representing the month in which enclosed transactions were conducted
Sequence Number	9(2)	Two (2) digit sequence number 00 – Monthly Submissions 01 – 31 – Day of Submission
Number of transactions included	9(9)	Number of transaction records included (does not include header/trailer records in count). – Header Record may contain a value of zero, but Trailer Records **MUST** contain valid count
EBT Vendor Site Name	X(30)	Name of submitting vendor site with spaces replaced by hyphens (not State agency), i.e., JP-Morgan_site-1, FIS-Site-2, 3 – ACS etc.)
File Generation Date	Date	Date file generated in CCYYMMDD
Period Start Date	Date	Starting date for enclosed transactions in CCYYMMDD format
Period Start Time	Time	Starting time for enclosed transactions in HHMMSS twenty four (24) hour format (GMT)
Period End Date	Date	Ending date for enclosed transactions in CCYYMMDD format
Period End Time	Time	Ending time for enclosed transactions in HHMMSS 24 hour format (GMT)
Site Time Zone Offset	9(2)	Number of hours that processing site is offset from GMT, i.e., EST value is 05)
Site Daylight Savings Time Indicator	9(1)	0 – Operating on Standard Time 1 – Operating on Daylight Savings Time
Record Delimiter	X(2) – CrLF	Carriage Return ASCII value 0D LineFeedASCIIvalue0A

ALERT Detail Record

Field Name	Format	Comments
FNS Retailer ID	9(7)	Valid FNS Number identifying retailer
Retailer State Location	X(2)	State Abbreviation for retailer location
POS Terminal ID	X(8)	ID (unique within retailer) of POS terminal with trailing blanks
House Account Number	X(14)	Account number that identifies household of card bearing recipient with trailing blanks
Card Account Number	X(19)	Account number on card stock used in transaction with trailing blanks
Transaction Date	Date	Date completed in CCYYMMDD format (GMT)
Transaction Time	Time	Time in HHMMSS twenty four (24) hour format
Transaction Amount	9(4)v2	Transaction amount in 9999v99
Transaction Sign	+ or -	+ to designate credit to recipient and – to designate debit to recipient. Ignored for balance inquiry type transactions
EBT Program	9(2)	00 – Food Program (SNAP)
Transaction Type	9(2)	10 – Purchase 20 – Refund/Return 30 – Void last transaction 40 – Balance Inquiry
Transaction Method	9(1)	0 – Electronic Swipe 0 – Manual/Key entered 1 – Paper Voucher (Settled) 2 – RFID/Pay by touch 3 – Paper Voucher (Authorization)
Store & Forward Indicator	9(1)	0 – Not a Store & Forward 0 – Denied 1 – Partially Approved 2 – Fully Approved
Response Code	X(3)	Indicator for accepted or rejected transactions
Available balance prior to Transaction	9(4)v2	
Filler	X(2)	Contents Ignored
Record delimiter	X(2) – CrLF	Carriage Return ASCII value 0D Line Feed ASCII value 0A

Store Tracking and Redemption (STARS) System File Format

Retailer Transaction Record

ALERT Submission File Specifications

Compressed Files containing submission files

Submission Files Enclosed in Compressed File

Sequence
Number

Submission File Record Sequence

EBT Submission Header and Trailer Record Specification

Description	Starting Position	Length	Type	Comments	Update Status

EBT Transaction Record Specification

Description	Starting Position	Length	Type	Comments	Update Status

Table 2 – Valid Response Code Combinations

New Response Code	ANSI Code (bit 039)	Response Description	Old Response Code Value

Transaction Record Contextual Requirements

Description	Record 1 Value	Record 2 Value

REDE START-UP PACKAGE and FILE FORMAT
State EBT Retailer Data File

The State EBT Retailer Data File lists all merchants that have been newly certified (accept food benefit transactions) or decertified (can no longer accept food benefit transactions) by the FNS when they participate in EBT. The information on this file is used to contract new merchants and de-install decertified merchants.

Note: This file is received from FNS, not from the State.

State EBT Retailer Data Header Record

~~Field Name~~	~~Format~~	~~Comments~~
Transaction Type Code	X(1)	Blank
State Code	X(2)	The State code where the store is located.
Beginning Date	X(8)	CCYYMMDD
Ending Date	X(8)	CCYYMMDD
Transaction Count	9(7)	Count of detail records in the file.
Filler	X(54)	Field **will** be set to blanks.

