
ALABAMA

REQUEST FOR PROPOSAL
FOR
ELECTRONIC BENEFIT TRANSFER
SERVICES



MAY 4, 2005

ALABAMA DEPARTMENT OF HUMAN RESOURCES

ALABAMA

REQUEST FOR PROPOSAL
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SECTION 1

EBT RFP

INTRODUCTION



SECTION 1 EBT RFP INTRODUCTION

The purpose of this Request for Proposal (RFP) is to acquire Electronic Benefit Transfer (EBT) services for the Food Assistance (Food Stamp) and Family Assistance (TANF) Programs administered by the Alabama Department of Human Resources (herein after referred to as the State). Additional programs may be added in the future.

The State retains the right to accept or reject any or all Proposals if it is deemed to be in the best interest of the State.

1.1 Overview

This RFP solicits the delivery of the full scope of EBT services. Services to be provided include, but are not limited to:

- EBT Account Establishment and Maintenance
- Card Issuance and Replacement
- Transaction Processing
- Customer Service
- Retailer Management and EBT-only Terminal Deployment
- Settlement and Reconciliation
- Reporting
- Any additional services not addressed in this document that the Respondent determines would enhance benefit delivery or operational efficiencies.

The scope of services within this RFP reflects the State's goal to provide EBT services that meet the State's quality, performance and cost constraint requirements. Section 2 of the RFP defines the scope of the project as envisioned by the State. Section 3 defines the technical requirements for the EBT services to be provided by the Contractor. Section 4 contains pricing schedules for Respondents to use in their Proposals. The appendices provide additional information that further clarify and define the scope of services being required.

The term "New Contractor" is used throughout the document to define the EBT Contractor selected as a result of this RFP.

The contract period for services acquired through this RFP shall be for two initial years with the State having the sole option to renew the contract under the same terms and conditions for two additional periods of two years each.

1.1.1 Project Summary

Alabama implemented a statewide EBT program for the delivery of benefits for the Food and Family Assistance Programs in October 1997. Alabama secured EBT services as a



member of the Southern Alliance of States (SAS) in partnership with the U.S. Department of Treasury. For this reason, federal direct benefits, such as Social Security and SSI, were a part of EBT services. This RFP does not include the delivery of federal direct benefits.

Alabama currently operates an established EBT system with an EBT Contractor that will expire on February 28, 2007. This RFP is requesting an EBT system that will result in as little disruption or change to the State's current operations as possible and preferably no changes to the State's EBT interface. However, the State would consider changes to its EBT interface if the proposed changes provide operational savings and/or improved services.

Respondents must propose an EBT system that meets the requirements of applicable Federal and State laws and regulations as well as the Quest Operating Rules. See Appendix H, Contract Terms and Conditions, for order of precedence. For EBT processing, the Federal requirements shall be considered the minimum standards for the EBT system.

Where specified in this RFP, the selected Contractor will be required to exceed federal requirements to meet State or Quest requirements. Unless expressly noted as an exception herein, Quest Operating Rules will apply to all applicable aspects of EBT system development and operation. The State may seek variances from portions of the Quest Operating Rules if deemed necessary by the State to meet its requirements. As Federal and State regulations, and/or the Quest Operating Rules are changed, the EBT system must be modified to meet the new requirements.

Nationwide interoperability, in accordance with Federal Regulations for the Food Stamp Program is a requirement of this RFP.

1.1.2 Contact Person

The point of contact for this RFP is:

Starr Stewart
Alabama Department of Human Resources
Office of Policy, Planning and Research
Phone: 334-353-4744

From the date of issuance of this RFP until the selection of a Contractor is announced, all questions concerning any part of this RFP shall be directed to the point of contact listed above. It is not permissible for any Respondent, or any entity working on behalf of a Respondent, to solicit information from any government source (Federal or State) other than from the official point of contact listed above. Any unauthorized solicitations for information that are reported are grounds for disqualification of the Respondent's Proposal.



1.1.3 RFP Timeline

All correspondence with the exception of pricing shall be submitted to the contact person above. The process/schedule for responding to this RFP is as follows:

- RESPONDENTS SHALL NOTIFY THE STATE IN WRITING OF THEIR EXPRESSION OF INTEREST IN RESPONDING TO THIS RFP. THE EXPRESSION OF INTEREST SHALL BE RECEIVED NO LATER THAN MAY 18, 2005. Failure to provide this Expression of Interest will exclude any Respondent from consideration.
- RESPONDENTS' QUESTIONS REGARDING THE RFP SHALL BE SUBMITTED IN WRITING AND RECEIVED NO LATER THAN JUNE 8, 2005. Written questions shall be submitted either by mail or fax to:

Starr Stewart
Alabama Department of Human Resources
Office of Policy, Planning and Research
50 Ripley Street, Suite 2104
Montgomery, AL 36130-4000
FAX: 334-353-1115

Questions should be as short and concise as possible. All questions will be responded to in writing. All Respondents submitting a written Expression of Interest will be supplied with the answers to all submitted questions.

- Answers to written questions from Respondents will be forwarded no later than July 6, 2005.
- PROPOSALS TO THE RFP SHALL BE SENT TO THE CONTACT PERSON AND RECEIVED NO LATER THAN 2:00 PM CENTRAL TIME, AUGUST 10, 2005. PROPOSALS RECEIVED AFTER THE CUTOFF TIME WILL NOT BE ACCEPTED. AN ORIGINAL AND 7 COPIES OF THE PROPOSAL SHALL BE SUBMITTED. Faxed copies will not be accepted.
- Oral presentations by Respondents will be made the week of November 14, 2005, as requested by the State. The oral presentations will provide the Respondents an opportunity to provide clarification on questions and issues the State may have on the response to the RFP. Respondents shall participate in the oral presentations at their expense. Failure to participate in the oral presentations shall disqualify the Respondent from consideration for the EBT contract. Respondents may be requested to provide a Best and Final Offer subsequent to the oral presentations.



- Based on the evaluation of Proposals and the oral presentations, an EBT Contractor will be selected for contract negotiation. An announcement of the selection will be made by the State no later than November 30, 2005.
- Negotiations will begin no later than December 7, 2005 with the selected Contractor.
- It is the intent of the State to have a signed contract as soon as possible. If contract negotiations have not successfully concluded by January 18, 2006, the State will end negotiations with the selected Contractor and will begin negotiations with the Respondent receiving the second highest score during the evaluation of the Proposal. Selection of a Contractor for contract negotiations does not insure a contract with the State for EBT services. The entry into a contract with the State for EBT services is entirely contingent upon the successful negotiations of contract terms and conditions.

1.1.4 Requirements for Responding to RFP

The Proposal shall state the section/subsection headings from each requirement verbatim, employing the same numbering system used in the RFP. Each requirement listed in Section 2 and 3 of the RFP requires a response. A detailed response to a requirement shall be presented directly below the section heading and shall not be a restatement of the section, concurrence, or simple agreement. For those sections that do not clearly require that descriptive solution-oriented information be provided, the State is strongly suggesting that additional information be provided if such information will enhance the clarification of the Respondent's response and the State is requiring, at a minimum, agreement by the Respondent to comply with the requirement. The Proposal from a Respondent failing to follow these instructions shall be rejected.

Section 4 of this RFP defines the requirements for the Pricing Proposal from Respondents. Similar to the technical proposal, the Proposal shall state the section/subsection headings from each requirement verbatim, and follow the section heading with a detailed response.

The Proposals shall include a cover letter signed by an officer of the Respondent entity authorized to make the commitments and representations included in the Proposal. The cover letter shall also include a contact person who is authorized to act on behalf of the Respondent as well as written commitments from all proposed subcontractors. Respondents are strongly encouraged to recommend the use of new and innovative technologies that will provide improved service and/or operational savings when formulating a response. The introduction of these technologies can occur at any time during the project. Examples of such innovative technologies include:

- Electronic Data Interchange
- Innovative Marketing Strategies
- Detection and Prevention of Fraud



- Biometrics

1.1.5 Information Contained in Proposal

Upon submission, all Proposals become the property of the State of Alabama. All information contained in Proposals will remain non-public information until such time as a contract award is made. Upon contract award, all information contained in Proposals will become public information except for information defined by the Respondent as being "Trade Secret Information." Proposal information that falls within the "trade secret" definition must be properly marked and identified by Respondents as "Trade Secret Information" or the Proposal information will not be recognized as such by the State. Proposals that contain a blanket "trade secret" claim or that are substantially identified as "trade secret" will not receive any recognition by the State as "Trade Secret Information." Pricing within the Proposal cannot be identified as "Trade Secret Information."

1.1.6 Proposal Evaluation Information

The purpose of this section is to provide a description of the evaluation process and the criteria that will be used in the selection of a Contractor. All Proposals received by the closing deadline will be evaluated according to the criteria herein.

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

1. Meets or exceeds the detailed EBT system requirements described in this document;
2. Offers innovative/effective methods for meeting the management of service/functional requirements;
3. Proposes skilled and experienced individuals for overall project functions;
4. Is supported by corporate strength to assure full, effective implementation, and maintenance;
5. Presents an effective, realistic work plan to implement the specifications of this RFP; and
6. Is financially affordable.

The State is seeking a system that is technically sound, flexible, and will incorporate technological advancements. In that both the technical response and cost are considered important criteria for the selection of an EBT Contractor, the responses to Section 2, Project Scope and Management, and Section 3, General Requirements, will be evaluated and scored along with the Pricing Proposal in Section 4. The evaluation team will be composed of representatives from EBT user departments within the State. In the overall scoring scheme that will be used by the State, the technical response will account for 60% of the total score and cost will account for 40% of the overall total score.



1.2 Current System Description

EBT services are currently provided to the State by eFunds Government Solutions (herein after referred to as eFunds). Affiliated Computer Services State and Local Solutions (ACS-SLS) is a subcontractor for eFunds and provides some of the services.

1.2.1 Services Provided by EBT Contractor

eFunds operates a turnkey EBT system for the State of Alabama. They provide project management, settlement and reconciliation services, system account management, processing services, EBT transaction switching services and client customer service. ACS provides retailer management and card production services (however EBT-only Point-of-Sale (POS) terminal driving is provided by eFunds).

1.2.2 State Interfaces

The State has a defined set of interfaces established between the existing Contractor and the State's EBT Interface System that supports the transfer of information and data required to maintain the Contractor's EBT system. Because of the expense and effort that would be required by the State to change the interface, the State is requiring that prospective EBT Contractors utilize the existing interface design currently in production to the maximum extent possible. Respondents proposing to change the interface must provide a compelling reason why the change is necessary.

1.2.2.1 Batch Files

The primary method used to exchange information between the State's EBT Interface System and the Contractor's EBT system is by batch files. The descriptions of the files are provided in Section 3 of the RFP and the specific file formats are detailed in Appendix F, EBT File Formats.

1.2.2.2 Administrative Terminal

The EBT Administrative Terminal provided by the current Contractor is utilized mainly for inquiry access, although there are update functions associated with the Administrative Terminal application. While the State is not expecting the existing Administrative Terminal screens be duplicated in the new EBT system, the State is expecting that the functionality provided by the Administrative Terminal be duplicated. The descriptions of the functions are provided in Section 3 of the RFP.

1.3 Alabama Benefit Program Profiles

The State currently has two benefit programs delivering benefits through EBT, the Food Assistance (Food Stamp) and the Family Assistance (TANF) Programs. Each is discussed separately.



1.3.1 Food Assistance (Food Stamp) Program

The Food Stamp Program (FSP) is a food assistance program administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). FNS sets national FSP policies and authorizes/approves food retailers to accept program benefits. FNS monitors retailer compliance and investigates retailers suspected of fraudulent activities.

Although administered by FNS, the program is operated by the State and in Alabama it is referred to as the Food Assistance Program. The State and county offices determine eligibility and authorize benefits. To maintain client eligibility caseloads, the State operates an eligibility certification system. State and county offices are also charged with investigating clients who are suspected of fraudulently obtaining benefits.

1.3.1.1 Program Purpose

Food Stamp Program benefits are used to supplement the food buying power of eligible low-income households. The purpose of the Food Stamp Program is to improve the levels of nutrition among low-income households and to strengthen the agricultural economy through normal commercial channels.

1.3.1.2 Client Profile

Appendix B contains Historical Caseload Data for the Alabama Food Assistance Program. However, the data contained in Appendix B is no indication or guarantee of future food stamp caseloads.

1.3.1.3 Benefit Restrictions

As a food assistance program, the FSP benefits are restricted to the purchase of eligible food items in authorized food retail locations.

1.3.1.4 Retailer Management

Retailers authorized by FNS to accept FSP benefits are required to comply with program rules. This may include traditional and non-traditional merchants. Any retailer listed on the FNS retailer database will be included in the deployment of Point of Sale (POS) equipment except those retailers specified in the waiver entitled "Retailer Participation – POS Deployment". FSP benefits can be used only to purchase food items designated as eligible food items by FNS. The Department of Agriculture's Office of the Inspector General (OIG), FNS Compliance Branch, Secret Service, and State or local law enforcement officials are responsible for retailer fraud investigations.



1.3.1.5 Funding

FSP benefits are 100% funded by the Federal government. Benefit funds are not disbursed until the client uses the EBT card to access the benefits, a debit is posted to the account and an Automated Clearing House (ACH) settlement transaction has occurred. The Federal and State governments generally share the administrative cost of operating the FSP equally.

The fees for interoperable food stamp transactions, although 100% funded by the Federal government, will be paid to the Contractor by the State through the monthly billing process for EBT services (see Section 4 for a more detailed description).

1.3.2 Family Assistance (TANF) Program

Family Assistance (TANF) Program is a cash assistance program administered by the Administration for Children and Families (ACF), Department of Health and Human Services. The State and county offices operate the program.

1.3.2.1 Program Purpose

Family Assistance (TANF) is a program designed to enable States to aid needy families with children through cash assistance.

1.3.2.2 Client Profile

Appendix B contains Historical Caseload Data for the Family Assistance (TANF) Program. However the data contained in Appendix B is no indication or guarantee of future Family Assistance (TANF) caseloads.

1.3.2.3 Benefit Restrictions

Cash benefits are currently accessed at Automated Teller Machines (ATMs) and POS devices (except for government deployed EBT-only POS terminals). At POS locations where cash may be accessed, clients may receive cash withdrawals, cash back with purchase, or cash purchases. Unlike food stamp benefits, there are no restrictions on the items that may be purchased from Family Assistance (TANF) benefits.

1.3.2.4 Funding

Family Assistance (TANF) is jointly funded by the State and the TANF block grant from ACF.

SECTION 2

PROJECT SCOPE

AND MANAGEMENT



SECTION 2 PROJECT SCOPE AND MANAGEMENT

This section of the RFP provides the requirements of the State for the implementation and ongoing project management for the EBT services to be provided by the Contractor.

2.1 Contractor's Qualifications and Organization

The State of Alabama requires a Contractor that has the necessary qualifications, skills, and resources to provide quality EBT services to the clients of the State. Previous experience in providing EBT services to other State agencies, while desired, is not a requirement. Regardless, the State is adamant that EBT services shall continue unabated with minimal impact to its existing client and retailer constituency during the transition to a new Contractor. In order to be considered as a viable EBT Contractor, Respondents must demonstrate in their proposal that not only can they provide the requested EBT services, but also perform an on-time and successful conversion of EBT services from the existing Contractor to their EBT System.

2.1.1 Contractor's Qualifications and Experience

The State is particularly interested in a Contractor that has substantial experience in developing, implementing and managing financial systems such as EBT, Electronic Funds Transfer (EFT) and financial network services, transaction processing, etc. In totality, the Respondent's experience, combined with that of any subcontractor(s) shall demonstrate the capability to successfully meet the requirements of this RFP. Therefore, the Respondent's proposal shall highlight its corporate capabilities, organizational structure, financial stability, and previous experience related to the requirements of this RFP.

2.1.1.1 Contractor's Capabilities

The Respondent's responses shall include the following:

- Date the firm was established and ownership model.
- Organizational and decision-making chart, relative to the EBT system proposed.
- Prior and current litigation and/or formal administrative protests or actions such as notices of default, unsatisfactory performance, etc. involving State or Federal government and private companies related to the quality or performance of EBT, EFT or related services for any local, county, State or Federal government agency, public or private association, or private organization.



2.1.1.2 Contractor's Experience

The Respondent's responses shall include the following:

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

2.1.2 Contractor's Organization

The Respondent shall provide a proposed organization chart for the State's EBT project defining how the Respondent shall staff and manage the project. The response shall include a discussion of the proposed lines of authority, and how the project management team of the Respondent shall be involved in the administration of the services, including the coordination and communication internally and among all subcontractors.

2.1.3 Contractor's Proposed Key Personnel

The Contractor shall provide a project team to be headed by an overall Project Manager whose responsibility is to carry out the tasks in this RFP. The Contractor's Project Manager shall meet the following requirements:

- Has three years of project management experience; and
- Has successfully managed within the last 5 years the implementation and/or operation of an EBT or other system of comparable size and similar complexity as defined within this RFP.

The resume of the proposed Project Manager for the Respondent shall be included within the response. The Project Manager shall start work on the project on the effective date of the contract and continue until the State's written acceptance of the successful conversion of the current EBT system to Contractor's EBT system.

Following a successful conversion, the Contractor may designate a different Project Manager responsible for the EBT contract that must maintain regular and frequent contact with the State's EBT Director and designated staff members. His or her appointment and continuing service is subject to State approval. A replacement may be required for any legitimate performance reason at the State's option, and the replacement is also subject to State approval.



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

- Retail Manager
- Technical Conversion Coordinator
- System Test Manager
- Technical System Lead

The following shall be clear in the proposal:

- A description of the project team to be assigned to the State's EBT project, including position title, responsibilities, percent of time on the project, name and resumes of all key staff, and identification of positions to be hired upon contract award. If the design of the team will change during different phases of the project this must be identified.
- The degree of coordination expected between the Project Manager and the State, to include notification to the State when potential or actual problems are identified.
- The decision making authority the Project Manager has within the organization in relation to this EBT project.
- A management structure ensuring adequate oversight and executive direction for the Project Manager. In this regard, the Respondent shall identify the corporate officer(s) to be contacted should major problems arise during the performance of the Contract. It shall be the responsibility of the corporate contact person(s) to return a telephone call received from the State's EBT Director within twenty-four hours of receipt.
- The lines of authority and communication that will exist within the project team.

The Contractor must have the appropriate number and mix of project staff at all times during this project to ensure the successful transition and operations of the EBT system. The State anticipates that full-time staff at the State site will not be required to successfully implement the conversion; however the Contractor is responsible to provide a plan whereby the Project Manager or designee be available on-site in the State within 24 hours of the State's request at no cost to the State. The State does expect the Project Manager or designee will be at the State on a regular basis for scheduled status/update meetings, as well as critical time periods such as system testing and database conversion. The final project plan will determine the actual amount of time the Project Manager or designee is needed at the State.

Interviews of key personnel may be conducted prior to award in order to determine acceptability on behalf of the State. If there is a change in key personnel after award is made, the Contractor shall present the replacement to the State, and the State will have right of refusal privileges. If any of the proposed key personnel or project managers are



not currently in the employ of the Respondent, a letter of intent to accept employment shall be included in the response.

2.1.4 Subcontractor's Qualifications and Experience

Respondents may subcontract the performance of the required services with other entities or third parties. For purposes of this RFP, a subcontractor is defined as any entity under contract to the Respondent providing a service specifically defined and required within this RFP, including but not limited to EBT card production, EBT-only terminal driving, and/or EBT transaction switching. When proposing the use of a subcontractor, the Respondent shall explain and document the relationship between the subcontractor and the Respondent. In addition, organizational charts and a breakdown of duties between the subcontractor and the Respondent shall be provided.

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

The responsibility for the performance of subcontractors rests solely with the Respondent. If used, subcontractors shall be made aware and adhere to the requirements specified within this RFP and the subsequent contract between the State and the Respondent. The Respondent shall explain the subcontractors' role by including the following minimum information in their response:

- Each subcontractor's name and address;
- The specific service(s) the subcontractor will be performing;
- Evidence of each subcontractor's intent to participate, including a signed letter by an authorized representative;
- Description of relevant qualifications, capabilities, and resources;
- A contingency plan to cover any subcontractor stoppage;
- A security plan to comply with the requirements in this RFP; and



- Three (3) references for each subcontractor, to include contact names, addresses, and telephone numbers, and a description of the services currently being provided.
- A copy of contracts with all subcontractors with copies of same to be provided no later than the date of contract execution by the Contractor.

2.2 Project Management

The State envisions the EBT project consisting of four generally sequential (although there may be some overlap) phases. These phases are:

- Design
- Development
- Transition
- Operations

Because of the many possible factors impacting the timeline required for the design, development, and transition to the new system, the State does not intend to prescribe any set period of time for each of the respective phases. The Contractor is required to define the anticipated timelines and estimated completion dates for the project deliverables within each phase in a draft Project Work Plan submitted with their proposal. However, following the signing of the new contract, the transition from the current Contractor to the new Contractor must be completed before the contract with the current Contractor terminates (or sooner, if deemed necessary by the State).

2.2.1 Project Work Plan

The Contractor's Project Work Plan shall be based on the Respondent's proposal. The plan shall include, at a minimum, a schedule of all tasks and deliverables required through the project. The plan should identify the individual tasks and deliverables by project phase, as defined below. This plan shall identify all critical path and dependency tasks and delineate the responsibilities of the Contractor, the State and Federal agencies. The Contractor shall submit a preliminary Project Work Plan no later than three weeks after signing of a contract. The State shall review and comment on the plan within ten working days. The final Project Work Plan shall be provided ten working days following the receipt of the comments from the State.

The Respondent shall provide a draft work plan in their response.

2.2.2 Design Phase

The timeframe for the deliverables from the Project Design Phase shall be based upon tasks and deliverables identified within the Project Work Plan. The Design Phase shall commence with the signing of a contract and shall continue for the timeframe identified within the Contractor's response and proposed work plan and mutually agreed upon by



the State and the Contractor. All deliverables identified within the Project Work Plan are subject to State review and approval. The Contractor shall allow an appropriate time for the State to review and comment upon the deliverable.

2.2.2.1 Transition Plan

The Contractor shall be responsible for the migration of the client and retailer database from the current Contractor's EBT system to the new EBT system. The Contractor shall prepare a migration plan that covers each of the following activities in detail:

- Migration of transaction acquirers (TPPs) and retailers,
- POS device deployment and installation,
- Migration of client database, and
- EBT card issuance and replacement.

The plan shall address the processes to be used for the migration, how the processes shall be tested and contingency plans for problems and issues that may occur during the migration. The migration plan shall also address the verification and validation of the migration process, in particular the validation of the clients' account balances that are converted to the new system. The Contractor shall submit the final Transition Plan no later than four (4) months after contract signing. (See Section 3.12 for requirements.)

2.2.2.2 Functional Design Document

This document shall, at a minimum, provide a functional overview and a description of the operating environment, procedures and workflow of the EBT system. The Contractor shall submit the final Functional Design Document no later than three (3) months after contract signing.

2.2.2.3 Detailed Design Document

The Detailed Design Document shall describe the total system configuration including system hardware, functionality, file layouts, message and file flows, ARU Scripts, data elements, system interfaces, settlement and reconciliation functions, and the system security plan. The Contractor shall submit the final document no later than five (5) months after contract signing.

2.2.2.4 Life Cycle Testing Approach

The Contractor shall provide a System Life Cycle Testing Plan. The basic premise of the life cycle testing approach is that any changes made, whether they be by the Contractor's system or the State's system, should be properly tested prior to being introduced into a



production environment. The plan shall include, at a minimum, the tests identified in Section 2.2.2.5, Test Plan, of this section, as appropriate, for each of the project's four phases. The plan shall address the extent of integration testing that is to occur to ensure that all systems properly interface and operate as designed. The final Life Cycle Test Plan shall be submitted no later than six (6) months after contract signing.

2.2.2.5 Test Plan

The Contractor 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 shall be developed for the Functional Demonstration, System Acceptance Test, System and Network Capacity Test, ARU Test, and the System Interface Test. The final System Test Plans shall be submitted no later than six (6) months after contract signing.

2.2.2.6 Back-up and Recovery Plans

The Contractor shall provide an evaluation of the types of service interruptions that may impact the EBT system's operations and therefore require the use of a backup and recovery process. For each potential interruption type, the Contractor shall, at a minimum, detail the steps to be taken to survive and recover from the interruption. The plan shall include provisions to ensure that benefits continue to be accessible to cardholders. In addition, the Contractor shall outline the resources committed to each proposed contingency plan (i.e., people, systems, telephone lines, and operation sites) and indicate whether the contingency plan has been tested under real or simulated conditions. The final Back-up and Recovery Plan shall be submitted no later than six (6) months after contract signing. (See Section 3.13 for requirements.)

2.2.2.7 System Security Plan

The Contractor shall prepare a security plan detailing, at a minimum, the security provisions and proposed user profiles established within the EBT system. The Contractor shall submit the final System Security Plan no later than six (6) months after contract signing.

2.2.2.8 Training Plan

The Contractor 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. The training plan should address the timeline for creation of the deliverables as noted in Section 3.3, and the timeframe for training the State and local office staff and retailers. The plan should outline deliverable dates of training products with sufficient time allowed for State review and approval.



2.2.2.9 Retailer and TPP Agreements

The Contractor shall provide copies of the retailer and TPP agreements that will be utilized within the State for review and approval by the State and FNS.

2.2.3 Development Phase

The Development Phase shall commence following the completion of the Design Phase, and shall be completed no later than nine (9) months from the contract signing date. During this phase of the project, the Contractor shall configure and test the Alabama EBT system according to the system specifications defined and agreed upon during the Design Phase. All deliverables for the development phase identified within the Project Work Plan are subject to State review and approval. The EBT Contractor shall allow an appropriate time for the State to review and comment upon the deliverable. The Contractor shall complete system testing, as well as provide the final training materials during the Development Phase.

2.2.3.1 System Testing

System testing must be performed on all components and functional areas of the EBT application system before delivery of the system. Upon completion and approval of the design documents, the Contractor shall update the System Test Plan as appropriate. The Contractor shall provide system test scripts detailing step-by-step instructions on the actual test and system functions to be demonstrated. Test scripts shall also describe the desired system outcomes and test results. The Contractor shall develop and control test data.

Required system tests and demonstrations, which shall be conducted by the Contractor during the Development Phase, include:

2.2.3.1.1 Functional Demonstration

The functional demonstration shall provide State and Federal representatives the opportunity to review and observe planned EBT system operations. The Contractor shall prepare a report of the demonstration results including any 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 the State and Contractor.

2.2.3.1.2 Interface Testing

A test shall be conducted between the State EBT Interface System and the Contractor's EBT system to ensure that all files sent between the two systems are properly received, accepted, and processed.



2.2.3.1.3 System Acceptance Test

The system acceptance test provides both state and federal representatives the opportunity to test the EBT system functionality and ensure compliance with the system design requirements. This test shall consist minimally of functional requirements, security, recovery, system controls, and "what if" testing. In addition, as part of the system acceptance testing the Contractor must demonstrate the methods and processes for performing daily reconciliation between the State and Contractor interface and processing activities including financial settlement. During the formal test script portion of the acceptance test, testing representatives will follow detailed test scripts developed by the Contractor. The test scripts should cover all facets of the system's operations and test all of the system processing options and environmental conditions (e.g., POS hardware and communications failure and entry of erroneous data).

The 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.

2.2.3.1.4 Performance (Stress) Testing

The purpose of this test is to ensure that there is sufficient capacity within the EBT system being provided to 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 that the Alabama EBT system can accommodate the anticipated transaction volumes.

The Contractor 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 Respondent is anticipating utilizing this option, the Respondent should provide a description on how the modeling will be performed, and how the results of the modeling exercise will be reported to the State.

2.2.3.1.5 ARU Testing

The ARU system shall be tested to ensure the system properly accepts, processes, and transfers both retailer and client calls per the system requirements and within the specifications defined in Sections 2.5.1 and 3.5.1.1.

2.2.3.1.6 Transition Testing

The Contractor shall be required to demonstrate to the State the conversion process of the EBT system from the current Contractor to the new EBT system. Part of the conversion test is a validation of conversion results, and the ability to perform test transactions against the converted database. Test transactions performed against the converted



database shall include both client transactions (e.g., food stamp and cash transactions) and administrative transactions (e.g., benefit adds and card replacement transactions). Refer to the EBT System Transition Guide located at www.dhr.state.al.us for additional FNS requirements.

2.2.3.1.7 Live Demonstration

Because the State of Alabama EBT Interface System is currently running in a production environment for existing Alabama clients receiving benefits, the State does not believe it will be possible to perform a live demonstration of the Contractor's EBT system prior to conversion. Consequently a Live Demonstration is not required.

2.2.3.2 Test Reports

The Contractor shall be required to provide reports describing the results of each test that is performed, as well as any additional retesting that is required to satisfy the test objectives. The test reports shall also describe the intended scope and results from the tests, and any system modifications that are identified as necessary to resolve system errors and deficiencies found during the testing. The Contractor shall submit interim test reports no later than two weeks following the completion of the respective test being performed. Final System Test Reports shall be provided no later than nine (9) months after contract signing.

2.2.3.3 Updates to Detail Design

The Contractor shall revise the Detailed System Design documents to reflect any system modifications identified and made as a result of the system testing. If revisions are required, the Contractor shall submit the updated Detailed System Design no later than one month following the completion of the EBT system testing process.

2.2.3.4 System Operations/Interface Procedures Manual

The Contractor shall provide a manual on Systems Operations/Interface Procedures that shall include an introduction giving the purpose, audience, organization, related documents and feedback. This manual should include:

1. Batch Files and the times of transmission;
2. Administrative Terminal configuration;
3. Problem Resolution and Escalation Procedures; and
4. Batch Maintenance Record Formats.

The Problem Resolution and Escalation Procedures shall define the process by which the State would report System and Operational problems to the Contractor and the process by which these problems would be resolved and the resolution reported back to the State. The procedures should include a priority scheme for identifying the relevant severity of



the problem as well as the expected timeframes for the resolution of the problem based upon the relative severity of the problem.

2.2.3.5 Reports Manual

A Reports Manual shall be provided describing all standard reports to be generated by the Contractor. The Reports Manual shall also provide a brief description of the data files provided to the State for internal report generation. The Contractor shall submit the final Reports Manual no later than nine (9) months after contract signing.

2.2.3.6 Settlement/Reconciliation Manual

The Contractor shall provide a Settlement/Reconciliation Manual that provides guidance and procedures to the State on performing a daily reconciliation of the Contractor's EBT System as defined within 7 CFR 274.12(k) and consistent with FNS reconciliation guidance of November 1999 (the FNS EBT Reconciliation Guidance document is located at www.dhr.state.al.us). The manual should identify the specific EBT reports from the Contractor's system that are required for settlement and reconciliation of the Contractor's EBT system.

2.2.3.7 Administrative Terminal Manual

The Contractor shall provide an Administrative Terminal Manual that provides guidance and procedures for State and County staff on the functionality of the Administrative Terminal. For Administrative Terminal functionality, see Section 3.10.

2.2.4 Transition Phase

The Transition Phase consists of the activities required to convert the EBT processing for the State from the current Contractor to the new Contractor. It is anticipated that some of the Transition Phase activities, specifically the EBT-only retailer conversion, will begin prior to the end of the Development Phase. However, it is expected that none of the database conversion activities shall occur until the development activities have been completed, and specifically the Transition Testing has been completed and a sign-off has been received from the State. The activities within the Transition Phase consist of the following:

- EBT-Only Retailer Conversion
 1. Retailer notices are done twice (3 months or possibly 2 months out and 2 weeks out).
 2. If preferred, FNS will mail notices.
- Cardholder Database Conversion, which includes:
 1. Transaction history
 2. Client card and demographic data



3. Benefit data

- EBT Card Issuance and Replacement

The activities taking place during the Transition Phase shall follow the process defined within the State and FNS approved Transition Plan submitted during the Design Phase.

2.2.5 Operations Phase

The Operations Phase begins after the Cardholder Database has been converted from the previous Contractor to the new Contractor. During the Operations Phase the Contractor shall maintain ongoing communication to the State on EBT operations and immediate notification to the State of any issues or system problems. The Contractor assigned project manager, defined in Section 2.1.3, Contractor Proposed Key Personnel, shall be the point person for ongoing communications to the State for all EBT system and operational issues.

The ongoing communications required from the Contractor includes a monthly status report containing open and closed issues, monthly status meeting with Contractor, and other state reports/meetings at the State's request. Of particular importance is the advance notification of scheduled system downtime to the State by the Contractor.

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. These manuals include:

- Detailed Design Document
- Back-up and Recovery Plans
- System Security Plan
- System Operations/Interface Procedures Manual
- Reports Manual
- Settlement/Reconciliation Manual
- Administrative Terminal Manual

The Contractor shall provide updated manuals to the State prior to implementing system and operational modifications into production.

2.2.5.1 Change/Enhancement Requests

For enhancements and change orders requested by the State, the Respondent will provide to the State its cost estimate including programming time and/or any incremental change for the State's review prior to implementing any State-requested changes. The cost estimate shall be provided by hour utilizing the hourly rate for the labor grades provided in the Respondent's pricing proposal. The Contractor shall respond to enhancements and change orders requested by the State within two weeks of receiving the request. If the



Contractor is unable to provide an accurate estimate within two weeks, the Contractor shall provide within the two weeks a timeframe of when a complete estimate will be delivered to the State. Work shall not begin on the enhancement and/or change order by the Contractor until written approval is received from the State.

The Contractor shall provide the State with timely pre-notification of changes that have an impact on the State, including any changes made by other entities that could impact the State's system. The Contractor shall maintain a mechanism to track these type changes or modifications by software version, source and reason. The State reserves the right to formalize Contractor initiated changes or enhancements in a Contract amendment if necessary.

If benefits, such as system enhancements or other system changes determined to be advantageous to the State, are developed by the Contractor for any other State or political subdivision being provided with similar services as the State, the same benefits must be extended to the State at no additional cost. The Respondent shall describe its approach to providing the State with information concerning EBT System changes and enhancements implemented by other States.

2.3 Governing Regulations

This section of the RFP details the regulations governing EBT. The Contractor shall comply with the following rules and regulations that govern EBT systems and operations:

2.3.1 Quest Operating Rules

Quest Operating Rules, Version 1.2, dated June 3, 1999, plus all subsequent revisions and amendments to these rules.

2.3.2 FNS Regulations

USDA Food and Nutrition Service Federal Regulations regarding the Food Stamp Program (7CFR) and specifically:

- Section §274.12, Electronic Benefit Transfer Issuance System Approval Standards;
- Final Rule re: Food Stamp Program: Electronic Benefit Transfer Benefit Adjustments; Federal Register, Vol. 65, No. 129, Wednesday, July 5, 2000;
- Interim Rule re: Food Stamp Program: Electronic Benefit Transfer (EBT) Systems Interoperability and Portability; Federal Register, Vol. 65, No. 158, August 15, 2000;
- Final Rule re: Food Stamp Program, Regulatory Review: Electronic Benefit Transfer (EBT) Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; Vol. 65, No. 193, Wednesday, October 4, 2000;



- Final Rule and Interim Rule re: Food Stamp Program, Regulatory Review: Standards for Approval and Operation of Food Stamp Electronic Benefit Transfer (EBT) Systems; Federal Register, Vol. 70, No. 68, Monday, April 11, 2005.
- All changes, updates, revisions, and policy interpretations of the federal regulations as enacted by law or FNS.
- Any waiver to the federal regulations granted to the State of Alabama by FNS for EBT purposes. The following waivers have been granted by FNS and are effective with this RFP and any contract entered into as a result of this RFP:
 1. Household (Client) Training, 7 CFR 274.12(g)(10)(ii): Waiver to utilize mail training for new clients as opposed to hands-on experience.
 2. Retailer Participation – Point of Sale (POS) Deployment, 7 CFR 274.12(h)(4)(ii): Waiver so that POS deployment is not required for retailers with redemptions less than \$100.
 3. Issuance and Replacement of Cards or PINs – Initial Personal Identification Number (PIN) Assignment, 7 CFR 274.12(g)(5)(i): Waiver to allow initial assignment of PIN by mail.
 4. Stale Account Handling, 7 CFR 274.12(g)(7)(i)(B): Waiver to eliminate notification of aged benefits at the end of 90 days provided such notice is sent at the end of 60 days.
 5. Issuance and Replacement of Cards or PINs – Card Replacement, 7 CFR 274.12(g)(5)(ii): Waiver to allow EBT cards to be replaced within five calendar days as opposed to the required two business days.
 6. Point of Sale (POS) Deployment in Certified Meal Provider Home Facilities, Section 10 [2019] of the Food Stamp Act: Waiver to allow deployment of a POS device in a group living home so that benefits may be settled to group home's account.
 7. Performance and Technical Standards – PIN Selection via Automated Response Unit (ARU), 7 CFR 274.12(i)(3)(ii)(C) and 7 CFR 274.12(i)(7)(iii): Waiver to allow PIN selection to be handled through the ARU/Help Desk.
 8. Retailer Participation – Charges to Retailers/Reinstallation Fees, 7 CFR 274.12(h)(2): Waiver to allow the State or its Contractor to charge retailers a fee to re-install a POS device that was originally installed at government expense, if removal was due to FNS disqualification as an authorized retailer and the retailer is again authorized. The cost for reinstallation must be clearly specified in the retailer agreement.

2.3.3 State Rules

The Contractor shall follow all applicable state laws, rules or policies relating to EBT, including terms and conditions within the EBT contract.



2.4 Contractor's Responsibilities and Liabilities

The Contractor shall be responsible for the following errors:

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

2.4.1 Accounting and Audit Requirements

The books, records, documents, accounting practices, and facilities engaged in performing EBT services of the Contractor or any subcontractors (including third party processors) relevant to the contract shall be subject to audit, at any reasonable time and upon reasonable notice by the State, USDA, or their duly appointed representatives. In the event of any audit, claim, negotiation, litigation or other action, records shall be retained for the duration of the event.

Financial records pertaining to the Contractor shall be maintained for three (3) years following the end of the State Fiscal Year during which the Contract is terminated or State and Federal audits of the Contract have been completed, whichever is later.

Federal Regulation 7 CFR 274.12(k)(5)(i) requires the State to obtain a SAS 70 examination annually of the EBT Contractor regarding the issuance, redemption, and settlement of Food Stamp Program benefits. The Contractor shall have an annual SAS 70 audit performed on its EBT operations, and shall provide the report to the State within 30 days of the completion of the audit.



2.5 Contract Performance

The contract resulting from this RFP shall be a multi-year, indefinite quantity, and fixed price contract. All “Contract Terms and Conditions” included in Appendix H apply to the contract with the Contractor.

Respondents shall accept all provisions in the contract terms in Appendix H unless specific departures are taken from particular terms or conditions. All such departures must be noted in the proposal. Failure to note departures shall constitute acceptance of all such terms and conditions. A proposal that takes blanket exception to all or substantially all boilerplate contract provisions shall be considered a non-compliant proposal and rejected from further consideration for contract award. The Respondent is encouraged to identify concerns with the contract terms during the question period described in 1.1.3.

2.5.1 Performance Standards

The following table defines the State’s requirement for performance standards for the delivery of EBT services and the performance deficiencies that may trigger the invocation of hold-back provisions, explained later in this Section.

Requirement	Performance Deficiency
<p style="text-align: center;"><u>EBT Central Computer Uptime</u></p> <p>The EBT Central Computer shall be “up” 99.9% of the scheduled uptime measured on a monthly basis. Central computer is not considered “down” if the system continues to automatically process benefit authorizations, whether electronically or via the Automated Response Unit. The EBT Central Computer consists of all system functions over which the Contractor has direct control, either directly or through a subcontractor relationship.</p>	<p>Failure of EBT Central Computer to be “up” 99.9% of the time scheduled uptime measured on a monthly basis.</p>
<p style="text-align: center;"><u>Settlement and ACH Processes</u></p> <ol style="list-style-type: none"> 1. The timeframe for Automated Clearing House (ACH) settlement window will be met 90% of the time measured on a monthly basis. 2. Account Management Agent (AMA) Entries will be made with 100% accuracy. 3. Store Tracking and Redemption Subsystem (STARS) daily redemption totals will be provided to the Benefit Redemption System Branch (BRSB) at least weekly with 100% accuracy. 	<ol style="list-style-type: none"> 1. Failure to meet timeframe for ACH settlement window 90% of the time measured on a monthly basis. 2. Two or more errors in providing AMA data to the FRB of Richmond over a two month period. 3. Two or more errors in the daily redemption totals provided to the BRSB over a two-month period.
<p style="text-align: center;"><u>Benefit Availability</u></p> <p>Daily benefits received by 1:00 am Central Time (CT) will be in the clients’ accounts by 5:00 am CT the same</p>	<p>Failure to have benefits available by 6:00 am CT for two or more days within a calendar month.</p>



<p>morning.</p>	
<p style="text-align: center;"><u>EBT Switching Services</u></p> <p>The Debit Switch service shall be available 99.8% in any calendar month after deducting for scheduled downtime or failure of communication lines or telecommunications equipment out of the control of the Contractor.</p>	<p>Failure to provide Debit Switch Availability 99.8% of the time in any calendar month.</p>
<p style="text-align: center;"><u>Transaction Response Time</u></p> <p>100% of client EBT-only POS transactions shall be completed in 20 seconds measured on a monthly basis.</p>	<p>Failure to complete 99% of client EBT only POS transactions within 20 seconds for a month.</p>
<p style="text-align: center;"><u>Inaccurate Transactions</u></p> <p>No more than 2 inaccurate transactions for every 10,000 Food Stamp and other financial transactions shall occur measured on a monthly basis.</p>	<p>Failure to maintain an accuracy standard of no more than 2 errors per every 10,000 Food Stamp and other financial transactions for a month.</p>
<p style="text-align: center;"><u>Customer Service Help Desks</u></p> <ol style="list-style-type: none"> 1. 85% of all calls answered within 4 rings measured over a 3-month period. (4 rings are defined as 25 seconds.) 2. 97% of all calls for Customer Service Representatives (CSR) answered within 2 minutes measured over a three-month period. 	<ol style="list-style-type: none"> 1. Failure to answer 85% of all calls within 4 rings measured over a 3-month period. 2. Failure to answer 97% of all calls for CSR within 2 minutes measured over a 3-month period.
<p style="text-align: center;"><u>Host Response Time for Administrative Terminal Transactions</u></p> <p>Host response time for administrative terminal transactions for on-line data shall not exceed 2 seconds 98% of the time measured on a monthly basis.</p>	<p>Failure to respond to administrative terminal transactions within 2 seconds 98% of the time measured on a monthly basis.</p>
<p style="text-align: center;"><u>Equipment Installation for EBT-only Retailers</u></p> <p>95% of POS terminals shall be installed and operational within 14 days after the receipt of the FNS Retailer authorization notice measured over a 3-month period. Retailer initiated delays not included.</p>	<p>Failure to install 95% of the terminals within 14 days of the receipt of the FNS Retailer authorization notice measured over a 3-month period.</p>
<p style="text-align: center;"><u>Card and PIN Issuance</u></p> <ol style="list-style-type: none"> 1. For card issuance requests received by the Contractor by 11:00 p.m. CT, cards will be mailed no later than the following business day with PINs mailed no later than the following business day after the card is mailed measured on a monthly basis. 2. For expedited card issuance requests received by the Contractor by 12:00 p.m. (noon) CT, cards will be mailed the same business day with PINs mailed no later than the following business day after the card is mailed measured on a monthly basis. 	<ol style="list-style-type: none"> 1. Failure to mail cards and PINs in accordance with contractual requirement 90% of the time measured on a monthly basis. 2. Failure to mail cards and PINs for expedited card requests in accordance with contractual requirement 90% of the time measured on a monthly basis.