Record Length-eighty (80) bytes

State EBT Retailer Data Detail Record

Field Name	Format	Comments
Transaction Type Code	X(1)	A = new merchant was added M = existing merchant was changed D = existing merchant was removed from the program R = merchant is reinstated into the program
State Code	X(2)	
Store Identification	9(7)	STARS Authorization Number.
Transaction Record ID Number	9(1)	Valid ID numbers are one to four (1 – 4).
Store Name	X(33)	Full name of merchant (store).
Telephone Number	9(10)	Telephone number including area code.
Open twenty four (24) Hours Indicator	X(1)	Y = Yes, open twenty four (24) hours N = No
Registers Count	9(5)	Total number of check-out registers in store.
County Code	X(3)	The county within the State where the store resides.
Business Type Code	X(2)	Type of store.
Filler	X(15)	Field **will** be set to blanks.
Address Number	X(8)	Address number of store.
Street Name	X(25)	Street name of store.
City Name	X(15)	City name.
State Code	X(2)	State code where store resides.
Zip Code	9(5)	Five digit zip code of store.
Zip 4 Code	9(4)	Four digit zip code suffix of store.
Filler	X(10)	Field **will** be set to blanks.
Authorization Status Code	X(2)	Indicates the current authorization status of store.
Authorization Status Date	9(8)	Effective date of current authorization status.
Recertification Status Date	9(8)	The date the store was re-certified as authorized under FNS regulations based on updated data supplied by the merchant.
Ownership Type Code	X(1)	1 = sole proprietorship 2 = partnership 3 = cooperative 4 = privately held corporation 5 = publicly owned corporation 6 = government
Owner's Name Format	X(1)	1 = organization's name (corporation, company, government, etc.) 2 = person's name
Owner's Name	X(33)	Organization or primary person that owns the store. If it is a person's name: First (1st) thirteen (13) characters = first (1st) name and middle name or initial Last twenty (20) characters = last name
Filler	X(16)	Field **will** be set to blanks.
Mailing Address Number	X(8)	Address number on street on store mailing address.
Mailing Street Name	X(25)	Name of street on store mailing address.
Mailing City Name	X(15)	Name of city on store mailing address.
Mailing State Name	X(2)	State code on store mailing address.
Mailing Zip Code	9(5)	Five (5) digit zip code on store mailing address.
Mailing Zip four (4) Code	9(4)	Four (4) digit zip code on store mailing address.
Filler	X(10)	Field **will** be set to blanks.

Record Length-two hundred eighty seven (287) bytes

State EBT Retailer Data Trailer Record

Field Name	Format	Comments
Transaction Type Code	X(1)	Blank
State Code	X(2)	The state code where the store is located.
Beginning Date	X(8)	CCYYMMDD
Ending Date	X(8)	CCYYMMDD
Transaction Count	9(7)	Count of detail records in the file.
Add Transaction Record Count	9(7)	Count of add transaction records in the file.
Delete Transaction Record Count	9(7)	Count of delete transaction records in the file.
Modify Transaction Record Count	9(7)	Count of modify transaction records in the file.
Reactivate Transaction Record Count	9(7)	Count of reactivate transaction records in the file.
Record ID number Hash Total	9(8)	Total of all the record ID numbers from all of the detail records.
Filler	X(18)	Field **will** be set to blanks.

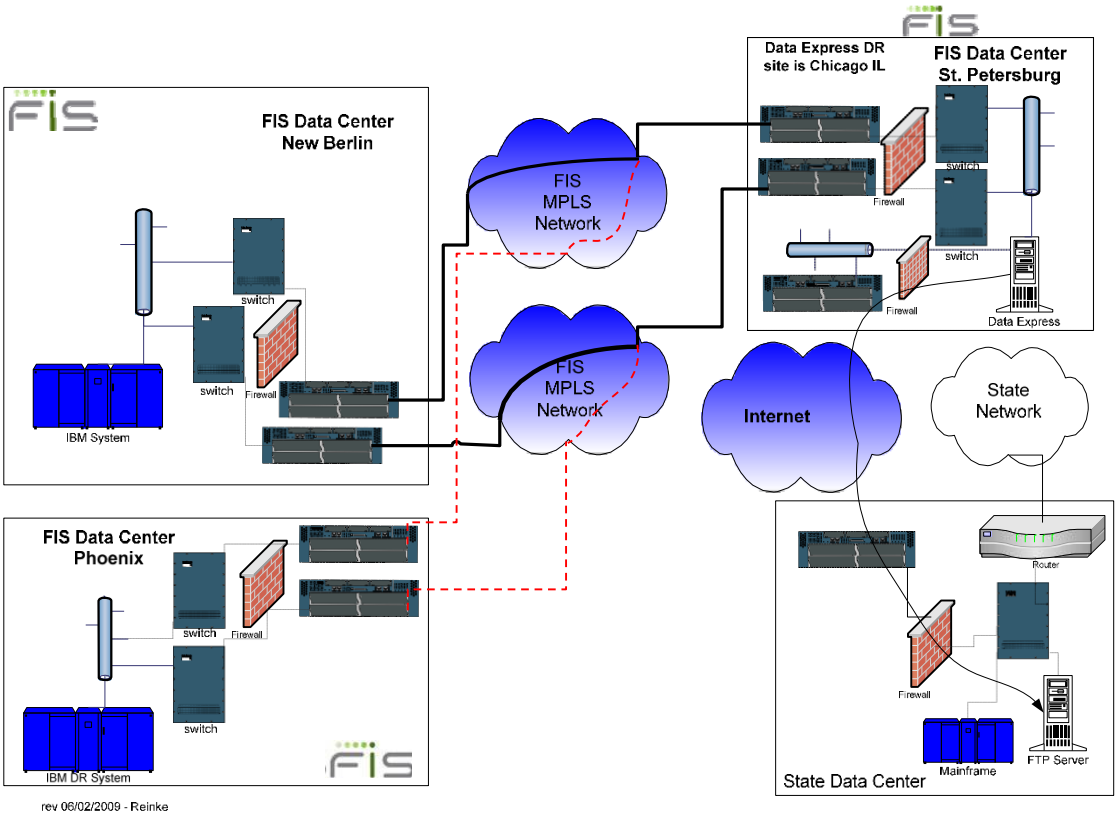
Record Length-eighty (80) bytes

ATTACHMENT I – CURRENT STATE HARDWARE DATA

FOR INFORMATIONAL PURPOSES ONLY

State Hardware Configuration

This section describes the current system hardware in place between the existing processor and the State of Arkansas.



The above diagram shows the connectivity between the State and current vendor.

ATTACHMENT J – HISTORICAL SNAP AND CASH TRANSACTION VOLUMES

FOR INFORMATIONAL PURPOSES ONLY

MONTH	SNAP	CASH	
	POS Transactions	POS Cash Transactions	ATM Transactions
06/2014	1,953,529	12,314	3,977
07/2014	1,935,388	14,875	5,451
08/2014	1,952,560	14,105	5,054
09/2014	1,945,361	14,299	5,217
10/2014	1,918,470	14,439	5,069
11/2014	1,985,831	14,723	5,116
12/2014	1,927,154	14,313	4,941
01/2015	1,956,671	13,820	4,745
02/2015	1,829,718	13,896	4,662
03/2015	1,674,267	12,101	4,074
04/2015	1,861,384	12,731	3,957
05/2015	1,895,340	12,223	4,024

ATTACHMENT K – DELIVERABLE CHART

Item	Deliverable Description	Acceptance Criteria	Section	Timeline
Transition In/Out Period				
1	Transition In Kick-Off Meeting	Acceptance of Deliverable Form	2.7.C	Date of Contract Award + 30 calendar days
2	Transition In Plan	Acceptance of Deliverable Form	2.6	Date of Contract Award + 30 calendar days
3	Transition – In Test Plan	Acceptance of Deliverable Form	2.6	Date of Contract Award + 30 calendar days
4	Transition In Kick-Off Meeting Presentation	Acceptance of Deliverable Form	2.7.C	Date of Contract Award + 30 calendar days
5	Comprehensive Test Plan	Acceptance of Deliverable Form	2.5	Date of Contract Award + 30 calendar days
6	Change management Plan	Acceptance of Deliverable Form	2.4.A/2.7.C	Date of Contract Award + 30 calendar days
7	Functional Design Document	Acceptance of Deliverable Form	2.4.B	Date of Contract Award + 30 calendar days
8	Detailed Design Document	Acceptance of Deliverable Form	2.4.C	Date of Contract Award + 45 calendar days
9	Interface Control Document	Acceptance of Deliverable Form	2.4.D	Date of Contract Award + 30 calendar days
10	Life Cycle Approach Test Plan	Acceptance of Deliverable Form	2.4.D	Date of Contract Award + 30 calendar days
11	Test Plans	Acceptance of Deliverable Form	2.4.F	Prior to completion of Design Phase
12	Back-Up and Recovery Plans	Acceptance of Deliverable Form	2.4.G	Date of Contract Award + 30 calendar days
13	System Security Plan	Acceptance of Deliverable Form	2.31	Date of Contract Award + 30 calendar days
14	Training Plan	Acceptance of Deliverable Form	2.4.I	Date of Contract Award + 30 calendar days
15	Anti-Fraud Plan/Fraud Analysis	Acceptance of Deliverable Form	2.32	Date of Contract Award + 30 calendar days, then annually