<p style="text-align: center;"><u>Project Status Reporting</u></p> <ol style="list-style-type: none"> The Management Reports defined in Section 3.11.5 of this RFP shall be provided on a timely basis to the State. Weekly reports shall be provided by close of business on Mondays. Monthly reports shall be provided by the 15th of the following month. Customer Service Statistics Reports shall be provided by the 15th of the following month. 	<ol style="list-style-type: none"> Failure to deliver reports to the State within the required timeframe unless advance approval is received by the State. Failure to deliver reports to the State within the required timeframe unless advance approval is received by the State.
<p style="text-align: center;"><u>Response to Enhancement/Change Requests</u></p> <p>The Contractor shall respond to Enhancement and Change requests within two weeks of receiving the request. If additional time is required to complete the estimate, the Contractor shall provide the expected date of completion within two weeks of receipt of the Enhancement and/or Change Request.</p>	<p>Failure to provide a response to any Enhancement and/or Change request within the promised timeframe on a monthly basis.</p>

2.5.2 Penalties for Non-Compliance with Performance Standards

Performance deficiencies listed above shall be subject to hold-back provisions. The remedies set forth do not preclude the use of any other remedy provided by the Contract or applicable law; however, the State agrees to invoke the hold-back provisions as its first avenue in seeking to resolve performance deficiencies, except in instances set forth in the Contract Terms and Conditions. The State’s election not to invoke the hold-back provisions in any instance of performance deficiency shall not be deemed to be a waiver of the State’s right to invoke the hold-back provisions in any other instance.

The State will notify the Contractor of the first incident of failure to meet one or more of the defined performance standards and request a corrective action plan. The State will set a date for submission of the plan. If the State does not receive the plan by the due date and no extension has been granted, the State may, at its discretion, invoke the appropriate “first month’s delayed payment” remedy per the schedule.

If the State receives the plan by the due date, it will work with the Contractor to achieve a mutually agreed upon final corrective action plan and schedule. The State may, at its discretion, invoke the appropriate “first month’s delayed payment” remedy if the Contractor does not meet the schedule and no extension has been granted.

The State will notify the Contractor when it is satisfied that the problem has been corrected. If the State determines that, after the expiration of the corrective action schedule, the incident has occurred again (second incident), the State may, at its discretion, invoke the delayed payment schedule until such time as the failure is remedied.

The State may, at its discretion, delay payments to the Contractor according to the following schedule:



- First month - the State may delay payment of fifteen percent (15%) of total payment.
- Second consecutive month - the State may delay payment of thirty percent (30%) of total payments owed to the Contractor by the State.
- Third and additional consecutive months - the State may delay payment of forty-five percent (45%) of total payments owed to Contractor by the State.

Payments may be delayed until the State is reasonably assured that the Contractor has fully complied with the performance standards. Upon such assurance, the State shall promptly pay the Contractor all outstanding payment amounts previously delayed.

2.5.3 Penalties for Conversion Delays

The State of Alabama Department of Human Resources considers a timely, successful and problem free transition from the current EBT Contractor to a new EBT Contractor critical. It is critical, both because of the public perception of the EBT program and the additional cost to the State resulting from problems and/or delays relating to the conversion. Because of the importance of the conversion, two deliverables are considered critical:

1. The Project Work Plan, and
2. The conversion of the EBT database to the new Contractor's EBT system.

For those delays directly attributed to the fault of the new Contractor, a fine of \$300 per day will be imposed for each day of delay beyond the required timeframe in Section 2.2.1 for the Project Work Plan and the agreed upon date for the database conversion. Any additional costs incurred by the State solely as a result of the failure by the new Contractor to convert the database on the scheduled conversion date, including, but not limited to, additional costs for the continuation of EBT services, shall also be the responsibility of the new Contractor.

SECTION 3

GENERAL REQUIREMENTS



SECTION 3 GENERAL REQUIREMENTS

This section is intended to provide details on the specific functional and technical requirements to develop, test, implement, and operate an EBT system in conformance with federal regulations, applicable national standards, and the State's performance expectations. Within this section are the specifications and requirements for equipment, software functionality, telecommunications, EBT card production and issuance, reporting, training and on-going operational support.

The State intends for this EBT system to be an industry standard application, which primarily uses the existing commercial networks and the installed base of ATMs and retailers' POS devices. However, in certain circumstances, as more fully described herein, the Contractor is required to purchase, install and maintain POS equipment on the State's behalf.

3.1 Account Set-up and Maintenance

The account set-up and maintenance function requires generating an account set-up record for the EBT system. The State of Alabama performs these functions based upon activity occurring within their eligibility systems. The State transmits an account set-up record to the Contractor to establish an EBT account and associated client record(s). The EBT account is the record kept and maintained by the Contractor for each benefit type (cash, food stamp) that the client receives.

3.1.1 Creation of EBT Accounts

The State of Alabama currently has two eligibility systems in production. The SCI-II eligibility system supports eligibility determination and authorization of food stamp benefits in all but three counties within Alabama. FACETS is the eligibility system that supports client eligibility determination and authorization for Family Assistance (TANF) benefits for the entire State of Alabama and food stamp benefits for three counties within Alabama. Both of these systems transmit to an Alabama internal system, the Alabama EBT Interface System, which serves as a focal point for EBT account set-up and maintenance information (Case/Client demographic data) being transmitted to the Contractor's EBT System. The Alabama EBT Interface System assigns the account number, from a pool of available EBT account numbers, to new accounts being set up on the Contractor's EBT System. For the majority of the counties, clients receiving both Family Assistance (TANF) and food stamp benefits are contained in different eligibility systems (SCI-II and FACETS), which utilize different case numbers. However in three counties, clients receiving both Family Assistance (TANF) and food stamps are contained in the FACETS eligibility system. The existing interface to the EBT system combines the different cases under one EBT account (see Appendix F, EBT File Formats). The new Contractor shall also be required to support the inclusion of the different case numbers under the one EBT account for clients.



3.1.1.1 EBT Account Number Assignment

The Contractor is required to establish a unique 12-digit EBT Account Number for use in identifying the EBT account on the Contractor's system.

Because the Alabama EBT Interface System is the system assigning the account number to new EBT accounts, the Contractor will need to assign blocks of EBT Account Numbers to the State. The format of the file in which the account numbers are provided to the State is contained within Appendix F. The new Contractor shall continue to use the same file format in providing available EBT account numbers to the State. The State will assign EBT Account Numbers from this block and include these numbers in all client account set-ups and benefit authorization records transmitted to the Contractor. All respondents must specify the approach for development of the EBT Account Number and indicate how it will be used within the EBT system and EBT Account Structure to identify cases and programs for which cases are certified. The respondent must also specify the approach for validating the EBT Account Numbers provided by the State in batch maintenance records.

3.1.1.2 Use of Existing File Formats

The State has defined formats established with the current EBT processor for the exchange of Case/Client Maintenance (demographic data) records and Benefit Issuance records. These records are detailed within Appendix F, and are defined as the Case/Client Maintenance File and Benefit Maintenance File. The new EBT Contractor shall utilize the existing record formats for the exchange of this data.

3.1.1.3 File Transmissions

Case/Client Maintenance Files will be transmitted to the EBT Contractor two times a day. The first set of files, consisting of expedited cases, will be transmitted to the EBT Contractor by 12:00 p.m. (noon) Central Time. The second set of Case/Client Maintenance Files will be transmitted by the State by 11:00 p.m. Central Time. For timeframe requirements for card and PIN issuance – see Section 3.2.2.2.

3.1.1.4 Authorized Representatives

Alabama provides a food stamp client the option of selecting one authorized representative to receive an EBT card. The Contractor shall provide a card for the authorized representative that has a unique card number and PIN. The case/client file transmitted to the Contractor will contain the authorized representative's name followed by the suffix "AR". Therefore, the authorized representative's name will be embossed in this manner. The card shall be mailed to the primary client's address. When the authorized representative calls the customer service Help Desk, they should use their own name along with the primary client's SSN and Date of Birth (DOB) for verification of identity.



The State has no provision for alternate payees for Family Assistance (TANF) clients.

3.1.1.5 Fraud Investigator Accounts

The Contractor shall support the State with the function of creating and maintaining EBT accounts for use in Food Assistance fraud investigations. Fraud accounts are set up through the batch interface to the Contractor's EBT System with a unique county identifier of 991. Fraud accounts will only contain a primary client.

Although the EBT accounts are defined and set up through the EBT batch interface, benefit authorizations for the fraud accounts will only be added through the EBT Administrative Terminal application. (See Section 3.10 for Administrative Terminal requirements.) Consequently the EBT Administrative Terminal application will need to support the adding of benefits.

The selected Contractor must advise, assist and appropriately act to aid the State in detection and investigations of abuses by stores, recipients or workers, including but not limited to, reporting unusual activity. This may entail cooperation with various authorities of the State and Federal agencies that are responsible for compliance with laws and regulations surrounding the programs. Stores authorized by the Food and Nutrition Service to accept Food Stamp Program benefits may become subject to monitoring and investigations by the State, FSP Compliance Branch, USDA OIG, IRS, Secret Service, or local police departments. Recipients are subject to investigation by the State program authorities and occasionally others. Because the State must cooperate with Federal agencies in creating cases, providing cards, and providing information, it will also impact the Contractor. The State and the Contractor will determine an orderly process for these responsibilities to be conveyed to the Contractor. Access to information concerning these matters will be restricted both at the State and the Contractor so that the investigations are not compromised. It should be assumed that these needs must be addressed in the design phase and tested as necessary in acceptance testing, and available at implementation.

Minimally, the following are necessary:

- Creation of cases and cards to be used by investigators.
- Posting benefit amounts to the investigative cases, possibly on an irregular basis as needed by the investigators.
- Training, card issuance, and PIN selection for investigators using the cases.
- Providing reports on the investigative cases showing the amounts funded to the cases and the transaction histories of the funds on a monthly basis.



- Providing information from the system, as needed, for evidentiary purposes within 24 hours.
- Providing extract files, starting at implementation, of store transaction history on a regular basis to the Food and Nutrition Service. (See ALERT requirements for more information).
- Retention of all records for a period of three (3) years or longer if notified.

3.1.2 Benefit Authorization

The Contractor shall receive and process Benefit Authorization records transmitted by the State. Benefit only records shall be transmitted by batch with the exception of benefits added through the Administrative Terminal for those accounts established for the purpose of fraud investigation. The Contractor shall process Benefit Authorizations and post the authorized benefit amounts to the appropriate EBT accounts, based on the unique EBT Account Number, benefit type, case number, and unique authorization number generated by the State for each benefit authorization.

3.1.2.1 Benefit Availability

Monthly ongoing cash benefits shall be posted to be accessible to the respective clients no later than 5:00 a.m. Central Time on the day of availability (currently the 5th day of each month). Any other benefit record is considered a daily batch update and the benefit should be made available to the client no later than 5:00 a.m. Central Time on the day following the day the Contractor receives the batch update file.

Monthly ongoing food stamp 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 Contractor in the monthly batch file (see Appendix F for the contents and format of the file). The staggered schedule begins on the 4th day of each month and ends on the 18th. On the specified availability date, benefits shall be accessible no later than 5:00 a.m. Central Time. Any other benefit record is considered a daily batch update and should be made available to the client no later than 5:00 a.m. Central Time on the day following the day the Contractor receives the batch update file.

3.1.2.2 File Transmissions (Daily & Monthly)

For ongoing cases, the State shall authorize benefits, at a minimum, once per month on a schedule specified by the State. In addition to the monthly benefit authorizations, the State shall transmit daily benefit authorizations to authorize benefits for new accounts and to authorize supplements for existing accounts. Daily Benefit Maintenance Files are produced and transmitted from both the SCI-II and FACETS eligibility systems. The SCI-II benefit file will be transmitted to the EBT Contractor by 1:00 a.m. Central Time every State business day. The daily benefit file from FACETS will be transmitted to the



EBT Contractor by 1:00 a.m. Central Time every State business day. Separate file transmissions are sent for cash and food stamp benefits from FACETS.

The monthly benefit files are produced from both the SCI-II and FACETS systems on the last business day of the month. The monthly file from the SCI-II system and FACETS (cash and food stamps) will be transmitted to the EBT Contractor by 1:00 a.m. Central Time.

3.1.3 Benefit Aging

On a monthly basis the Contractor will send to the State an extract file of all benefits falling into the aging periods as specified by the State. The Contractor shall support three aging periods for reporting on benefits not utilized by a client. To facilitate any action required by the State for stale benefits, the Contractor will send to the State a Benefit Aging File. The file will include a header record, a detail record for each benefit being reported on, and a trailer record. The detail record will include an aging indicator that identifies the aging period for the benefit (i.e., period 1, 2, 3 for 1, 2 or 3 months respectively) as well as the remaining balance that is being aged.

The periods used in the aging process are inclusive of the aging period start date minus one. For example, if the calendar month for aging purposes is set to start on the 22nd of the month, the inclusive period for the aging run will be the 22nd of the current month to the 23rd of the prior month.

The State has elected to perform benefit aging at the account level by benefit type. When benefits are added to the database, the Benefit Last Used timestamp will be set to the Benefit Available timestamp. All benefits on a case shall be utilized first in, first out (FIFO).

During the monthly benefit-aging run, benefits on a case will be retrieved in order of the benefit available timestamp. Any benefits with a benefit available timestamp less than the oldest benefit, but a Last Used timestamp greater than the oldest benefit will have its Last Used timestamp updated to be the same as the oldest benefit.

When the oldest benefit on the case reaches the third aging period without being used, all benefits for that case will be aged off the Contractor's system and the aged balances will be returned to the State. The benefits being aged off will be reported on the benefit aging report and files, as well as on the transaction history file.

3.2 EBT Card/Personal Identification Number (PIN)

The Contractor shall produce and supply magnetic stripe cards to the State's EBT clients. The responsibility of the Contractor shall include processes and functions to issue, replace and distribute/deliver cards to clients; and maintain a centralized card issuance management database on behalf of the State. The EBT system shall provide online, real



time access to clients' EBT accounts via a benefit access card containing a magnetic stripe that supports electronic transactions.

3.2.1 Technical Specifications

The Contractor shall ensure that the EBT card designed and produced for the Alabama EBT system complies with the specifications prescribed in the Quest Operating Rules, and the International Standards Organization (ISO) and American National Standards Institution (ANSI) standards relating to cards used for financial transactions.

3.2.1.1 Card Design

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 design 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. The Contractor shall produce the State's EBT card using the same graphics and color processing as is currently being used. However no other security features, such as a hologram, fine line printing, or ultraviolet ink are required for the card. The Respondent's Proposal must describe in detail its capabilities to design and/or manufacture the State's EBT card and identify any third party or subcontractor involvement in the process.

All EBT benefit cards shall have the client's name and the Primary Account Number (PAN) embossed on the face of the card. The card shall clearly state, "Do Not Write PIN on Card". The toll-free numbers for Client Assistance and Merchant Voice Authorizations shall be printed on the card. A signature panel shall be provided on the back of the card. To promote national recognition and acceptance, cards manufactured under a contract pursuant to this RFP shall include the Quest™ logo. The USDA/FNS statement of nondiscrimination must also appear on the back of the card. The nondiscrimination statement shall read: "USDA is an Equal Opportunity Employer and Provider."

Card samples must be submitted for State approval prior to initial production, whenever the card is redesigned or whenever the card is changed in any respect.

3.2.1.2 Track 2 Format

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

Field Nbr.	Field Name	Length
1	Start Sentinel	1
2	Primary Account Number	16
3	Field Separator	1



4	Expiration Date	4
5	Service Code	3
6	Card Authentication Value	3
7	Discretionary Data	2
9	Longitudinal Redundancy Check	1

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

3.2.1.3 Card Number/BIN Number

The State of Alabama’s current Bank Identification Number (BIN)/Issuer Identification Number (IIN) for EBT cards is 507680. The new Contractor shall issue EBT cards containing a 16 digit PAN that utilize the State’s current BIN/IIN. The process by which the new Contractor calculates the PAN for issued cards shall not interfere with the existing card base being utilized by the State of Alabama clients. The Contractor must describe the process by which it will generate the PANs for the EBT cards being issued.

3.2.2 Card and PIN Issuance

Currently initial card issuance is indicated through the batch interface in the account set up record. When a new EBT account is set up, or a new food stamp authorized representative is added to the EBT account, the Contractor assigns a PAN to the client on the EBT account, and issues an EBT card through the mail. A card activation sticker is placed on the card with instructions to the client for activating the card. The Contractor is liable for any misuse of the card until activated by the client. The current Contractor mails the system assigned PIN numbers in a mailer to the client no later than the following business day after the card is mailed. If a client wishes to select his/her own PIN, the client may do so by calling the Customer Service Help Desk. The Customer Service Representative provides the necessary support and information for the client to select his/her PIN using an Automated Response Unit (ARU) application.

3.2.2.1 Issuance Through Mail Requirements

The Contractor shall be required to issue an Alabama EBT card when indicated by the respective flag within each Case/Client Maintenance Detail record (see Appendix F for the format of the record). All cards shall be issued through the mail. PIN numbers shall be system generated and mailed to clients as indicated by the account set-up record.



Each card shall be issued and mailed to the client in an inactive status. A sticker shall be placed on the front of the card explaining how to activate the card. The client shall be required to call the Customer Service Help Desk and provide adequate verification of identity prior to card activation.

3.2.2.2 Timeframe Requirements

Card issuance requests within the batch Case/Client Maintenance file received by the Contractor by 12:00 p.m. (noon) Central Time shall be placed in the mail that day. All card issuance requests received in the batch file after 12:00 p.m. (noon) Central Time but before 11:00 p.m. Central Time shall be placed in the mail no later than the next business day. System-generated PIN numbers shall be mailed no later than the following business day after the card is mailed.

3.2.2.3 Client Selection of PIN

Clients shall have the option at anytime to select their own PIN by using a PIN select ARU. The Contractor is required to propose a secure ARU PIN select procedure. The State is interested in a one step PIN select process.

3.2.3 Replacement Card Issuance

Clients are required to call the Customer Service Help Desk to report a lost, stolen or non-functioning card and have a new card issued. The old card shall be deactivated immediately. Cards returned by the U.S. Postal Service as undeliverable should be statused as such and a report provided to the State. See Appendix E for Historical Card Replacement Data.

3.2.3.1 Timeframe Requirements

All Alabama replacement EBT cards shall be delivered by direct mail through the U.S. Postal Service. A replacement card shall be issued and mailed no later than the following business day after the old card was reported lost, stolen, or damaged. In rare circumstances where the replacement card is not being delivered by the Postal Service after repeated attempts, the card shall be delivered overnight. The State is requiring the Contractor to support up to the first twenty (20) occurrences of the before mentioned situation in a calendar year, after which the State will reimburse the Contractor for any additional overnight deliveries. The State will identify to the Contractor when cards need to be delivered overnight.

3.2.3.2 PIN Transferred from Old Card to New Card

When a client requests a new EBT card the existing PIN shall be transferred to the new card. The system shall not generate a new PIN unless specifically requested by the client.



3.2.3.3 Compromised PINs

Each client shall be able to report a compromised PIN by calling the Customer Service Help Desk. The system shall allow a client to request a system-generated PIN or allow the client to select his or her own PIN by using the ARU PIN Select procedure.

3.2.4 Use of Existing EBT Cards

With the exception of minor changes that must be made in the information that appears on the back of the EBT card, the State does not wish to change neither the card design nor its existing cards, including the disaster card stock. The new Contractor must have the ability to operate without replacing existing cards and disrupting cardholder benefit access and services.

3.2.4.1 Conversion Process

New (initial) EBT cards with training materials shall be mailed to clients anytime one is requested by the State or via the batch file process. All existing EBT cards currently being used by the clients shall remain active and functional. Current PIN numbers should function with the clients' current EBT cards in use, so issuance of new PIN numbers is not necessary.

3.2.4.2 Timeframes

Issuance of new EBT cards shall continue on the same schedule as required in 2.5.1 Performance Standards, Card and PIN Issuance.

3.3 Training

The Contractor shall be responsible for providing training information on EBT for State and County workers with training provided for State workers as requested. The Contractor has the sole responsibility for training of retailers.

3.3.1 Client

All new EBT clients shall be provided with training materials.

3.3.1.1 Printed Material

All new cards mailed to EBT clients shall contain training material (training material is not required to be mailed with replacement cards). The training materials must be written in easy to understand language, at a fifth grade reading level and in compliance with Food Stamp Program Regulations. Printed training materials must be provided in pamphlet format. Training material must be prepared in both English and Spanish. The State's current eligibility systems provide a language indicator to the Contractor when



cards/PINs are requested via the batch file process. At a minimum the training pamphlet shall include the following topics:

- Use of the Alabama EBT card at the Point-of-Sale terminal, including the type of benefit transactions that can be processed at POS terminals.
- Use of the Alabama EBT card at ATMs, including the type of benefit transactions that can be processed on ATMs.
- Use and safeguarding of the card and PIN.
- Card replacement and PIN changes methods and procedures.
- Manual Food Stamp transaction procedures.
- Guidance on reporting problems with the card or its use and on reporting a lost or stolen Alabama EBT card.
- Use of the 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 per 7 CFR 274.12(i)(6)(B).

3.3.1.2 Video

Clients with questions on EBT have the option of receiving further training at the local agency offices. In addition to the written training materials made available in local agency offices, the Contractor shall also develop an EBT training video for the purposes of local agency training of clients. The EBT training video shall be distributed to the State and to every local agency office. Local agency offices and addresses will be provided at the appropriate time. The training video should be no more than 15 minutes in length and must cover the same topics listed above for the written training materials. The training video should be directed to a fifth grade education level, must be provided in both English and Spanish with at least one open-captioned version of each. Initially, the Contractor shall provide 100 copies of the Alabama Training video in VHS format. Two copies of the video should be provided in Beta Cam SP format.



3.3.2 Retailer

The Contractor shall provide training and training material to retailers participating in the EBT program. Training shall cover benefit information topics for both the Food and Family Assistance Programs.

3.3.2.1 Printed Material

FNS Federal Regulation 274.12(f)(4)(vi) requires that retail store employees be trained in system operation prior to implementation. Such training shall include the provision of appropriate written and program specific materials. The Respondent shall propose training deliverables in order to meet FNS requirements.

Training material should include:

- Merchant Help Desk toll-free number.
- Use of the ARU.
- Manual Voucher Processing Procedures.

3.3.3 State

The Contractor shall provide written training materials about the new EBT system to be used by State and County workers. In addition, whenever the Contractor modifies functionality of the EBT system, updates and revisions of the training materials shall be provided to the State in a timely manner.

3.3.3.1 Administrative Terminal

Training material provided by the Contractor shall cover all of the functionality supported by the EBT Administrative Terminal for the State. The material shall cover accessing the Administrative Terminal functions, security features within the system, and detailed explanations of the screens and functions supported by the Administrative Terminal application. Training material shall include the Administrative Terminal Manual. Sufficient copies for each authorized Administrative Terminal user plus 10 additional copies shall be provided. See Appendix I.

3.3.3.2 Reports

The Contractor shall provide a training module describing the detail and use of the reports generated by the EBT System.



3.4 Settlement/Reconciliation

The Contractor's EBT system shall operate on a 24-hour processing cycle. At a designated cutoff time each day, the Contractor shall close out the current processing day and commence the next processing day.

The Contractor shall designate a standard daily cutoff time for EBT transaction processing. The 24-hour period between the cutoff time on Day 1 and Day 2 constitutes the EBT transaction day. The specified cutoff time must allow the Contractor sufficient time to originate ACH payments for next day settlement. It is also preferred that the EBT cutoff coincide as closely as possible with the cutoff time of the prevailing EBT transaction switch and/or regional ATM/POS networks as appropriate to minimize the need for carry over or suspense accounting.

3.4.1 Overview

The Contractor shall maintain ledger accounts at the program and State levels. Subsequent to the daily settlement cutoff, the EBT system must be balanced and reconciled. The Contractor shall compute the end-of-day net position or balance for each benefit program. An audit trail shall exist so that reconciliation can be performed at the individual EBT account level up through the program and State levels. For each level, the end of day net position is equal to:

Opening balance + credits - debits = End of day balance

On a daily basis, the Contractor shall ensure that the EBT system as a whole is in balance. The balancing functions performed by the Contractor shall ensure that the change in the net position in the sum of client accounts equals the change in the net position of program accounts at a summary level. The Contractor shall also ensure that the change in the net position in the sum of the program accounts is equal to the change in the net position (obligations outstanding) for the funding agencies. The Contractor shall specify procedures for maintaining audit trails throughout the settlement processes.

3.4.1.1 FNS Requirements

The Contractor shall meet Food Stamp Program (FSP) reconciliation requirements of 7 CFR 274.12(k). At a minimum, Contractors shall propose procedures for reconciling:

- Client account daily beginning balance and net draws versus the ending balance;
- Client net redemptions versus retailer/acquirer settlement values;
- Total funds entering, exiting, and remaining in the system each day;



- Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding for the Food Stamp Program;
- Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding for all Government agencies;
- The net settlement value of all transactions to the sum of the net settlement values for the Food Stamp Program; and
- The net settlement value of all transactions to the sum of the net settlement value for the State.

3.4.2 Current State Process

As food stamp and cash benefits are authorized by eligibility systems (SCI-II and FACETS), reports are generated that provide the details of the benefits being authorized. The benefits for the two authorization systems are passed through the Alabama EBT Interface System to ensure that an EBT account exists for the client. The Alabama EBT Interface System transmits the benefit files to the EBT Contractor. The State uses the Benefit Batch Posting Reports produced by the current EBT Contractor to ensure that all benefits passed to the EBT System have been posted or otherwise accounted for. The State tracks the availability of future date benefits by using the warehouse totals on Account Management Agent (AMA) to reconcile the monthly postings.

Benefits to Fraud Investigator accounts posted through the Administrative Terminal are verified through standard reports produced by the EBT System. Benefit repayments posted through the EBT system are verified against the State's Claim System.

The State receives a Settlement Clearing Statement from the Contractor to determine the amount of funds to settle on a daily basis. State law requires that all Federal funds that the State is disbursing go through the State Treasury. Consequently, as funds are required for settlement, the State performs the draw down for both Food Assistance benefits using the Automated Standard Application for Payments (ASAP) and Family Assistance (TANF) using Smartlink. The current process used by the State allows funds to be moved to the Contractor's clearing account on the same day as the Settlement Clearing Statement is received. The only exception is State holidays that are not Federal Reserve Banking Holidays. These days are Jefferson Davis' Birthday, which is the first Monday in June, and Confederate Memorial Day, which is the fourth Monday in April. There also may be additional State holidays as declared by the Governor, such as the Friday after Thanksgiving. For settlement on State Holidays, the State will perform the draw down and funding of utilized benefits on the first business day following the State Holiday. However, the State will pay the EBT Contractor for interest expenses as agreed upon to cover the cost of money for the settlement dollars advanced by the Contractor.



3.4.2.1 State Responsibilities

The State has the responsibility for ensuring that benefits authorized by the State's Eligibility Systems are posted to the Contractor's EBT System or are otherwise accounted for. The State will ensure that Food Assistance benefits posted to the Contractor's EBT system are correctly reported to AMA. The State is responsible for performing the draw down from the appropriate federal system for both Food Assistance and Family Assistance (TANF) benefits utilized by clients. The State will verify the liability remaining in the Contractor's EBT system at the end of the processing day for food stamp benefits. This can be reconciled against the outstanding liability on the Federal Reserve Bank's ASAP system. The State also performs a daily reconciliation of the outstanding liability reported for cash benefits.

3.4.2.2 Contractor Responsibilities

The Contractor is responsible for the daily settlement of funds to benefit providers (retailers and ATM owners), either directly or through financial intermediaries such as Third Party Processors (TPPs) and ATM Networks. The Contractor shall own and reconcile the clearing bank account used for the daily settlement. The Contractor is responsible for handling both credit and debit adjustments to the client's EBT account in the manner and timeframe dictated by federal regulations and Quest Operating Rules. The Contractor shall ensure that Settlement reports, such as the Clearing Statement used for the daily draw down, are received by the State by 6:00 a.m. Central Time. The Contractor is responsible for providing detailed and accurate reports that allow the State to reconcile benefit postings to the EBT system, settlement of benefits utilized by clients, and the outstanding liability remaining on the EBT system at the end of the processing day.

3.4.2.3 Cut-off Times

The cut-off time used for financial settlement by the current Contractor is 5:00 p.m. Central Time.

3.4.3 Retailer/TPP/ATM Settlement

Settlement to retailers, Third Party Processors (TPPs) and ATM networks shall be through the existing commercial banking ACH infrastructure. The Contractor shall have an originating and receiving relationship with the Automated Clearing House (ACH), either directly or through one of its subcontractors. For transaction processing and settlement purposes, the Contractor shall provide access to the ATMs of local networks for the State's EBT clients and be capable of settling both ATM and POS transactions. For retail merchants, third parties, or other benefit providers that are directly connected to the Contractor's system, the Contractor shall originate an ACH credit for the total balance due for EBT benefits provided during the just closed EBT processing day. The benefit provider credits shall be entered into the ACH for settlement on the next banking day.



Credits due EBT benefit providers who are connected to the Contractor through a transaction switch, TPP, or national network will settle utilizing the Quest Operating Rules.

3.5 Customer Service

The Contractor is required to support a Customer Service Help Desk for both the EBT clients and the retailers accepting the State EBT card.

3.5.1 Client Help Desk

The Contractor shall provide Client Customer Service 24 hours a day, 7 days per week, the purpose of which is to provide current EBT account and benefit access information via a toll-free, "1-800" number (refer to Section 4, Response Requirements). See Appendix D, for Historical Recipient Help Desk Data.

3.5.1.1 Service Requirements (Standards)

The Contractor shall provide a Client Help Desk that meets or exceeds the following service requirements (standards):

- Performance standards regarding number of rings prior to answer and average time on hold shall be consistent with call center industry standards. In its proposal, the Contractor shall propose standards for client access to customer services including, but not limited to, number of rings and average time on hold, however the Contractor is obligated to meet the minimum standards defined in Section 2.5.1, Performance Standards, for the Help Desk.
- For reporting purposes, the Contractor shall provide Automated Response Unit (ARU) and Customer Service Center activity data (refer to Customer Service Statistics Reports, Section 3.11.6). Additionally, Teletypewriter (TTY) capability must be provided to clients with hearing disabilities.
- Help Desk access and support for clients using rotary phones.

3.5.1.2 Functional Requirements

The ARU and/or Customer Service Center shall support the following functions:

3.5.1.2.1 Card Activation

The caller's identity must be confirmed prior to activating the card. The recipient's date of birth, and/or social security number and name are currently used to validate identity.



3.5.1.2.2 Report Problems or the Non-Receipt of Card

The caller's identity must be confirmed prior to disabling the card when the caller is reporting his/her card lost, stolen, damaged or not received. Prior to replacing a card, the client's address must be confirmed.

3.5.1.2.3 Current Balance Inquiry

Current Balance shall provide "real time" account balance information.

3.5.1.2.4 Transaction History

Transaction History shall provide information about the last ten (10) transactions by benefit program, i.e. transaction number, amount, date. If requested by the client, deposit history will also be provided by benefit program.

3.5.1.2.5 Account History

Account History shall enable a caller to request a two (2) month statement of account history by benefit program to be mailed to the last known client address within two (2) business days.

3.5.1.2.6 PIN Change

PIN Change callers shall be given information needed about PIN re-selection procedures.

3.5.1.2.7 Benefit Access/Service Points

Callers shall be given information about POS/ATM site locations where benefits may be accessed. The Contractor shall provide general information regarding stores and ATMs displaying the Quest® logo and supporting the Alabama EBT card. The information shall also be provided to Alabama clients attempting to use their EBT card out-of-state.

3.5.1.2.8 Report Unauthorized Card Use

Callers selecting this option shall be transferred to a Customer Service Representative for assistance in reporting unauthorized card use.

3.5.1.2.9 Benefit Availability Date

Callers selecting this option shall be given the date benefits will become available based on the issuance schedule supplied by the State.



3.5.1.2.10 Customer Service Representative (CSR)

The Contractor shall provide CSRs to resolve client issues that cannot be resolved by the ARU, including requests for adjustments. The Contractor shall provide sufficient CSR capacity to meet the contractual service standards for client calls referred to a CSR.

3.5.1.2.11 Automated Response Unit (ARU)

The State reserves the right to review and approve the transaction flow and content of all ARU messages, prompts, and customer service scripts a minimum of 30 days prior to their implementation. The Contractor shall not change ARU messages or menu functions without prior approval of the State.

The Contractor is encouraged to recommend for consideration any other transactions and/or uses of the ARU which would represent an effective and economical application of this technology. The Contractor is also requested to describe the access control to assure security of clients' account information.

3.5.2 Retailer Help Desk

The Contractor shall provide Retailer/Merchant Customer Service, providing retailer EBT support and program information via a toll-free, "1-800" number, 24 hours a day, 7 days per week.

3.5.2.1 Service Requirements (Standards)

The Contractor shall ensure through technical design, resource allocation, and staffing that each retailer call is answered in accordance with Section 2.5.1, Performance Standards.

For reporting purposes, the Contractor shall provide ARU and Retailer Customer Service Center activity data (refer to Customer Service Statistics Reports, Section 3.11.6). Additionally, Teletypewriter (TTY) capability must be provided to retailers/merchants with hearing disabilities. TTY can be made available through the use of a service that can support TTY for retailers requesting such a service.

3.5.2.2 Functional Requirements

The Contractor shall provide a Retailer Customer Service Help Desk that is:

- Toll-free and without charge or fee to the retailers.
- Accessible to all Quest retailers.
- Used exclusively for retailer support.



- Operated and staffed in an industry standard manner.

The Contractor is encouraged to recommend for consideration any other transactions and/or uses of the ARU/Help Desk which would represent an effective and economical application of this technology. The Contractor is also requested to describe the access control to ensure security of both retailers' and clients' account information.

3.5.2.2.1 Voice Authorizations

The Contractor shall equip and program the ARU to provide voice authorization for food stamp transactions. CSRs shall also support voice authorizations if the ARU is not available or is not functioning.

3.5.2.2.2 EBT-Only Retailer Support

The Contractor shall provide via the Retailer Help Desk, the following services for EBT-only retailers:

- Support and problem resolution on EBT-only POS equipment;
- Settlement information and reconciliation procedures;
- Support on system adjustments and resolution of out-of-balance conditions; and
- General information regarding EBT policies and procedures.

3.6 Transaction Processing

The Contractor will be responsible for the authorization of client initiated food stamp and cash transactions. The Contractor shall have the capability to receive and process client transactions from both ATM and POS devices. The Contractor shall ensure that clients access their food stamp benefits only at POS terminals in authorized food retailer locations. Cash benefits may be accessed through participating ATMs or POS terminals without restriction. See Appendix J, Transaction Volume.

Clients may be entitled to benefits under a number of programs. Each transaction must be allocated to either the cash or food stamp account. Benefits within the EBT account should be distributed on a first in, first out basis.

Transaction authorization will require:

- Accepting transactions coming from an authorized transaction acquirer.
- Authorizing or denying transactions.



- Sending response messages back to the transaction acquirer authorizing or rejecting client transactions.
- Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through transaction history.

The EBT system will go through a series of checks and processes to determine whether a transaction being initiated by a client should be approved. These checks should include determining whether:

1. The merchant has a valid FNS authorization number (if it is a Food Stamp transaction);
2. The card number (PAN) is verified and the card is active;
3. The number of consecutive failed PIN tries has not been exceeded (currently clients have four (4) attempts from midnight to midnight, then it is reset);
4. The PIN is verified as being entered correctly;
5. The account is active; and
6. The EBT account holds a sufficient balance in order to satisfy the transaction request.

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

3.6.1 Service Requirements (FNS Standards)

The Contractor will comply with the software and automated data processing equipment ownership rights prescribed in federal regulations 7 CFR 277.18(l) and as further clarified or negotiated with the State and the Federal government. The Contractor is responsible for ensuring that the EBT system meets the processing requirements and criteria established by FNS.

It is the responsibility of the Contractor to ensure that the EBT system meets performance and technical standards and regulations in the areas of:

- System processing speeds
- Availability and reliability
- Security
- Ease-of-use
- Minimum card requirements



- Performance
- Minimum transaction set

In order of precedence, the Contractor will use:

1. Federal regulations;
2. Quest® Operating Rules for EBT; or
3. Prevailing industry performance standards.

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

The Contractor shall comply with all relevant processing speed requirements as stated in 7 CFR §274.12. The EBT host computer shall process and respond to all on-line transaction requests within 2 seconds. The Contractor shall provide back-up purchase procedures for FNS authorized retailers when the EBT system is unavailable; both for unscheduled and planned outages. Responses shall define both the back-up procedures to be used by the Contractor, and the method by which retailers will be notified that the back-up procedures are being utilized.

The Contractor's EBT system shall be available 99.9% of scheduled uptime, 24 hours a day, seven days per week. Schedule uptime shall mean the time the database is available and accessible for transaction processing, and excludes scheduled downtime for routine maintenance.

The total system, including the system's central computer, any network or intermediate processing facilities under the control of the Contractor (either service provider or subcontractor to the Contractor), shall be available 98% of scheduled uptime, 24 hours per day, 7 days per week.

The State shall be notified in advance of scheduled downtime for routine maintenance, which will occur during off-peak transaction periods. The Contractor must provide the State with any scheduled downtime outside of the time required for routine maintenance. Such downtime must be arranged and approved by the State.

As defined in the federal regulations, the EBT System Central Computer shall permit no more than 2 inaccurate EBT transactions for every 10,000 EBT transactions processed. The transactions to be included in measuring system accuracy shall include:

- All Food Stamp and Cash transactions occurring at ATM and/or POS terminals and processed through the host computer.



- Manual transactions entered into the system.
- Credits to EBT accounts.

The Contractor will resolve all errors in a prompt manner.

3.6.2 Interoperability Requirement

The Contractor shall support the federal requirement of processing interoperable food stamp transactions, including food stamp transactions acquired at a State of Alabama retailer where the client has benefits issued by a State other than the State of Alabama. In addition, the Contractor shall have the capability of accepting and processing client transactions occurring at out-of-state (non-Alabama) retailers. The Contractor shall outline its plan for supporting interoperable transactions for both Alabama and non-Alabama clients.

3.6.3 POS Transaction Sets

The EBT System must be able to accept EBT transactions from POS devices for both food stamp and cash benefits.

3.6.3.1 Food Stamp Transactions

The Contractor must be able to process, at a minimum, the following Food Stamp (FS) transaction types:

- FS Purchase
- FS Merchandise Return
- Manual Authorization
- Voucher Clear
- Balance Inquiry
- Voids or Cancellations
- Reversals



3.6.3.2 POS Cash Transactions

The Contractor must be able to process, at a minimum, the following cash transaction types:

- Cash Purchase
- Purchase with Cash Back
- Cash Withdrawal
- Balance Inquiry
- Voids or Cancellations
- Reversals

3.6.4 ATM Transaction Sets

The Contractor must maintain an EBT system that will process and authorize cash withdrawal transactions originating from ATMs. The Contractor must ensure that the EBT system will deny transactions if the balance of the Cash Account will not support both the requested withdrawal/transaction and all allowable charges/fees.

3.6.4.1 ATM Cash Transaction Types

The Contractor must have the capability to process the following ATM transaction types:

- Withdrawal from Cash Account
- Balance Inquiry from Cash Account
- Adjustments
- Reversals
- Cancellations

3.6.5 Manual Authorizations

The Contractor shall process manual food stamp transactions. A paper voucher shall be designed and distributed by the Contractor to FNS-authorized retailers for use in processing manual food stamp transactions. This process may be used for the manual processing of food stamp benefits by:



- Retailers who do not have immediate access to a POS device at the time of purchase, including stationary food stores that choose to make home deliveries to FNS certified households, house-to-house trade routes that operate on standing orders from customers, food buying cooperatives, farmers markets, and other retailers authorized to participate in the Food Stamp Program;
- Retailers who do not possess a POS terminal, such as those who do not qualify to receive State provided equipment based on their total monthly FNS food stamp sales; and
- Retailers who have POS equipment, but their POS terminals are inoperable, there are problems with the telecommunications network between the POS terminal and the EBT host processor, or the EBT system is down or otherwise not available.

The Contractor shall provide to any requesting retailers an adequate supply of the forms for voice authorizations. Retailers may also utilize their own forms as long as they meet the minimum data requirements specified by the State and Contractor. See Appendix C, Historical Retailer Information Data.

3.6.5.1 Food Stamp Voice Authorizations

The retailer is required to complete the manual voucher and receive a voice authorization from the EBT system prior to completing the food stamp sale. The client is required to sign the paper voucher. The Contractor shall require the client's signature on the voucher as a condition for processing. A toll-free telephone number shall be provided to retailers to obtain authorizations for the manual vouchers. The authorization process should be automated as part of the Help Desk ARU functionality. Vouchers submitted for payment without prior telephone authorization can be accepted by the Contractor, but only "at the retailer's risk" and paid only if the remaining balance in the account is sufficient to cover the amount indicated on the face of the voucher. The retailer shall be liable for declined transactions in the event the retailer fails to obtain prior authorization and the EBT account has insufficient funds to cover the purchase.

Upon providing a telephone authorization for a manual food stamp transaction, the Contractor shall place a "hold" on the amount of benefits necessary to fund the transaction. The Contractor shall maintain the hold on food stamp benefits until the voucher transaction is "cleared", up to a maximum of 30 days. A retailer has 30 calendar days to submit the voucher, either electronically or by paper copy, to complete the transaction. If the retailer fails to submit the voucher within the 30 days, the hold shall be released and the use of these funds shall revert back to the client. The retailer or acquirer bears the liability for the transaction if the voucher is not cleared timely. If the acquirer pays the retailer for a voucher that has not cleared on a timely basis, the acquirer will be liable for the funds unless the acquirer can recover such funds from the retailer.



3.6.5.2 Stand-in Processing

If the retailer cannot access the Contractor system because it is unavailable, the Contractor must allow for “stand-in” processing of food stamp purchases up to \$40 for which the Contractor shall be liable for insufficient funds. The Respondents shall define in their proposal under what circumstances they would consider their EBT system unavailable. Responses to this requirement should specify the process by which retailers would be notified that “stand-in” processing is currently in effect, as well as the processing and settlement of these transactions. Re-presentation of a manual voucher is not allowed. The Contractor’s system shall be designed to prevent merchants from re-presenting vouchers in subsequent months. However, an exception to re-presentation shall be allowed if the insufficient funds for the voucher occurred while the Contractor was authorizing transactions in a “stand-in” processing mode. The Respondent shall describe if and how they would utilize this exception for re-presentments.

3.6.5.3 Voucher Clear

There are two methods by which a manual voucher can be cleared. If the authorized retailer has a POS device, the retailer will convert the manual transaction to an electronic transaction for transmission to the Contractor when the POS device is again able to communicate with the EBT Host. If the retailer is a non-traditional or low-volume (per FNS waiver) FNS authorized retailer who does not have a POS device, the voucher will be mailed directly to the Contractor for the clearing and settlement of the manual voucher.