Item	Deliverable Description	Acceptance Criteria	Section	Timeline
16	System Test Scripts	Acceptance of Deliverable Form	2.5.C	Date of Contract Award + 30 calendar days
17	Test Reports	Acceptance of Deliverable Form	2.5.E	Due within 5 calendar days after each test
18	System Operations/Interface Procedures Manual	Acceptance of Deliverable Form	2.4.D	Date of Contract Award +30 calendar days, and as needed
19	Report Manual	Acceptance of Deliverable Form	2.5.H	Date of Contract Award +45 calendar days
20	Settlement/Reconciliation Manual	Acceptance of Deliverable Form	2.5.I	Date of Contract Award +30 calendar days
21	EBT Administrative Terminal Manual	Acceptance of Deliverable Form	2.16.7.c.iii	Date of Contract Award +90 calendar days
22	Retailer Manual with Quick Reference Guide	Acceptance of Deliverable Form	2.16.7.b.iii	Date of Contract Award +90 calendar days
23	Project Management Plan	Acceptance of Deliverable Form	2.36	Date of Contract Award + 30 calendar days and updated as requested
24	Preliminary Project Work Plan	Acceptance of Deliverable Form	2.36.C.8	Date of Contract Award + 30 calendar days
25	Final Staffing Plan	Acceptance of Deliverable Form	2.36.D	Date of Contract Award + 30 calendar days
26	Communications Plan	Acceptance of Deliverable Form	2.36.E	Date of Contract Award + 30 calendar days, and as needed
27	Risk Management Plan	Acceptance of Deliverable Form	2.36.F	Date of Contract Award + 30 calendar days
28	QA/QC Plan	Acceptance of Deliverable Form	2.36.G	Date of Contract Award + 30 calendar days
29	Configuration Management Plan	Acceptance of Deliverable Form	2.36.I	Date of Contract Award + 30 calendar days
30	Disaster Recovery Plan	Acceptance of Deliverable Form	2.31.F.1	Date of Contract Award + 90 calendar days

Item	Deliverable Description	Acceptance Criteria	Section	Timeline
31	Business Continuity Plan	Acceptance of Deliverable Form	Attachment A Program Deliverable 2, Performance Indicator 3	Date of Contract Award + 120 calendar days, then annually
32	EBT Disaster System Administrative Terminal User Manual along with a Quick Reference Guide	Acceptance of Deliverable Form	2.5.J	Date of Contract Award + 120 calendar days, and as needed
33	Transition Status Reports	Acceptance of Deliverable Form	2.7.D	Date of Contract Award + 30 calendar days then Semi-Monthly
EBT-Only Transfer Phase				
34	EBT- Only Terminal Conversion	Acceptance of Deliverable Form	Attachment A Program Deliverable 3 Performance Indicator 1	End of *Transition-In* Period
35	Database Conversion	Acceptance of Deliverable Form	2.3.B	End of *Transition-In* Period
Transition-Out				
36	Transition-Out Plan	Acceptance of Deliverable Form	2.46	1 year prior to Contract end
Operational Deliverables				
37	Problem Resolution Procedures	Acceptance of Deliverable Form	2.29	Due 10 calendar days prior to Contract start date, and 10 calendar days prior to each Contract anniversary date.
38	Certificates of Insurance – General Liability	Acceptance of Deliverable Form	3.20	Due with the executed Contract and at each Contract anniversary date
39	Certificate of Insurance – Errors and Omissions	Acceptance of Deliverable Form	3.20	Due one week prior to executed Contract and at each Contract anniversary date

ATTACHMENT L – ANTICIPATED TIMELINE

ACTION	ANTICIPATED COMPLETION DATE
Post Final Draft RFP	December 1, 2016
Post Final RFP	January 31, 2017
Questions due	February 10, 2017
Answers and (possible) Addendum posted	February 17, 2017
Closing Date And Time For Receipt Of Proposals (Bid opening)	March 1, 2017
Check requirements-OSP	March 2 – 8, 2017
Evaluator Training	March 9, 2017
Evaluation – DHS/DCO	March 10 – 24, 2017
Consensus Meeting	March 27, 2017
Pricing opened	March 28, 2017
Anticipation to Award posted	March 29, 2017
Legislative Review	May 2017
Contract Award Issued	May 20, 2017
Begin Operating System Under Selected Contractor	May 1, 2018

ATTACHMENT M – STATE OF ARKANSAS - TECHNICAL AND GENERAL SERVICES CONTRACT

The form link below is provided for informational purposes only
OFFERORS SHOULD NOT COMPLETE THIS SAMPLE FORM

Awarded vendor will need to complete this form before contract start date:
http://www.dfa.arkansas.gov/offices/procurement/Documents/tgs1Flat.pdf