3.6.6 Voids or Cancellations

A transaction may be voided/cancelled by a retailer at a POS device or by a client at an ATM. The void/cancellation message will include the trace number, the exact dollar amount, and other identifying information from the original transaction. The Contractor shall have the capability to accurately process the void or cancellation transaction and have the effect of the void/cancelled transaction immediately and appropriately reflected in the client's EBT account.

3.6.7 Reversals

A POS or ATM transaction may be reversed if for some reason the completion of the transaction cannot take place at the originating ATM/POS device (e.g., communication failure with the device and/or a device malfunction, or a late response from the Contractor). The entity (specifically the TPP, authorized retailer/benefit acquirer, or the ATM/POS device) within the response chain where the transaction error is recognized will generate a reversal message back to the Contractor. As defined within the EBT International Standards Organization (ISO) message specifications, the reversal message will include the trace number, the exact dollar amount, and other identifying information from the original transaction. The Contractor shall have the capability to accurately



process the reversal transaction and have the results reflected immediately and appropriately in the client's account.

3.6.8 Adjustment Processing

The Contractor and/or retailer/TPP can initiate an adjustment to resolve errors and out-of-balances related to system problems. The Contractor, on behalf of a client complaint, can initiate an adjustment to resolve a transaction error. The adjustment will reference an original settled transaction, which is partially or completely erroneous. The Contractor shall have the capability to process the adjustment and have this reflected in the client's account. Federal regulations have recently been issued regarding the recording, tracking and processing of these types of adjustments. These regulations can be found at http://www.fns.usda.gov/fsp/ebt/ebt_regulations.htm. Adjustments made by the Contractor must be in compliance with these regulations. Adjustments made by the Contractor will cause money to be moved either to or from the client's EBT Account, and will impact the daily settlement. Notification must be provided to the State of pending debit adjustments so that notification can be provided to the client.

3.6.9 Store and Forward

At its option, a retailer may store and forward food stamp transactions at a future time and in accordance with FNS regulations as implemented by the Final Food Stamp Program, Regulatory Review: Standards for Approval and Operation of Food Stamp Electronic Benefit Transfer (EBT) Systems Rule.

3.6.10 Key-entered

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

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



3.6.11 Transaction Fees

FNS regulations prohibit the charging of a fee for any food stamp transactions. The EBT system must provide clients with two (2) successful cash withdrawal transactions per month per case (either from an ATM and/or POS device) without assessment of transaction fees by the Contractor. The State will pay for the first two successful ATM cash withdrawals and any processing costs for POS cash withdrawal transactions as part of the Cost Per Case Month. The State currently pays the interchange fee of \$.30 cents per POS cash withdrawal transaction from retailers as a pass through charge to the State. Transactions that are reversed or voided, either partially or completely, shall not count as one of the free cash withdrawal transactions. Once the client has performed the two (2) transaction fee free cash withdrawal transactions, the client will be responsible for any additional fees associated with cash withdrawals as charged by the Contractor. Clients shall not be charged for cash withdrawal transactions that are subsequently reversed or voided, either partially or completely. Clients shall not be charged for cash purchases or purchases with cash back at POS devices.

3.6.12 Merchant Validation (FNS Retailer Number)

For all food stamp transactions, the Contractor shall validate the transactions originated at an FNS authorized retail location. The Contractor shall maintain a database of authorization numbers for all FNS authorized retailers in accordance with the Retailer Participation Requirements specified in 7 CFR 274.12(h). The Contractor must access the FNS REDE system daily to obtain updates of the national and/or State REDE files used to validate authorized FNS retailer numbers. The Contractor shall verify the retailer identification number is that of an FNS-authorized retailer prior to completing its processing of a transaction.

3.7 Direct Deposit of Cash Benefits

The State desires the option to implement a program whereby clients who have a bank account can have cash benefits received from the State directly deposited into their bank account. In its response, the Contractor shall describe their system of handling direct deposits of a client's cash EBT benefits.

3.7.1 Maintenance of Direct Deposit Information

The Contractor shall be required to maintain the client's bank information in its database. At a minimum, the State envisions a process whereby bank information shall be entered into the EBT system through the EBT Administrative Terminal application after an EBT account for the client has been established on the EBT System. The State would also welcome a proposal that uses a more automated process for the State to supply and update the client's bank information maintained by the Contractor (i.e., using a batch file process).



3.7.2 Correction of Direct Deposit Rejects

It is critical that rejects be handled in a timely and expeditious manner. Rejected benefits should be made available to the client as quickly as possible. The Contractor shall describe its process for correcting rejects of direct deposited benefits.

3.8 Retailer Management

The Contractor shall be responsible for managing retailer participation in the State of Alabama EBT program.

The Contractor's primary roles and responsibilities include:

1. Providing every FNS authorized retailer with the opportunity to participate in the EBT system.
2. Ensuring, to the extent possible, that the Alabama EBT system is interoperable with other States' EBT systems as defined in 7 CFR 274.12.
3. Assuring that a sufficient number of retailers have agreed to participate in the system to allow clients adequate access to both cash and food stamp benefits and at "non-traditional" retailers such as farmers' markets.
4. Assuring that the participating retailers understand their responsibilities in regards to the policy, operating rules, and operations of the EBT system. The Contractor shall enter into an agreement with the retailer in accordance with 7 CFR 274.12 (h)(6).
5. Maximizing the use of the existing commercial Point-of-Sale terminals.
6. Installing, maintaining and otherwise supporting Contractor provided EBT-only POS equipment as necessary in accordance with FNS policy for retailer participation as defined in 7 CFR 274.12.
7. Providing Help Desk services to retailers for resolving issues/problems on Contractor supplied EBT-only POS equipment and helping resolve settlement and dispute questions and issues.

3.8.1 Current Environment Description

Affiliated Computer Services (ACS) currently provides retailer management services under a subcontract to eFunds. ACS has reported the following statistics to the State in regards to EBT-only retailers and EBT-only terminal driving:

- Number of retailers with EBT-only equipment – 1,346
- Number of non-traditional (retailers without POS equipment) – 15
- Number of OMNI 3200 devices deployed – 1,365
- Number of Phone lines provided to retailers – 8



- Total Number of Retailers (as of 11/30/04 per FNS) – 2,862, plus an additional 42 Meal Services

3.8.2 Service Requirements (FNS Standards)

Federal regulation at 7 CFR 274.12(h)(1)(ii) requires that newly authorized retailers have access to the EBT system within two weeks after the receipt of the FNS authorization notice. However, whenever a retailer chooses to employ a third party processor to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within a 30 day period or a mutually agreed upon time, to enable any required functional certification to be performed by the Contractor.

Federal regulation in 7 CFR 274.12(i)(1) requires that for leased line communications, 98 percent of EBT transactions shall be processed within 10 seconds or less, and 100 percent of EBT transactions will be processed within 15 seconds. For dial-up systems, 95 percent of EBT transactions shall be processed within 15 seconds or less, and 100 percent of EBT transactions shall be processed within 20 seconds or less.

3.8.2.1 EBT-Only Retailers

According to Federal regulation at 7 CFR 274.12(h)(4)(ii), POS terminals shall be deployed as follows:

- For an authorized food retail store with Food Stamp benefit redemption amounting to 15 percent or more of total food sales, all checkout lanes shall be equipped;
- For an authorized food retail store with Food Stamp benefit redemption representing less than 15 percent of total food sales, supermarkets shall, at a minimum, receive one terminal for every \$11,000 in monthly redemption activity up to the number of lanes per store. All other food retailers shall receive one terminal for every \$8,000 in monthly redemption activity up to the number of lanes per store.
- For newly authorized food retailers, the Contractor and the food retailer shall negotiate a mutually agreed level of terminal deployment up to the number of lanes per store. If the Contractor and the food retailer are unable to reach a mutual agreement, the State will make the decision.

The Contractor shall be allowed to provide additional POS equipment to retailers that wish to obtain additional equipment from the Contractor. The Contractor is free to charge the retailer for providing and supporting this additional equipment. However, any agreement covering such an arrangement shall be between the Contractor and the retailer and the State will not be party to any such agreements.



3.8.2.2 Third Party Processors

To support retailers that deploy their own terminals, within 30 days of the start of the contract, the Contractor shall provide the State with interface specifications that would enable these retailers and third party terminal drivers to interface directly with the Contractor to perform Food Stamp EBT transactions. The Contractor shall provide these specifications to retailers and third party terminal drivers as well. The Contractor shall not unduly withhold certification for retailers and third parties that enter into direct connect arrangements with the Contractor.

3.8.3 Cash Access from POS Terminals

The Contractor shall permit any retailer to provide cash access services to EBT clients through commercially deployed equipment only. However, a retailer that has selected government equipment to provide food stamp access services will not be permitted to provide cash access through any commercially deployed equipment at the merchant location.

Retailers that provide cash access services shall be paid no more than \$.30 cents per successful cash withdrawal transactions. The fee shall be paid on a monthly basis, either directly to the retailers, or through the TPP supporting the retailer. The Contractor shall provide a summary report to the State providing supporting detail on the cash withdrawal fees being paid to the retailer.

3.8.4 Group Home Support

In addition to the traditional retail merchants, Food Stamp Program merchants may include drug/alcohol treatment centers, blind/disabled group living facilities, battered women and children shelters, homeless meal providers, restaurants, elderly/disabled communal dining facilities, meal delivery services, and route vendors.

Being designated a Food Stamp Program merchant may not necessarily require the installation of POS equipment. However, group homes which meet the monthly minimum food stamp redemption total and authorized by the Food and Nutrition Service, United States Department of Agriculture, as retailers in the Food Stamp Program shall have the option to receive EBT-only POS devices. To support these facilities, the Contractor shall install POS devices in the facilities. This allows the benefits from the client's account to be deposited into the facility's bank account at its financial institution as is performed for any other authorized merchant.

3.9 Adequate Cash Access

The Contractor shall propose a method for maintaining a database and tracking retailers providing cash back and ATMs that accept the Alabama EBT card. The Contractor shall propose a method to ensure that no cash client must travel any further than 15 miles to



any cash access location. The cash access location may be either a retailer location or an ATM.

The Quest Operating Rules will govern the processing of all retail merchant cash transactions. Depending upon the Contractor's arrangement with the prevailing ATM Networks, either the Quest Operating rules or the ATM Network's Operating Rules may govern ATM cash transactions.

3.10 EBT Administrative Terminal

In addition to ATM and retail POS transaction functionality, the Contractor shall also support administrative transactions from an EBT Administrative Terminal. Transactions that originate at Administrative Terminals located in State and county offices will be sent to the Contractor in on-line processing mode. These transactions are subject to the requirements for two (2) second response.

3.10.1 Overview

Federal, State and county staffs primarily use the EBT Administrative Terminal application for inquiries into the EBT system; however, the EBT Administrative Terminal is currently used by designated State staff to establish and fund EBT accounts used for fraud investigations. To a limited extent, State staff use the Administrative Terminal to change the status of a client's EBT card (although the Client Help Desk maintained by the Contractor performs the majority of card maintenance).

The Contractor must provide Administrative Terminal access to State personnel and Federal agencies as designated by the State and arrange for such access to be implemented when the State's EBT system is implemented. FNS has stated that they will require administrative software access and support as necessary for USDA staff at a minimum in the Montgomery field office (and possibly Jackson), the SERO regional office, FNS Compliance office in Memphis, TN, and OIG investigative office (Atlanta). The Respondent must detail its planned approach to supporting this requirement.

The Contractor shall provide EBT Administrative Terminal software and communication protocols to State and county offices. Administrative Terminal functionality shall include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access client account information through EBT Administrative Terminals. Respondents must clearly explain their proposal to provide Administrative Terminal functionality, including their access controls, and must specify the hardware (terminals) and software that is necessary to support this function. The State is currently provided Administrative Terminal support through a browser based Administrative Terminal application utilizing TCP/IP as the communications protocol (see Appendix G, State Hardware/Software Configuration). The Respondent shall clearly define the hardware and software infrastructure required to support their Administrative Terminal application within the State and county offices.



3.10.1.1 User Profile

The Contractor shall provide a security system for the EBT Administrative Terminal whereby user profiles can be established based upon the specific Administrative Terminal functions required by the user to perform his/her respective job. Each Administrative Terminal user, as he/she is granted access, shall be assigned a specific user profile based upon the requirements for his/her job. The State will define the user profiles with the assistance of the Contractor. It is estimated that approximately five (5) to six (6) user profiles will be required by the State.

3.10.1.2 Security Administration

The administration of the Administrative Terminal security system shall lie with the State EBT Administrative Security Officer. The Contractor is responsible for training the State security officer.

3.10.2 Functionality

Respondents shall describe their Administrative Terminal functionality in terms of navigation and data presentation. At a minimum, the transaction set that shall be supported by EBT Administrative Terminals includes:

- EBT Account Set-up
- EBT Account Maintenance
- Benefit Authorization
- Benefit Cancellation (prior to availability date)
- Card Status Change
- Card Issuance and Replacement
- Client Search (by name, card, case)
- Client Account Information Inquiry (Client Demographics, Benefit Data)
- Retailer Search (by name, and /or FNS authorization number)
- Card Inquiry
- Transaction History Inquiry (by PAN, Case Number, and FNS Number)
- Repayment Functionality



- Retrieval of Archived Data

3.10.2.1 Inquiry Screens

The primary Administrative Terminal inquiry screens used by the State are the Client Account Information Inquiry and the Card Inquiry screens. Navigation and data formatting on these screens should be easy to use and understand. The State expects that all inquiry data could be accessed from the Client Search screen once the appropriate client has been located.

3.10.2.2 Update Screens

Update screens are limited in access to the appropriate personnel within the State. Currently EBT Account Set-up functionality is not used in production by the State, although the State still requires this functionality to exist. The benefit authorization screen is used to add benefits to fraud investigator's EBT accounts. Benefit cancellation has been rarely used, but has been used to resolve system errors.

Card status change and card issuance and replacement screens have only been used by the State to correct unusual problems and issues. The majority of changes to the EBT card status are handled by the Client Help Desk, as are card replacements. Initial card issuance is normally handled through the batch interface.

3.10.2.3 180 Day History

Current EBT account balances and a rolling 180-day transaction history for each account shall be maintained for on-line access through the EBT Administrative Terminals. After 180 days, transaction history data shall be maintained off-line for three (3) years, or longer if required by FNS or federal legislation. At a minimum, data within the transaction history inquiries shall include:

- PAN (Card Number)
- EBT Account Number
- Client Case Identification Numbers
- Benefit Program Identifier
- Retailer Identification Numbers (both FNS and Acquirer) and Reg. E Data for Retailer Information
- Terminal Identification Number



- Transaction Type
- Transaction Amount
- Balance by Benefit Type
- Manual Voucher Information
- Transaction Date and Time
- Transaction Results (Approval Code or Denial Reason)

The Contractor shall describe in its proposal how data maintained off-line is retrieved.

3.11 EBT Reporting

The Contractor shall accommodate the informational needs of the State and FNS in its reporting package. This information shall be provided electronically (via Administrative Terminals or electronic files transmitted to the State) or through other media that are mutually agreed upon. The Contractor shall provide the capability for most reports to be available on-line. The Contractor may also recommend alternative methods for access, such as the Internet.

The Contractor will be responsible for distributing appropriate daily, weekly and monthly reports to FNS and the State. The distribution of the reports shall be in an electronic format, but the method for distribution of reports will be finalized during system design/development activities. However, the Contractor in its response to this RFP shall state its preferred method for distributing reports. The Contractor shall also be able to support the retransmission of previously produced reports to the State as requested. The Contractor shall support requests for two previous generations for monthly reports (e.g., last two months), and last seven days for daily reports.

Reports provided to the State in a file transmission shall use standard ANSI carriage control for controlling the formatting of reports being printed.

The Contractor shall provide report training and report manuals for State and county staff prior to EBT operations as described under the Training Requirements (Section 3.3).

The reporting system shall produce information at the program and local office (e.g., county) summary levels. Settlement and reconciliation reports shall be consolidated at the State Level by program.

The Contractor shall provide to the State a daily transaction history file of all transactions impacting benefit authorizations for reconciliation, audit, and investigative purposes.



The file structure for the file provided by the current EBT processor is defined in Appendix F.

Other files received and processed by the State include:

- Benefit Aging File
- Case/Client Delete File

The formats of these files are also defined in Appendix F. The State requires that the new Contractor provide the same information in the format defined in Appendix F.

General categories of State reports currently being received have been identified and are described below. Although it is not expected that the formatting of the reports be duplicated, it is expected and required that the new Contractor duplicate the data being presented. The State shall have approval rights over all reports being provided by the EBT Contractor.

3.11.1 Financial Reports

Financial audit reports are those reports needed by the State in order to account, reconcile and balance, and audit the EBT system processing and operations.

3.11.1.1 Account Activity Reports

The Contractor shall provide daily Account Activity Reports reflecting all account actions received from the State via batch and/or on-line during an EBT processing day, or taken on behalf of the State by the Contractor (i.e., account expungements). The reports shall provide detail on every transaction that impacts an EBT account balance. The reports shall show the amount of the transaction (i.e., account action), type of transaction, date and time of transaction, and who originated the transaction (batch or on-line).

3.11.1.2 Terminal Activity Reports

The Contractor shall provide daily Terminal Activity Reports showing all transactions that will result in funds being moved (i.e., settled) to a retailer, third party processor, or ATM network. The report shall list, at a minimum, the transaction type, amount, transaction date and type, settlement date, merchant and terminal identifier, and benefits impacted. The report shall provide settlement totals for each entity for which funds will be moved, as well as suspense totals, if any, for transactions that will not be settled until the next processing day. Suspense totals for transactions not being settled in the current business day should be reported by individual benefit types, and rolled up into the program types (i.e., cash and food stamps).



3.11.1.3 Clearing Report

This report shall provide at a summary level the total funds that are being settled for the processing day by program type (i.e., cash and food stamps), which require funding. This report shall balance with the totals from the Terminal Activity Reports

3.11.1.4 Database Value Report

This report shall provide the value of the outstanding liability for unused benefits residing on the EBT system at the end of the processing day. Totals shall be maintained by benefit type, and rolled up into the program types. State totals shall be reported by program type. The ending balance for the previous day shall become the beginning balance for the current processing day. The ending balance for the current processing day shall be reconciled by taking into account the beginning balance for the processing day (which is the ending balance from the previous day) and adding or subtracting as appropriate the account activity detailed from both the Terminal Activity and Account Activity Reports.

3.11.2 Support Reports

Support Reports are those reports used by the State to control and account for activity taking place on the EBT system, such as card issuance, but are not specifically used in the financial settlement and reconciliation process.

3.11.2.1 Administrative Action Reports

The Contractor shall provide a daily Administrative Action Report that lists all administrative actions attempted and completed either by the system or users logged onto the EBT system. The report shall identify the transaction type and the EBT account affected. Administrative actions include changes to client, case, or account data (e.g., client name or address), account closure, and benefit expungements.

3.11.2.2 Card/PIN Mail Date Report

The Contractor shall provide to the State a daily report showing when the card manufacturer placed new (initial) cards, replacement cards and PIN mailers into the mail.

3.11.2.3 Batch Processing Reports

The Contractor shall propose a standard set of Batch Processing Reports to be used by the Contractor and the State to ensure the complete and accurate transfer of data during nightly batch processing. The reports shall include a Summary Report by file transmission that provides a confirmation for the processing of the batch file(s). The Summary Report shall contain summary verification data, including the total number of



records received in the batch and the number of records by record type (e.g., number of add, change, and delete records). The report shall contain a summary of the processing of the transmission (i.e., number of records accepted and number of records rejected).

3.11.2.4 Batch Exception Reports

The Contractor shall provide a Batch Exception Report for all batch files received by the State. Batch Exception Reports will contain a listing of all records received within a batch, which were not processed by the Contractor. Each record included on the exception report will have a corresponding reason code indicating the cause of the rejection. In particular, duplicate case exceptions shall be clearly identified.

3.11.2.5 Administrative Terminal Benefit Authorization Report

The Contractor shall provide a report of all benefit authorizations that are added to the EBT system through the Administrative Terminal functionality. This audit report shall include, at a minimum, the benefit amount, benefit type, and the User ID of the Administrative Terminal operator adding the benefit.

3.11.2.6 Merchant Voucher Report

The Contractor shall provide a daily report of all voice authorizations of food stamp transactions performed by retailers. The report shall contain, at a minimum, the merchant name and FNS number, the transaction amount and type, the date and time, the client performing the transactions, and whether the merchant is a traditional or non-traditional merchant.

3.11.2.7 Monthly Out-of-State Activity Report

The Contractor shall provide a monthly report of all client transactions occurring outside of the State.

3.11.2.8 Benefit Aging Reports

The Contractor shall provide a report of clients who have not accessed their benefits for the last 30, 60, and 90 days. The Contractor shall clearly identify the aging category the EBT account is within (i.e., 30, 60, 90 days), and shall have page breaks by caseworker within local office.

3.11.2.9 Card Issuance/Re-issuance Reports

The Contractor shall provide audit and statistical reports of cards being issued and/or reissued to clients. Audit reports shall provide detail data by card issued, such as reason for issuance (i.e., initial issuance or replacement for lost/stolen card), and how the card was issued (i.e., over the counter, mail, etc.). Statistical reports shall provide data needed to manage the EBT program, such as the card reissue rate, the reasons for re-issuance,



etc. The Contractor should suggest the statistical reports that will best help the State manage the card issuance process.

3.11.2.10 Transaction Denial Summary Reports

The Contractor shall provide a monthly statistical report that provides the number and percentage of client transactions denied and the reason for the denials (i.e., non-sufficient funds, invalid PIN, etc.)

3.11.2.11 Fraud Reports

The Contractor shall recommend a set of Fraud Reports that will help the State manage and detect fraud within the Food Stamp Program. Examples of such reports the State is anticipating are Even Dollar Transactions, Excessive Large Dollar Transactions, Multiple Withdrawals/Same Day, and Manual Card Entry Reports. The Contractor shall also recommend other Fraud Reports that they anticipate the State would find valuable.

3.11.2.12 Host Response Time Report

The Contractor shall provide a monthly report providing a summary of Contractor Host response times within pre-established tiers for both client transactions (POS & ATM transactions) and for Administrative Terminal transactions. The report shall be used to monitor the Contractor's compliance with Contractor Host response times.

3.11.3 Statistical Reports

Statistical Reports are those reports that assist with the management of the EBT System. The Contractor shall also suggest, in addition to the reports detailed below, other Statistical Reports that will help with the management of the EBT system.

3.11.3.1 Monthly Utilization Reports

The Contractor shall provide a report detailing the number and type of transactions performed from each EBT-only terminal provided to food stamp retailers.

3.11.3.2 Network Statistics Report

The Contractor shall provide a monthly report providing a summary of transactions by time of day and day of month. The purpose of the report is to show the peak processing time for the EBT system.

3.11.3.3 Management Statistics Report

The Contractor shall provide a monthly summary report of transaction activity on the EBT system at a county and State level. Statistics provided should include, at a minimum, benefits authorized for the previous month, transactions performed by



transaction type (i.e., food stamp purchases, cash purchases, cash withdrawals), the number of active cases on the system, number of active cards on the system, and the number of cards issued during the month.

3.11.3.4 Monthly Transaction Fee Report

The Contractor shall provide a monthly summary report of transaction fees charged against the client by the Contractor, as well as transaction surcharges levied against the client by the ATM owner for cash withdrawals. Transaction fees should be reported by category, and should include ATM cash withdrawal fees and POS cash withdrawal fees (as well as any other specific fees directly charged against the client's EBT account). The report should also include ATM surcharges levied against the client as a separate category for any transaction where the surcharge is separately identified.

3.11.4 Administrative Terminal Security Reports

Administrative Terminal Security Reports are those reports that identify the users of the EBT Administrative Terminal; the access provided these users, and an audit trail of the transactions performed by the users.

3.11.4.1 Access Definition Report

The Contractor shall provide a report detailing each authorized Administrative Terminal user with the ability to access the EBT data. The report shall also detail the level of access afforded the user through the EBT Administrative Terminal.

3.11.4.2 Failed Logon Report

The Contractor shall provide a daily report of users failing in their attempt to logon to the EBT System.

3.11.4.3 User Session Activity Report

The Contractor shall provide an audit report by User ID of all actions taken by the user on the EBT System from the EBT Administrative Terminal.

3.11.5 Management Reports

The Management Reports shall be produced by the Contractor and shall provide to the State the current status of the EBT project. The following project status reports will be provided to the State on a weekly and/or monthly basis:

3.11.5.1 Project Design/Development Reports

This weekly report is a summary by task of major completed activities during reporting period. The report shall include problem identification, required corrective action and



timeframe for resolution. The report will also include tasks required by Federal and State agencies, as well as reports of delayed tasks, reason and revised completion date(s), and the scheduled activities for the next reporting period.

3.11.5.2 Project Implementation/Conversion Reports

This weekly report is a summary of major tasks and scheduled activities completed during the reporting period for the conversion activities. The report shall also include the status of:

- POS Device Deployment and Installation
- Training (State, county, clients and retailers)
- Card Issuance
- Retailer Agreements

The report shall include problem identification, required corrective action and timeframe for resolution. The report shall also include tasks required by Federal and State agencies, as well as reports of delayed tasks, reason and revised completion date(s), and the scheduled activities for the next reporting period.

3.11.5.3 Project Status Report

This monthly report is a summary of significant events/accomplishments during the month, status of outstanding issues and problems, and the status of pending enhancement requests and system change orders. Following the conversion to the Contractor's EBT system, the Contractor shall include in the Project Status Report the detail data that documents the performance of the EBT system over the last month. The Contractor shall meet or exceed the standards, requirements and definitions specified in 7 CFR 274.12, et seq. Specifically, the Project Status Report shall detail the performance of the system against the following processing requirements:

- EBT central computer shall be available 99.9 % of scheduled up time.
- EBT transaction switch shall be available 99.8% of scheduled time.
- The total system under the Contractor's control, either directly or contractually, including central computer, any network, intermediate facilities, or processor, shall be available 98% of scheduled up time.
- The host computer shall permit no more than two (2) inaccurate transactions per 10,000 transactions processed.
- Benefit authorizations to EBT accounts and ACH settlement shall occur accurately and on schedule 99% of the time.



3.11.6 Customer Service Statistics Reports

The Contractor shall provide Statistical Reports on a monthly basis that report on the statistics and effectiveness of the customer service functions for both the Client Customer Service and Retailer Help lines. Statistics for both the ARU and Customer Service Representatives (CSR) shall be reported. The Contractor shall deliver the reports that follow.

3.11.6.1 Monthly Client Help Desk Statistics

This monthly report shall provide a summary of the number of calls received on the Client Hotline by reason (lost/stolen card, balance inquiry, transaction history, etc.) for both ARU and CSR. Daily statistics regarding the Help Desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) shall be collected and reported. Statistics regarding language selected for both ARU and CSR shall be provided.

3.11.6.2 Monthly Retailer Help Desk Statistics

This monthly report shall provide a summary of the number of calls received on the Retailer Hotline by reason (food stamp voice authorization, terminal problems, settlement questions, etc.) for both ARU and CSR. Statistics regarding retailer help tickets, including number of tickets opened, tickets closed, and reason for ticket, shall be provided. Daily statistics regarding the Help Desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) shall be collected and reported. Statistics regarding language selected for both ARU and CSR shall be provided.

3.11.7 Billing Reports

The Contractor shall provide to the State in an electronic format detail reports substantiating the monthly billing for EBT services. The Billing Reports shall include detail information to allow the State to validate the bill for EBT services, as well as pass through expenses being charged to the State, such as payphone surcharges on calls made to the Client Help Desk.

3.11.8 Ad-Hoc Reports

Although requests for ad-hoc reports will not be often, there are times when additional reporting regarding data on the EBT System is required. The Contractor shall support requests for ad-hoc reports on a timely basis. The reports will be paid for by the State on an hourly rate. The Contractor shall provide in their response the process to be used to request ad-hoc reports and the expected timeframe in which the request will be satisfied.



3.11.9 State Data Files

The current EBT Contractor provides three data files to the State on a regular basis. These files are:

- History Extract File (received daily)
- Benefit Aging File (received monthly)
- Case/Client Delete File (received monthly)

The formats of these files are defined in Appendix F. The State requires that the new Contractor provide these same files to the State in the format defined in Appendix F.

3.11.10 FNS Data Files

The EBT Contractor is required to support the data requirements of the Federal government, and specifically FNS, for the Food Stamp EBT Program. The three data files described below shall be provided to the Federal government on a periodic basis as defined by FNS.

3.11.10.1 AMA File

Each business day, the EBT Contractor must provide data necessary to support increases/decreases to the project's ASAP account balance to the Federal Reserve Bank of Richmond. The Federal Reserve Bank will serve as the Account Management Agent (AMA) for the FNS Food Stamp Program EBT benefit account. The AMA will interface with the Treasury Department's Automated Standard Application for Payments (ASAP), and will establish ASAP account funding limits for the State for Food Stamp EBT activity. Consequently, it will be necessary for the EBT Contractor to interface with the AMA and provide the necessary data. This data must be provided in a formatted file (see Appendix F for file format).

3.11.10.2 Food Stamp Redemption Reporting

The EBT Contractor shall provide detailed daily Food Stamp redemption data by retailer identification number to the Store Tracking and Redemption Subsystem (STARS), the FNS Food Stamp redemption database, through the Benefit Redemption Systems Branch (BRSB) in Minneapolis. The data format and requirements of this file is specified by FNS. The data elements and file format for this data is provided in Appendix F.

3.11.10.3 ALERT File

The EBT Contractor shall provide transaction data, starting at implementation, of store transaction history on a monthly basis to FNS through the Anti-fraud Locator of EBT Retailer Transactions (ALERT) file. The data element requirements and file layout for the ALERT file can be found in Appendix F.



3.12 Transition

Transition from the current Contractor to the new Contractor will consist of three phases as described below. This section also includes the conversion to a new Contractor, if required, following the conclusion of the contract awarded through this procurement. For additional guidance reference the FNS EBT System Transition Guide.

3.12.1 EBT-Only POS Terminals

During the conversion of EBT-only equipment it is critical that clients not be negatively impacted in their ability to redeem their benefits due to conversion and that business operations of stores using EBT-only terminals not be negatively impacted due to the conversion to new terminals and terminal drivers. Therefore, 95% of all existing EBT-only terminals shall be converted prior to the database conversion.

3.12.2 EBT Database

Database conversion (conversion from existing database to new database) shall take place overnight on the weekend and is usually done next to the last month of the State's current contract. The Contractor shall analyze monthly transaction volumes and select a weekend when the least number of retailer and clients would be impacted. The entire conversion shall be completed in ten hours or less. During conversion no stand-in of clients' transactions will be required.

The Contractor shall:

- Perform significant testing of the conversion process, including performing test transactions against the converted database in the Test System. Testing shall also validate that PINs have been converted successfully. FNS requires at least two trial runs.
- Accept three years of transaction history to be transferred from the current EBT Contractor.
- Provide for conversion of one hundred eighty (180) days of online transaction history onto the new system.
- Have checkpoints and reconciliation procedures built into the conversion process to ensure that no benefits or records are dropped.
- Have a contingency fallback plan in case the conversion cannot be completed in a timely manner due to problems.
- Send two notices to retailers. The first notice may be sent 2 or 3 months before conversion and the second must be sent 2 weeks before conversion. FNS reviews them and will mail them if asked to do so.



3.12.3 EBT Card Issuance

The State does not wish to convert its existing client cards to a new card stock. The Contractor shall continue to use the State's current card design with minor modifications as specified by the State. The Contractor must have the capability to operate without replacing the existing cards that have already been produced and/or issued and without disruption to the cardholders benefit access and services. If the client needs a replacement card, the PIN for the client shall be transferred from the old card to the new (replacement) card. Once a new card is issued the old card will be inactivated.

3.13 Disaster Preparation and Contingency Planning

Disaster preparation and contingency planning covers three areas. The first is the Contractor's system; the second is the State's eligibility systems; and the third is natural disasters impacting a large number of the State's population. This section of the RFP covers these three areas.

3.13.1 Contractor Systems

The Contractor shall provide an alternate means of authorization of EBT transactions during short-term outages, when switching over to the back-up site is not considered appropriate. The response to this requirement shall also include how the Contractor will notify both the State and the retailer community that an outage is occurring and alternate means of authorizations are currently in place.

However, in the event of a disaster impacting the availability of the Contractor's primary data processing site, the Contractor shall have available a back-up site for host processing and telecommunications network services. The Contractor shall have the EBT hot back-up site begin processing transactions within one hour of a disaster declaration.

The Contractor's disaster recovery plan shall also include a State notification process as well as disaster declaration criteria and timeframes that are acceptable to the State. The Contractor shall notify the State immediately upon Contractor's decision to move to a disaster back-up site to provide EBT services. If the Contractor is providing EBT services to multiple States, the disaster recovery plan shall address the timing and order of recovery of the State as compared to the other agencies being processed. The recovery of the State of Alabama's EBT system shall not be delayed because the Contractor is recovering other States' EBT systems.

The disaster back-up site shall be tested annually, and the Contractor shall provide the State with copies of such test results within thirty (30) days of receipt of the test results.



3.13.2 State Systems

The Contractor shall support the recovery of the State's eligibility and EBT interface systems at a back-up site in the event of a disaster at the State's primary data center. This support shall consist of providing connectivity to the State's back-up site to support the transmission of data files and reports between the State and the EBT Contractor. Initial support may consist of only dial-up access until a more robust solution can be implemented. The connectivity during the initial days of a disaster may also consist of passing tape cartridges between the Contractor and the State. In either case, the Contractor shall provide support to the State in ensuring that benefits are still being provided to clients through the EBT system during the recovery of the State's data processing systems. Following the declaration of a disaster by the State and movement to a back-up data center, the Contractor shall work with the State technical staff to provide EBT Administrative Terminal support.

3.13.3 Natural Disasters Within the State

The EBT contractor shall support providing benefits to the State's clients subsequent to the occurrence of a natural disaster within the State. The basic assumption in this scenario is that there is sufficient infrastructure available within the retailer community to support EBT as a means for benefit payments. This section provides the requirements to the EBT contractor for providing these benefits.

The State's plan in supporting natural disasters is to maintain an inventory of pre-embossed and pre-encoded EBT cards within the State that would be used in the event of a disaster. Following the declaration of a disaster supporting expedited issuance of food stamp benefits by USDA, the State would issue the disaster EBT cards to eligible clients within the disaster areas. Following the issuance of the card, the State would update the respective EBT account on the Contractor's EBT system through the batch interface with the associated demographic information, including the assigned case number and client name. Benefits would also be added to the EBT account through the batch interface.

To support the State's plan for EBT disaster services, the Contractor shall maintain on the EBT database predefined disaster accounts and the related EBT card. The Contractor shall maintain 25,000 EBT accounts to be used for disaster services, and the associated EBT cards and system assigned PINs. These EBT accounts shall remain on the Contractor's EBT system until utilized for a disaster. If the State needs additional EBT disaster cards and PIN mailers, they shall be delivered to the State in EBT account number ascending sequence. The State is responsible for storing the cards and related PIN mailers until they are needed for a disaster. The EBT account number shall be used as an identifier on both the Card and PIN mailer, so the two can be matched and provided to clients during a disaster. The Contractor shall work with the State during the design phase of the project to finalize and document these requirements.

For localized disasters impacting a small geographic area, such as an area hit by a tornado, the Contractor shall support the option of drop shipping all requested EBT cards



to a specified address within the impacted area. The impacted area would be identified by zip code. Following written notification by the State, the State requires that all EBT cards that would normally be mailed to clients within the impacted zip codes instead be dropped shipped to the location specified by the State. The EBT cards would be dropped shipped until written notification is received from the State to discontinue drop shipping and begin mailing cards again. This is a Fee for Service option that should be priced separately in the Respondent's Pricing Proposal.

SECTION 4

PRICING



SECTION 4 PRICING

This section describes the format and content of the Pricing Responses. Price quotations shall be submitted in the format specified. Responses that do not provide price proposals in the required format may be rejected at the option of the State. Unless identified otherwise, prices quoted shall apply for the duration of the Contract executed as a result of this RFP.

4.1 Response Requirements

Responses shall include prices for services in the following categories of EBT-related functions and activities as specified in the RFP:

- Start-up costs for System Development and System Transition.
- Cost Per Case Month (CPCM) pricing for food stamp only, cash only and combined food stamp and cash cases.
- Incremental cost increases/decreases for alternative service options.
- Per unit pricing for 1-800 pay phone charges for Client Help Desk calls and direct deposit of cash benefits into a recipient's bank account.
- System enhancement costs.
- Cost to State for interest on days the State does not settle due to State Holidays.
- Payments to Retailers for supporting cash withdrawal transactions from commercial POS devices.
- Client fee for cash-only withdrawals (after two free transactions) in a one-month period.

Responses shall include information that identifies the specific location of all technical and support services (i.e., Customer Service Call Center, Retailer Help Desk, State Support Help Desk, etc.). Price quotations for the core EBT services shall be expressed in terms of Cost Per Case Month (CPCM). CPCM represents the fixed cost to deliver the mandatory category of services to a single case for one month. Price quotations provided on the mandatory component shall include all costs associated with operation of the EBT system for the core services. Pricing will be volume based ("tiered") dependent upon the total actual number of active cases on the EBT system.

4.1.1 Pricing Separate from Technical Response

Pricing information must be submitted in a separate sealed envelope and clearly labeled as "Pricing Response". (See Section 1.1.3 for submission requirements.)

4.1.2 Pricing Assumptions

Respondents should use the following assumptions in developing their pricing tables:



- The start-up costs shall be fixed based upon the requirements within the RFP.
- The CPCM pricing provided by the Respondents shall be fixed for the life of the contract.
- Respondents should use the tiers within the CPCM pricing schedule to cover fluctuations in the case volumes.
- The State will pay the lower of the FCC default rate or the actual cost for client calls to the EBT Help Desk from payphones billed by payphone service providers.
- The State prefers that all technical and support services be provided by employees located within the United States.

4.1.3 Definition of Active Case

Active cases are those for which a benefit authorization 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. 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.

4.2 Start-up Costs

The State will pay a fixed price to the Contractor for system implementation and transition costs from the current Contractor’s EBT System to the new Contractor’s EBT System. The Respondent shall provide costs within the defined categories as follows:

- EBT System Design and Development – Respondents shall provide costs directly related to the design, development, and testing of the EBT system being provided to the State. The cost for the interfaces to the State’s eligibility system should be included in this category.
- EBT-only Terminal Conversion Costs – Respondents shall provide costs related to the transition of EBT-only retailers from the current EBT Contractor to the Respondent’s EBT system. Costs to be included in this category are the costs to deploy the new POS terminal, train retailers, and retailer transaction acquiring costs until the EBT database has been converted.
- EBT Database Conversion Costs – Respondents shall provide costs related to the conversion of the EBT database from the current Contractor to the Respondent’s EBT system. These costs shall include development and testing of conversion programs, performing mock conversions, and performing the actual database conversion.



- EBT Card Issuance Costs – Respondents shall provide costs related to the design, development, and testing of the card issuance process.

The format of the response is contained in Schedule IV-1, Pricing Table for Alabama EBT Start-up Costs. Respondents should include a narrative explaining the costs included within each component.

The fixed-price start up costs shall be paid to the new Contractor in three installments. The first installment, consisting of 40% of the total start-up costs, shall be paid upon the successful completion of the system acceptance test. The second installment, consisting of an additional 40% of the total start-up costs, shall be paid upon the successful conversion to the new Contractor's EBT system. The final installment, consisting of the remaining 20% of the start-up costs, shall be paid following the completion of all the changes to the State of Alabama EBT card.

4.3 CPCM Pricing Schedule

Respondents should use the pricing table contained in Schedule IV-2, Pricing Table for Alabama EBT CPCM, to reflect Cost Per Case Month pricing for the EBT contract. Active case counts shall be the total unduplicated case count on the Contractor's EBT system for the billing month.

If, during the life of the contract, the total unduplicated case counts fall outside of the range provided within the pricing table, CPCM pricing shall be provided at the price contained within the last respective tier within the table (e.g., CPCM pricing for case counts below 130,000 cases shall be provided at the "< 130,000" tier).

All ongoing costs not identified separately shall be included in the CPCM.

4.4 Pricing of Optional Services

Respondents are encouraged to identify means to reduce the costs of EBT services to the State or provide increased service (service that exceeds the minimum service requirements specified in Section 3, General Requirements, of the RFP) to the State and/or its EBT clients. As part of the pricing schedules included in this section, Respondents have the opportunity to identify cost reduction factors and optional service offerings that would produce cost savings and/or improve service. The optional services should be provided in Schedule IV-3, Pricing Table for Alabama EBT Optional Services. All cost savings should be expressed in terms of reduction to the CPCM price, while service improvements should be reflected in terms of an increase to the CPCM.

Respondents should be aware that Schedule IV-2 should contain their baseline CPCM price for the EBT services as defined in Sections 2 and 3 of this RFP. Scoring of the CPCM pricing will only be completed on the pricing contained in Schedule IV-2. Pricing



Schedule IV-3 shall contain only optional services, and whether these services are utilized is at the discretion of the State.

The table includes an entry to restrict client calls to CSR to 8:00 a.m. to 6:00 p.m. Central Time each day, except for reporting lost or stolen EBT cards and compromised PINs, which will continue to be 24 hours, 7 days a week. It also includes an entry concerning location of Customer and Retailer Service Call Centers and an on-line data warehouse. Any other entries within the table are at the discretion of the Respondent.

4.5 Fee for Service Pricing

Pricing Schedule IV-4 contains pricing for services that the State will pay based upon the utilization of the respective service. Examples of this are the charges for client calls to the Help Desk from payphones and direct deposit of cash benefits into a client's bank account.

4.6 Professional Services Pricing

Pricing Schedule IV-5 contains the hourly rate pricing that would be charged to the State for professional services outside of the scope of this RFP, such as a system enhancement request to support new functionality. A per hour price should be provided for each labor category contained in the pricing table, and any other labor category not included within the table, but utilized by the Contractor.

4.7 Interest Cost for Delayed Funding of Settlement

As described in Section 3.4.2, the State will not be able to perform the draw down of funds on State holidays that are not Federal Reserve Banking Holidays. The State will perform the draw down of the funds and pay the Contractor on the next business day following the State holiday. The State will also pay the Contractor the interest costs on the total settlement amount funded by the Contractor. The response to this section shall state the rate that will be used to calculate the interest charge to the State.

4.8 Client Fees for Cash Withdrawals

Clients receiving cash benefits must be provided with two (2) cash withdrawals per month per case before the Contractor can assess a transaction fee (Section 3.6.11 provides a more detailed description of the requirement). These transactions can occur at either an ATM or a POS device. The Contractor shall define in this section the per transaction fee that will be assessed to the client after the two free transactions have been performed. However the maximum fee that can be charged to clients is capped at \$.85 per successful cash withdrawal transaction.



4.9 Payments to Retailers Supporting Cash Withdrawals

Retailers who support cash withdrawal transaction functionality from their commercial POS devices shall be paid no more than \$.30 for each successful cash withdrawal transaction that is performed. The retailers can either be paid directly by the EBT Contractor, or payments can be passed through the Third Party Processor supporting the retailer. The State will pay as a pass through cost the amount of the fees paid to these retailers. The amount of the retailer fee payment should be included as a line item on the invoice to the State, and should be supported by a supporting report showing the amount of payment to each retailer.

4.10 Invoicing and Payment

The State shall make monthly payments to the Contractor for services rendered during the previous calendar month. The Contractor shall prepare an invoice for services rendered following the last working day of each calendar month being billed. The invoice must be accompanied by supporting documentation that substantiates each individual line item on the bill. At a minimum, the monthly bill should contain the following:

- Report period (month/year)
- Previous amount due/payments received
- As applicable, billable start-up costs
- Number of active EBT accounts within each category
- Applicable CPCM for active EBT accounts within each category
- Total CPCM pricing (total of active EBT accounts times the CPCM)
- A total of the fees paid to retailers performing cash withdrawals on commercial POS terminals.
- A list of the fee for services provided and total cost
- As applicable, interest for settlement for State only holidays
- Payphone surcharges
- Total amount due

4.11 Pricing for Options

The State will determine which, if any, of the options will be exercised in the contract with the Contractor. This determination will be made and finalized prior to the execution of the contract.



Respondent: _____

Date: _____

Schedule IV - 1
Pricing Table for Alabama EBT Start-Up Costs

Category	Cost
EBT System Design and Development	
EBT-only Terminal Conversion Costs	
EBT Database Conversion Costs	
EBT Card Issuance Costs	
Total Start-up Costs	



Respondent: _____

Date: _____

**Schedule IV - 2
Pricing Table for Alabama EBT CPCM**

Active Cases for Billing Month	FS Price	Cash Price	Combined Price
< 130,000			
130,000-135,000			
135,001-140,000			
140,001-145,000			
145,001-150,000			
150,001-155,000			
155,001-160,000			
160,001-165,000			
165,001-170,000			
170,001-175,000			
175,001-180,000			
180,001-185,000			
185,001-190,000			
190,001-195,000			
195,001-200,000			
200,001-205,000			
205,001-210,000			
210,001-215,000			
215,001-220,000			
220,001-225,000			
225,001-230,000			
230,001-235,000			
235,001-240,000			
240,001-245,000			
>245,000			



Respondent: _____

Date: _____

**Schedule IV - 3
Pricing Table for Alabama EBT Optional Services**

Service Description	CPCM Increase (+) or Decrease (-)
Restricting client calls to Customer Service Representatives (CSR) to 8:00 a.m. to 6:00 p.m. Central Time each day, except for reporting lost or stolen EBT cards and compromised PINs, which will continue to be 7 days a week, 24 hours each day (7x24).	
Ensuring that the Client and Retailer Customer Service Call Centers are located in the United States. Start-up cost shall be specified as a total amount separate from the ongoing increase or decrease of the CPCM.	
Ensuring that the Client Customer Service Call Center is located in Alabama within a thirty (30) mile radius of Montgomery County and the Retailer Customer Service Call Center is located in the United States. Start-up cost shall be specified as a total amount separate from the ongoing increase or decrease of the CPCM.	
An on-line data warehouse that can be used for fraud prevention, etc. Start-up cost shall be specified as a total amount separate from the ongoing increase or decrease of the CPCM.	
Other:	
Other:	



Respondent: _____

Date: _____

**Schedule IV - 4
Pricing Table for Alabama EBT Fee for Service**

Service Description	Unit of Measure	Unit Cost
Client calls to EBT Help Desk from payphones (The state will pay the lower of the FCC default rate or the actual cost billed by the payphone service provider).	Per call	
Direct deposit of a cash benefit to a recipient's bank account	Per direct deposit	
PIN Selection Equipment (PIN selection equipment may be used for disaster services)	Monthly lease cost per unit	
Provide additional EBT disaster accounts and associated disaster vault cards and system assigned PINs that can be used for providing benefits in the event of a natural disaster	Per 5,000 cards	
Drop shipping of cards to a State specified location for localized disasters.	Per drop shipment	



Respondent: _____

Date: _____

Schedule IV - 5
Pricing Table for Alabama EBT Professional Service Fees

Professional Services Rate	Hourly Rate
Project Manager	
Technical Project Manager	
Database Specialist	
Senior Programmer/Analyst	
Programmer/Analyst	
Software Test Specialist	
Technical Writer	
Other:	
Other:	

APPENDIX A

GLOSSARY OF TERMS



GLOSSARY OF TERMS

TERM	DEFINITION	ACRONYM
Account	The record kept and maintained by the EBT contractor for each benefit type a recipient receives: Food Stamp, Cash or Food Stamp and Cash.	
Active Case	Cases for which a benefit authorization has been posted and made available during the billing month. See Section 4.1.3 of the RFP for a complete definition.	
Acquirer	An entity such as an ATM Network or Third Party Processor acquiring EBT transactions through ATMs and/or POS devices.	
Acquirer Agreement	A written agreement between an Acquirer and an Issuer or its Designated Agent pursuant to which the Acquirer confirms its agreement to be bound by, and comply with, the Quest Operating Rules, as such rules may be amended from time to time.	
Acquirer System	The telecommunications and processing system (including software and hardware) operated by, or on behalf of, an Acquirer through which transactions originating at ATMs or POS terminals of that Acquirer are processed and routed to the Issuer.	
Adjustment	A debit or credit transaction initiated by an Acquirer, terminal operator (on behalf of an Acquirer), or the State and/or its Contractor to correct a system error and/or an out-of-balance condition identified in the reconciliation/settlement process.	
American National Standards Institute	The U.S. standards group responsible for issuing U.S. standards and maintaining consistency with similar international standards.	ANSI



TERM	DEFINITION	ACRONYM
Applicable Law	Any federal, state, or local law, regulation, rule, or ordinance in effect and applicable to the subject matter referenced. Includes any changes made to such federal, state, or local law, regulation, rule or ordinance with the effective date during the term of the RFP.	
ATM Acquirer	An entity which owns, operates or controls ATMs or sponsors ATMs owned, operated, or controlled by a third party, at which EBT cards are accepted for cash withdrawals.	
ATM Operator	An Acquirer, or Processor on behalf of an Acquirer, which operates a telecommunications and processing system (including software and hardware) through which transactions are initiated, processed and routed, directly or indirectly, to the appropriate Issuer.	
Automated Clearing House	A funds transfer system governed by the rules of the National Automated Clearing House Association (NACHA) which provides for the interbank clearing of electronic entries for participating Depository Institutions.	ACH
Authorized Representative	A person authorized to access food stamp benefits on behalf of the food stamp household.	AR
Automated Response Unit	An interactive voice response unit accessed via telephone and utilized by clients and merchants for various functions.	ARU
Authorized Retailer	Any facility which has been approved by the Food and Nutrition Service, US Department of Agriculture to accept food stamp benefits as payment for eligible food items.	



TERM	DEFINITION	ACRONYM
Authorization	1. Transaction Authorization: The approval of a request for a transaction by a Card Authorization System (CAS) or by a third party providing stand-in processing for the CAS. A transaction that is approved in accordance with the Quest Operating Rules is "Authorized." 2. Benefit Authorization: The transmittal of authorized program benefits from the State to the Contractor.	
Business Day	For purposes of financial institutions, all weekdays excluding those days on which the Federal Reserve Bank is closed. For purposes of State offices, all weekdays excluding those days on which the State offices are closed due to State and Federal holidays, decrees, orders or other such days as announced and approved by the Governor's Office. For purposes of retailers and similar benefit providers, the business day is defined in the Retailer Agreement.	
Cancelled Transaction	The termination of a transaction by the terminal operator or retailer prior to receiving the response for the transaction request from the Cardholder Authorization System.	
Cardholder Authorization System	The telecommunications and processing system operated by, or on behalf of, an Issuer who authorizes or declines transaction requests.	CAS
Customer Service Representative	A trained individual responsible for processing and resolving client or merchant inquires and requests if the ARU is unable to resolve.	CSR
Expungement	All benefits or issuance amounts that have remained on the State's issuance history for more than 12 months are deleted or removed, on a monthly basis, at the end of the month during the end-of month processing.	



TERM	DEFINITION	ACRONYM
Food and Nutrition Service	The division of the U.S. Department of Agriculture responsible for administering the Food Stamp Program, the authorization of retailers to participate in the Food Stamp Program.	FNS
FNS Retailer Number	A number assigned by FNS which identifies a retailer who has been authorized to participate in the Food Stamp Program.	
Primary Account Number	The number which serves as the primary identification of a client and is the 16 digit number on the EBT card. The number must comply with the International Standards Organization (ISO) standards.	PAN
Personal Identification Number	This number is a confidential number that is used in combination with the PAN to initiate electronic transactions in order to access benefits or secure a balance inquiry through either an ATM or POS device.	PIN
Processor	Any company processing transactions on behalf of an Issuer, Acquirer or merchant, including any terminal operator that is not also an Acquirer or a Network.	
Quest Operating Rules	Quest Operating Rules, Version 1.2, dated June 3, 1999, plus all subsequent revisions and amendments to these rules.	
Settlement	The movement of funds between an Issuer and an Acquirer in satisfaction of transactions in accordance with the Quest Operating Rules.	
Settlement Day	The calendar date on which funds are transferred for settlement. The period between cut-off times established by an Issuer for settlement.	
State Fiscal Year	The twelve month period that runs from October 1 of one year through September 30 of the next year (i.e., October 1, 2004 – September 30, 2005).	



TERM	DEFINITION	ACRONYM
Surcharge	A fee added to a transaction by an Acquirer, Terminal Operator or Merchant for a transaction initiated at a terminal.	
Switch	The computer hardware and software operated by, or on behalf of, a network for the purpose of routing transactions among participants.	
Transaction Date	The calendar date on which a request for a funds transfer following a transaction or balance inquiry is initiated.	
Transaction Record	An electronic record or hard copy report of each transaction including, but not limited to, ATM transactions, POS transactions, adjustments, chargebacks and reversals sent by an Acquirer or CAS.	
Transaction Request	An electronic message sent by an Acquirer to a CAS requesting that the CAS authorize a transaction.	
Transaction Response	An electronic message sent to the Acquirer by the CAS in response to a transaction request authorizing or denying a transaction.	
Transaction Time	The local time a transaction is initiated at a terminal.	
Voice Authorization	The verbal approval by a CSR over the telephone of a request for a manual food stamp transaction.	

APPENDIX B

**HISTORICAL
CASELOAD DATA**



HISTORICAL CASELOAD DATA
Unduplicated Case Count*

<u>MONTH</u>	<u>FOOD STAMP CASES</u>	<u>CASH CASES</u>	<u>COMBINED CASES</u>	<u>TOTAL</u>
October 2003	176,773	4,378	15,298	196,449
November 2003	177,682	4,348	15,251	197,281
December 2003	179,039	4,301	15,371	198,711
January 2004	179,105	4,330	14,997	198,432
February 2004	177,988	4,286	14,762	197,036
March 2004	179,300	4,255	14,777	198,332
April 2004	179,043	4,272	14,788	198,103
May 2004	180,093	4,210	14,700	199,003
June 2004	180,460	4,173	14,548	199,181
July 2004	181,716	4,156	14,692	200,564
August 2004	183,295	4,189	14,981	202,465
September 2004	186,259**	4,242	15,613	206,114

*Over the past 3 fiscal years the Food Stamp caseload has increased an average of 6.69% each fiscal year.

**Includes 424 Food Stamp Disaster Cases.

APPENDIX C

**HISTORICAL
RETAILER INFORMATION
DATA**



HISTORICAL RETAILER INFORMATION DATA

<u>MONTH</u>	<u>VOCHERS ADDED</u>	<u>VOCHERS CLEARED</u>	<u>VOCHERS EXPIRED</u>
October 2003	613	520	113
November 2003	2935	2264	127
December 2003	2359	1951	550
January 2004	1652	1435	408
February 2004	533	457	188
March 2004	1198	966	108
April 2004	2285	1931	161
May 2004	627	493	289
June 2004	512	440	115
July 2004	1848	1663	87
August 2004	339	329	125
September 2004	871	547	37



CASH WITHDRAWALS FROM ATM's AND POS DEVICES

<u>MONTH</u>	<u>TOTAL ATM WITHDRAWAL COUNT</u>	<u>TOTAL POS CASH WITHDRAWAL COUNT</u>
October 2003	14,503	45,465
November 2003	14,525	44,277
December 2003	13,908	43,792
January 2004	13,757	42,279
February 2004	13,267	40,679
March 2004	13,690	43,197
April 2004	13,649	42,524
May 2004	13,933	42,356
June 2004	13,806	43,128
July 2004	14,020	43,242
August 2004	14,343	43,351
September 2004	14,754	47,463

APPENDIX D

HISTORICAL

RECIPIENT HELP DESK

DATA



HISTORICAL RECIPIENT HELP DESK DATA

<u>MONTH</u>	<u>ARU CALLS</u>	<u>CSR CALLS</u>	-----Call Reasons – CSR Calls-----					<u>HANG-UPS</u>	<u>MISC</u>
			<u>INQUIRIES FOR BAL. & TRANS.</u>	<u>BENEFIT AVAIL.</u>	<u>STATUS CARD</u>	<u>PIN ISSUES</u>			
October 2003	574,326	43,321	5,423	2,594	11,856	8,018	6,842	8,588	
November 2003	590,008	45,236	8,703	2,560	10,595	7,658	7,504	8,216	
December 2003	558,280	42,146	7,537	2,122	10,922	6,364	7,266	7,935	
January 2004	408,429	40,756	6,588	1,781	11,655	6,502	6,814	7,416	
February 2004	569,837	34,066	4,830	1,985	9,824	6,474	4,879	6,074	
March 2004	579,215	40,517	4,830	2,313	12,053	7,523	6,446	6,639	
April 2004	539,378	41,192	8,895	3,364	10,189	6,674	5,475	6,595	
May 2004	550,962	40,943	6,183	2,427	11,600	7,843	6,447	6,443	
June 2004	507,287	41,974	5,973	2,591	11,686	7,700	6,580	7,444	
July 2004	609,681	44,834	6,368	3,066	11,235	7,988	6,578	9,599	
August 2004	576,643	46,601	8,186	3,242	11,645	8,372	6,131	9,025	
September 2004	922,027	56,547	11,627	5,102	11,095	8,234	10,331	10,158	

APPENDIX E

**HISTORICAL
CARD REPLACEMENT
DATA**



HISTORICAL CARD REPLACEMENT DATA

<u>MONTH</u>	<u>ACTIVE CARDS*</u>	<u>TOTAL CARDS REPLACED</u>	<u>-----Replacement Reasons-----</u>			
			<u>STOLEN</u>	<u>LOST</u>	<u>DAMAGED</u>	<u>OTHER</u>
October 2003	570,642	9,706	537	6,112	1,957	1,100
November 2003	575,722	8,287	417	5,430	1,267	813
December 2003	579,515	8,813	491	5,679	1,792	851
January 2004	583,012	9,019	442	5,608	2,089	880
February 2004	586,850	8,026	445	5,008	1,765	808
March 2004	590,555	9,819	537	6,055	2,195	1,032
April 2004	594,369	8,972	525	5,468	2,071	908
May 2004	598,358	9,120	591	5,678	1,986	865
June 2004	347,605	9,420	574	5,866	2,085	895
July 2004	353,601	8,337	544	5,119	2,000	674
August 2004	360,391	8,662	622	5,084	2,230	726
September 2004	366,298	8,257	667	5,183	1,824	583

*Active Card Count Includes 25,000 Disaster Cards.

APPENDIX F

EBT FILE FORMATS



EBT FILE FORMATS

Batch Maintenance Formats

Case/Client Maintenance File

The Case/Client Maintenance File is used by the State to add and update case and client information on the existing Contractor's EBT System through the batch maintenance process. The record formats included in this file are detailed below.

Case/Client Maintenance Header Record

Description	Length	Type ¹	Comments
Record Type	02	X	Constant of "HC"
State Unique Data	15	X	Agency discretionary data
Agency Code	06	X	Required ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
Maintenance Type	16	X	Required – Constant of "CASE/CLIENT"
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	169	X	Fields should be set to spaces.

Record length = 220 bytes

Case/Client records are transmitted to the EBT Contractor 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 within an Agency (ALDHRF or ALDHRA) 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.

¹ Type of X is alphanumeric, type of 9 is numeric.



Case/Client Maintenance Detail Record

Description	Length	Type	Comments
Refresh Action	01	X	Required A = Add C = Change
EBT Account Number	12	X	Required – EBT account number assigned by the State from list provided by Contractor.
Case Number	10	X	Required – Case number assigned by eligibility system.
Client Type	02	X	Required P = Primary payee on case PF = Primary payee on case, access to food stamps only AF = FS only alternate AC = Cash only alternate AB = Alternate for both food stamps and cash benefits
Case Worker ID	09	X	Required
Local Office Code	03	X	Required
Client First Name	15	X	Required
Client Middle Name	01	X	Optional
Client Last Name	20	X	Required
Street Address 1	30	X	Required
Street Address 2	30	X	Optional
City	20	X	Required
State	02	X	Required
ZIP Code	09	X	Required
Birth date	08	X	Required – Format of CCYYMMDD
Social Security Number	09	X	Optional
Issue Card Flag	01	X	Required Y = Yes N = No
Generate PIN Flag	01	X	Required Y = Yes N = No
Filler	20	X	Fields should be set to spaces.
Language Indicator	01	X	Required E = English S = Spanish



File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	04	X	Fields should be set to spaces.

Record length = 220 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, only the fields that have changed need to be present. Fields that should be set to spaces will be filled with asterisks.

All alphanumeric fields are left justified and right space filled.



Case Number Maintenance Record

Description	Length	Type	Comments
Refresh Action	01	X	Required B = Case Number Change
EBT Account Number	12	X	EBT account number assigned by the State from list provided by vendor.
New Case Number	10	X	Required – New case number assigned by the eligibility system
Old Case Number	10	X	Required – Initial case number assigned by the eligibility system
Local Office Code	03	X	Required
Filler	01	X	Field should be set space.
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	171	X	Fields should be set to spaces.

Record length = 220 bytes

This record format is used to change an old case number (temporary case number or T Number) to a new case number on the EBT database. This maintenance record allows for the case numbers to be verified and updated as needed. At the time of the initial case setup, a 10-character “T” number (9 numeric plus “T”) is assigned to a case in the event that the client does not have a social security number. The client is asked to apply for a social security number (SSN). Once the SSN is issued, it is used as the case number on the eligibility system and the above defined maintenance record updates the EBT database appropriately.

All alphanumeric fields are left justified and right space filled.



Additional Case Detail Record

Description	Length	Type	Comments
Refresh Action	01	X	Required N = Add
EBT Account Number	12	X	EBT account number assigned by the State from list provided by Contractor.
Case Number	10	X	Required, case number assigned by the eligibility system
Client Type	02	X	Required P = Primary payee on case PF = Primary payee on case, access to food stamps only AF = FS only alternate AC = Cash only alternate AB = Alternate for both food stamps and cash benefits
Case Worker ID	09	X	Required
Local Office Code	03	X	Required
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	171	X	Fields should be set to spaces.

Record length = 220 bytes

This record format is used to add a client already existing on the EBT database to another case under the same EBT account. On an Add request in which the case does not exist on the EBT System, a case record is generated; otherwise the client is added to the indicated case.

If an Add record is received for a client type already on the EBT system, the Add record is 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.

All alphanumeric fields are left justified and right space filled.



Case/Client Maintenance (Deactivate Client) Record

Description	Length	Type	Comments
Refresh Action	01	X	Required D = Deactivate Client
EBT Account Number	12	X	EBT account number assigned by the State from list provided by Contractor.
Case Number	10	X	Required – Case number assigned by the eligibility system
Client Type	02	X	Required
Status Card Flag	01	X	Required Y = Yes N = No
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	182	X	Fields should be set to spaces.

Record length = 220 bytes

This record format is used to deactivate client information. 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”.

All alphanumeric fields are left justified and right space filled.



Case/Client Maintenance Trailer Record

Description	Length	Type	Comments
Record Type	02	X	Required – Constant of “TC”
Total Detail Records	09	9	Required – The total number of detail records
Number of Adds	09	9	Required – The number of add records
Number of Changes	09	9	Required – The number of change records
Number of Case Number Changes	09	9	Required – The number of case number change records
Number of Additional Case Detail Records – Adds	09	9	Required – The number of new cases being added to existing account records
Filler	18	X	Fields should be set to spaces.
Number of Deactivate Client Records	09	9	Required – The number of deactivate client records
Filler	09	X	Fields should be set to spaces.
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	125	X	Fields should be set to spaces.

Record length = 220 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 Contractor’s EBT System through the batch maintenance process. The record formats included in this file 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 Batch Maintenance Header Record

Description	Length	Type	Comments
Record Type	02	X	Constant of “HB”
State Unique Data	15	X	Agency discretionary data.
Agency Code	06	X	Required ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
Maintenance Type	16	X	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 are: FS DAILY FS MONTHLY AFDC DAILY(TANF) AFDC MONTHLY (TANF)
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	29	X	Fields should be set to spaces.

Record length = 80 bytes

Benefit maintenance files are transmitted to the EBT Contractor in batches. A single transmission may contain multiple batches. Each batch consists of a header, multiple detail records, and a trailer record. If multiple batches are created on the same day, each batch must have a unique create time. All alphanumeric fields will be left justified and right space filled.



Benefit Batch Maintenance Detail Record

Description	Length	Type	Comments
Refresh Action	01	X	Required A = Add C = Change D = Cancel Benefit (once a benefit has been canceled, it cannot be reactivated)
EBT Account Number	12	X	EBT account number assigned by the State from list provided by Contractor.
Case Number	10	X	Required – Case number assigned by eligibility system
Benefit Type	06	X	Required – Unique identifier for benefit
Authorization Number	10	X	Required
Authorization Amount	09	9v99	Required
Benefit Available Date	08	9	Required – Format of CCYYMMDD. Date the benefit is available to the client.
Benefit Available Time	04	9	Required – Format of HHMM. Time the benefit is available to the client.
Local Office Code	03	X	Required
Benefit Status	01	X	A = Active Benefit
File Create Date	08	9	Required, format of CCYYMMDD
File Create Time	04	9	Required, format of HHMM
Filler	04	X	Fields should be set to spaces.

Record length = 80 bytes

This record format is used to add, change, and cancel benefit authorizations. The Authorization Number must be unique for each benefit. All alphanumeric fields will be left justified and right space filled. The Available Date field is the only field that can change on the benefit record. This field can be modified only prior to the available date (e.g., when the available date has been reached, the State cannot modify the field).

A refresh action of “D” cancels the benefit. A benefit can be cancelled only prior to the availability date. Once a benefit is cancelled, it cannot be changed back to an active status. The benefit amount should be ignored on a benefit cancel record.



Benefit Batch Maintenance Trailer Record

Description	Length	Type	Comments
Record Type	02	X	Required – Constant of “TB”
Total Detail Records	09	9	Required – The total number of detail records
Number of Adds	09	9	Required – The number of add records
Number of Changes	09	9	Required – The number of change records
Number of Deletes	09	9	Required – The number of benefit cancel records
Amount of Adds	11	9v99	Value of add records in the batch
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	19	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields will be left justified and right space filled.



History Extract File

The EBT Contractor sends the State an extract file of all financial activity occurring on the Contractor’s EBT System for each business day. This 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.

Extract Daily History Header Record

Description	Length	Type	Comments
Record Type	02	X	Constant of “EH”
Agency Code	06	X	ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
File Type	16	X	Constant value of “HISTORYEXTRACT”
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	114	X	Fields should be set to spaces.

Record length = 150 bytes

The EBT Contractor is required to transmit an extract of all financial activity to the State on a daily basis. Each transmission should contain a header record, multiple detail records, and a trailer record. All alphanumeric fields will be left justified and right space filled.



Extract Daily History Detail Record

Description	Length	Type	Comments
EBT Account Number	12	X	EBT account number assigned by the State from list provided by Contractor.
Case Number	10	X	Required – Case number assigned by eligibility system
Authorization Number	10	X	Required
Update Type	02	X	Valid values are: DR – Debit to an authorization CR – Credit to an authorization
Benefit Type	06	X	Required
Report Category	02	X	Valid values are: CL – Client Initiated Transactions (including reversals, voids, and returns) CN – Cancel from Batch CT – Cancel from Admin. Terminal CO – Food Stamp Conversion AU – Benefit Authorization from Batch AT – Benefit Authorization form Admin. Terminal AG – Aged Benefit AD – Adjustment
Primary Account Number (PAN)	19	X	Optional
Available Balance	09	s9v99	Amount of funds available to the client after the transaction occurred. Format of field is s9(07)v99.
Transaction Amount	09	s9v99	Transaction amount. Format of field is s9(07)v99.
Transaction Date	08	9	Required – Format of CCYYMMDD
Transaction Time	04	9	Required – Format of HHMM
Local Office Code	03	X	Required
Terminal ID	10	X	Optional – POS Terminal ID
FCS Number	07	9	Optional – FCS Retailer Number
Store Name	20	X	Optional
State Abbreviation for Store	02	X	Optional
Filler	17	X	Fields should be set to spaces.

Record length = 150 bytes



This record is used to notify the State of financial activity taking place on the EBT system. All alphanumeric fields are left justified and right space filled. The FCS number only appears for food stamp transactions.



Extract Daily History Trailer Record

Description	Length	Type	Comments
Record Type	02	X	Constant of "ET"
Agency Code	06	X	ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Number of Detail Records	08	9	Total number of Detail Records on the file
Filler	122	X	Fields should be set to spaces.

Record length = 150 bytes

All alphanumeric fields will be left justified and right space filled.



Benefit Aging File

The Benefit Aging File details all of 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

Description	Length	Type	Comments
Record Type	02	X	Constant of "AH"
Agency Code	06	X	ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
File Type	16	X	Constant value of "AGINGEXTRACT"
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	44	X	Fields should be set to spaces.

Record length = 80 bytes

The EBT Contractor is required to transmit an extract of all benefit authorizations with no activity within the defined aging periods to the State on a monthly basis. 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

Description	Length	Type	Comments
EBT Account Number	12	X	EBT account number assigned by the State from list provided by Contractor.
Case Number	10	X	Required – Case number assigned by eligibility system
Authorization Number	10	X	Required
Benefit Type	06	X	Required
Aging Indicator	01	X	Required, valid values are: 1 – Aging Period 1 2 – Aging Period 2 3 – Aging Period 3
Available Balance	9	s9v99	Amount of funds remaining on the benefit. Format of field is s9(07)v99.
Original Auth Amount	9	s9v99	Original authorization amount. Format of field is s9(07)v99.
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	11	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields should be left justified and right space filled.



Benefit Aging Trailer Record

Description	Length	Type	Comments
Record Type	02	X	Constant of "AT"
Agency Code	06	X	ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Number of Detail Records	08	9	Total number of Detail Records on the file
Filler	52	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields should be left justified and right spaced filled.



EBT Account Number Maintenance File

The Account Number Maintenance File is received from the EBT Contractor upon request and includes a new set of available EBT account numbers that can be assigned to new clients. Each transmission should contain a header record, multiple detail records, and a trailer record. The record formats included in this file are detailed below.

Account Number Maintenance Header Record

Description	Length	Type	Comments
Record Type	02	X	Constant of "HE"
Filler	78	X	Fields should be set to spaces.

Record length = 80 bytes

Account Number Maintenance Detail Record

Description	Length	Type	Comments
Account Number	12	X	EBT account number available to the State to assign to new accounts.
Filler	68	X	Fields should be set to spaces.

Record length = 80 bytes

Account Number Maintenance Trailer Record

Description	Length	Type	Comments
Record Type	02	X	Constant of "TE"
Detail Record Count	09	9	Count of detail records in file
Filler	69	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields should be left justified and right space filled in all of the above records.



Case/Client Delete File

The EBT vendor should send the Case/Client delete file to the State when maintenance is performed against the Contractor’s EBT database and case/client information is purged (i.e., removed) because of inactivity. The file should include a header record, a detail record for each client/case that has been removed from the Contractor’s EBT database, and a trailer record. The record formats included in this file are detailed below.

Case/Client Delete Header Record

Description	Length	Type	Comments
Record Type	02	X	Constant of “HC”
Agency Code	06	X	ALDHRF = Food Stamps ALDHRA = AFDC (TANF)
File Type	16	X	Constant value of “CASE/CLIENT DELS”
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	44	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields should be left justified and right space filled.



Case/Client Delete Detail Record

Description	Length	Type	Comments
Filler	04	X	Fields should be set to spaces.
Case Number	10	X	Required
Client Type	02	X	Required
Filler	02	X	Fields should be set to spaces.
Local Office Code	03	X	Required
Client First Name	15	X	Required
Client Middle Initial	01	X	Optional
Client Last Name	20	X	Required
Client Delete Date	08	X	Required – Format of CCYYMMDD
EBT Account Number	12	X	Required
Filler	03	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields should be left justified and right space filled.

Case/Client Delete Trailer Record

Description	Length	Type	Comments
Record Type	02	X	Constant of “TC”
Total Detail Records	09	9	Required – Total number of detail records
Filler	69	X	Fields should be set to spaces.

Record length = 80 bytes

All alphanumeric fields should be left justified and right space filled.



AMA 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 Record 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 at least one project header record, at least one effective date detail record for each project header record, one to five 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 fixed block
- Record size is 80 characters



File Header Record

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'FH'
Processor ID	PIC 9(08)	Number which uniquely identifies a processor; FRB Operations will provide this number to each processor before the processor begins transmitting issuance files
File Number	PIC 9(06)	Must be unique for the Project (If a process handles more than one State, the beginning file number may vary)
File Creation Date	PIC 9(08)	'CCYYMMDD' format
File Creation Time	PIC 9(06)	'HHMMSS' format
Filler	PIC X(50)	SPACES



Project Header Record

(Duplicate Project Header Records are not allowed within a file.)

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PH'
Agency Location Code	PIC X(08)	'12350001'
Region Code	PIC X(02)	'09'
Recipient Organization ID	PIC 9(07)	Recipient Organization ID for the project
Program Year Code	PIC X(04)	'0080'
Letter of Credit Code	PIC X(04)	Letter of Credit Code for the project
Index Code	PIC X(12)	'9S6008 '
Filler	PIC X(41)	SPACES



Detail Record – Effective Date

(Duplicate Effective Date Records are not allowed within a project.)

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PD'
Detail Type	PIC X(02)	'ED'
Effective Date	PIC 9(08)	'CCYYMMDD'
Filler	PIC X(68)	SPACES



Detail Record - Transaction Code

(Duplicate Transaction Code Records are not allowed within an effective date.)

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PD'
Detail Type	PIC X(02)	'PB'
Transaction Code	PIC X(02)	'IO' (issuance other) 'IS' (issuance) 'RC' (return coupon) 'RE' (return expungement) 'RO' (return other)
Transaction Amount	PIC 9(12)V(02)	
Filler	PIC X(60)	SPACES



Project Trailer Record

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PT'
Agency Location Code	PIC X(08)	'12350001'
Region Code	PIC X(02)	'09'
Recipient Organization ID	PIC 9(07)	Must match the Project Header Record
Program Year Code	PIC X(04)	'0080'
Letter of Credit Code	PIC X(04)	Must match the Project Header Record
Index Code	PIC X(12)	'9S6008 '
Filler	PIC X(06)	SPACES
Project Total Amount	PIC 9(12)V(02)	Sum of all transaction amounts for current project (will be positive number since each transaction amount is positive)
Project Record Count	PIC 9(06)	Count of all records for current project including Project Header and Project Trailer records
Filler	PIC X(15)	SPACES



File Trailer Record

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'FT'
Processor ID	PIC 9(08)	Must match the File Header Record
File Number	PIC 9(06)	Must match the File Header Record
File Creation Date	PIC 9(08)	Must match the File Header Record
File Creation Time	PIC 9(06)	Must match the File Header Record
File Record Count	PIC 9(06)	Count of all records in file including File Header and File Trailer records
Filler	PIC X(44)	SPACES

SAMPLE FILE

```

*****Top of Data *****
FHXXXXXXXX00000010000229003710
PH1235000109NNNNNNN0080YYYY9S6008
PDED20000228
PDPBIS00000000255055
PDED20000229
PDPBIS00000003006507
PT1235000109NNNNNNN0080YYYY9S6008  0000003261562000006
FTXXXXXXXX00000010000229003710000008
*****Bottom of Data *****

XXXXXXXX - Processor ID
NNNNNNN - Recipient Organization (RO)-ID
YYYY - Letter of Credit Code for the Project
    
```



STARS (FNS Retailer Redemption) File Format

Description

STARS is the acronym for Store Tracking and Redemption System. On a daily basis, the FNS Retailer Redemption file details the food stamp benefit redemptions performed for a respective EBT State project (i.e., EBT food stamp redemptions for the State of Montana). The file can be sent on a daily or weekly basis by the EBT processor. The file format follows, but each file that is sent to FNS consists of a Header Record, followed by the Detail Records for a respective processing day, followed by a Daily Total Record. Subsequent to the end of the detail records for each processing day to a Trailer Record for the file. Following are two examples of transmissions.

Example 1 – Single day within the transmission

HEADER RECORD
DETAIL RECORDS (for 1 date, i.e. 000101)
“ “
“ “
“ “
DAILY TOTAL RECORD (000101)
TRAILER RECORD

Example 2 – Multiple days within the transmission

HEADER RECORD
DETAIL RECORDS (for 1 date, i.e. 000102)
“ “
“ “
“ “
DAILY TOTAL RECORD (000102)
DETAIL RECORDS (for 1 date, i.e. 000103)
“ “
“ “
“ “
DAILY TOTAL RECORD (000103)
TRAILER RECORD

The formats of the individual records follow.

HEADER RECORD FOR EBT



Header Record

Record Identifier	PIC X	Value '1'
Filler	PIC X	Value space
Processor R/T #	PIC X(9)	Bank R/T number
Processor Suffix #	PIC X(7)	Bank Suffix number or zeros
State Code	PIC XX	Alpha state code
Filler	PIC X(3)	Value zeros.
Date Transmitted	PIC X(6)	YYMMDD
Time Transmitted	PIC X(4)	HHMM
LOC Number	PIC X(4)	Letter of Credit number for state
Filler	PIC X(43)	Value spaces.

DETAIL RECORD FOR EBT

Detail Record

Record Identifier	PIC X	Value space
Transaction Date	PIC X(6)	YYMMDD
Filler	PIC X(12)	Value spaces
'Sign' for Amount in Next Field	PIC X	+ or -
Dollar Amount	PIC 9(7)V99	Total dollar amount for retailer for transaction date
FNS Authorization Number for Retailer	PIC X(7)	
Filler	PIC X(44)	Value spaces



EBT DAILY TOTAL RECORD

Daily Total Record

Record Identifier	PIC X	Value 'C'
Transaction Date	PIC X(6)	YYMMDD
Total Detail Count	PIC 9(6)	Total number of detail records for transaction date
Filler	PIC X(6)	Value spaces
'Sign' for Amount in Next Field	PIC X	+ or -
Total Dollar Amount	PIC 9(9)V99	Total dollar amount of detail records for transaction date
Filler	PIC X(49)	Value spaces

EBT TRAILER RECORD

Trailer Record

Record Identifier	PIC X	Value 'T'
Filler	PIC X(6)	Value spaces
Total Detail Count	PIC 9(6)	Total number of detail records in this transmission
Filler	PIC X(6)	Value spaces
'Sign' for Amount in Next Field	PIC X	+ or -
Total Dollar Amount	PIC 9(9)V99	Total dollar amount for all detail records in this transmission
Filler	PIC X(49)	Value spaces



Written October 1, 2001

Specifications for the Submission of the ALERT EBT Detail Transaction File

The U.S. Department of Agriculture's Food and Nutrition Service's (FNS') Anti-fraud Locator of EBT (Electronic Benefit Transfer) Retailer Transactions (ALERT) Subsystem utilizes a file of retailer EBT transactions provided by the states' contracted EBT processors. This file should be submitted once a month to FNS so that it is received by the fifteenth day of the calendar month. The monthly file should contain all of the retailer Food Stamp Program EBT transactions for the prior calendar month. The record layouts are shown (with validation criteria) on the following pages.

There are two basic changes: **1)** Officially, moving from the 3480 tape cartridge to the less expensive and far more efficient compact disk technology for transmitting bulk data, and **2)** Requiring a trailer record starting with November tape submissions (October data) which most providers are including already.

The file should be submitted on one of the following media types:

1. Compact Disk (CD) – preferred
2. IBM 3480 tape cartridge (**will be obsolete by February, 2002**)
3. 4mm DAT tape (DDS-1 @ 2GB uncompressed)

For data submitted on tapes, the Labeling must be an IBM standard label. Each set of monthly data for a state should be submitted in ASCII or EBCDIC format on a separate tape volume and if necessary, in one file on multiple tape volumes. The record length is 99 bytes and the records should be blocked using a factor of 100 records per block.

Records delivered on CDs need to be delimited by a carriage return (X'13) and a line feed (X'10) in ASCII format with record length of 99 bytes. The data files need to be compressed and password protected using the WinZip v7.0 utility and multiple state files may be submitted on a single CD. The ALERT Help Desk at 703-305-2273 should be contacted to arrange for passwords.

Each state/month submission should have external (gummed) labels on the tapes/CD that identify the following information:

- EBT Processor
- State
- Month, Year
- Volume ID
- File name – format "SSMMMYY" where
 - o SS = alphabetic state code
 - o MMM = alphabetic abbreviation for Month
 - o YY = numeric year (i.e. 2001 would be 01)
- Tape __ of __ (sequential number of tape in multi-volume files)
- Format type (ASCII or EBCDIC)



Lastly, as identified in the Detail Transaction Layout Specification, the detail transactions must be sorted using a character sort in ascending order by Store ID - Auth # (pos. 1 - 7), Household Acct # (pos. 18 - 31), Transaction Date (pos. 51 - 58) and Transaction Time (pos. 59 - 64). In addition, "Void last" or Reversals (Transaction Type 30) must follow the transaction being voided. The Header Transaction should always be the first record in the file, and the Trailer Transaction is required must be the last record in the file.



EBT Detail Transaction Header Record Validation Requirements

R/O: Required/Optional **TYPE:** Character/ Numeric **C/W:** Critical/Warning

R/O	Description	Type	Length	Sort	C/W	Validation/Processing Requirement
R	State Code	C	2		C	Valid alphabetic state code for the data file, that should match state code on external label of the tape.
R	File Year	N	2		C	Year of the EBT data in the file, that should match year on external label of the tape.
R	File Month	N	2		C	Month of the EBT data in the file, that should match month on external label of the tape.
R	Total Detail Count	N	9		C	Will be zero value. Trailer record contains the actual count.
R	Submitting Vendor	C	30		C	The name of the vendor submitting this file and must not be all blanks.
R	Tape Generation Date	N	8		C	Valid Date in CCYYMMDD format
R	Period Start Date	N	8		C C	Valid Date in CCYYMMDD format Must be the first calendar day of the same month as the Period End Date
R	Period End Date	N	8		C C	Valid Date in CCYYMMDD format Must be the last calendar day of the same month as the Period Start Date
O	Filler	C	30			
Header Transaction Length			99			



EBT Detail Transaction Detail Record Validation Requirements

R/O: Required/Optional **TYPE:** Character/ Numeric **C/W:** Critical/Warning

R/O	Description	Type	Length	Sort ²	C/W	Validation/Processing Requirement
R	Store ID - Authorization #	N	7	1	C	Numeric and must match a valid FNS store authorization number
R	Store State	C	2		C	Valid alphabetic state code and must match the state where the store is located
R	POS Terminal ID	C	8		C	Cannot be spaces, low-values, high-values, or zeroes
R	Household Acct #	C	14	2	C	Cannot be spaces, low-values, high-values, or zeroes
R	Card Account #	C	19		C	Must contain up to 19 numeric digits (left justified). If less than 19 numeric digits, the remaining positions must contain blanks.
R	Transaction Date	C	8	3	C C C	Valid Date in CCYYMMDD format Must be < or = Header Period End Date Must be > or = Header Period Start Date
R	Transaction Time	C	6	4	C	Valid time in HHMMSS format (24 hour clock)
R	Transaction Amount	N	6		C C	9(4)V99, Numeric, Must be > 0 if Transaction Type (NN) = (10, 20) and Response Code = "000"

² Transactions Encoded as "Void Last Transaction" must immediately follow the transaction being voided where the Household account, card account number and the absolute value of the Transaction Amount match the Transaction being reversed, as well as, the "Prior Balance" amount must correctly reflect the balance prior to the reversal.



R/O	Description	Type	Length	Sort ²	C/W	Validation/Processing Requirement
R	Transaction Sign	C	1		C	Must be "+" for a credit (refunds or void last) or "-" for a debit amount (purchases). Ignored for Balance Inquiry transactions
R	Transaction Type	C	5		C C C	Format = XXNNY XX : 00 - FSP NN: 10 - Purchase 20 - Refund 30 - Void last Transaction 40 - Balance Inquiry Y: 0 - Electronic swipe 1 - key entry 2 - paper voucher 3 - store & forward
R	Response Code	C	3		C W	See Table 1 for valid combinations Alphabetic, blanks or any non-numeric data is not allowed Numeric but invalid combination values are issued "warnings"
R	Available Balance prior to transaction	N	6		C C	9(4)v99, Numeric, Must be > or = Transaction Amount, if Transaction Type (NN) = '00' and Response Code (X) = '0'
O	Filler	C	14			value is optional, data is never looked at, since it is reserved for future use



EBT Detail Transaction Trailer Record Validation Requirements

R/O: Required/Optional **TYPE:** Character/ Numeric **C/W:** Critical/Warning

R/O	Description	Type	Length	Sort	C/W	Validation/Processing Requirement
R	State Code	C	2		C	Valid alphabetic state code for the data file, that should match state code on external label of the tape.
R	File Year	N	2		C	Year of the EBT data in the file, that should match year on external label of the tape.
R	File Month	N	2		C	Month of the EBT data in the file, that should match month on external label of the tape.
R	Total Detail Count	N	9		C	Must match the total count of detail transactions in the file.
R	Submitting Vendor	C	30		C	The name of the vendor submitting this file and must not be all blanks.
R	Tape Generation Date	N	8		C	Valid Date in CCYYMMDD format
R	Period Start Date	N	8		C C	Valid Date in CCYYMMDD format Must be the first calendar day of the same month as the Period End Date
R	Period End Date	N	8		C C	Valid Date in CCYYMMDD format Must be the last calendar day of the same month as the Period Start Date
O	Filler	C	30			
Header Transaction Length			99			

The use of a trailer record is required and contains the accumulated detail transaction count at the end of the file. The Total Detail Count in the header record should be zero and all other field values should match in the header and trailer records.



Table 1 – Valid Response Code Combinations

Response Code	ISO Code³ (blt 039)	Response Description
000	00	Accepted/Approved
110	51	Insufficient Funds
	61	Return Exceeds Benefit Authorization
120	55	Invalid PIN/PIN Not Selected
121	75	PIN Tries Exceeded
130	03	Bad FNS Status for Merchant/Invalid Merchant
140	41	Lost Card
	43	Lost/Stolen Card
141	42	No Account
	52	No Account on File
142	54	Expired Card
150	56	Card Number Not Found
151	59	Fraud (Return Card)
152	62	Restricted Card
160	05	General Denial
180	A1	Invalid Voucher ID/Invalid Authorization Number
	06	Invalid Transaction
	12	Invalid Transaction Type
	13	Invalid Amount Field
	14	Invalid Card Number
	19	Re-enter Transaction
	23	Unacceptable Transaction Fee
	30	Format Error
	31	Card Has Invalid ISO Prefix
	40	Function Not Available
	58	Invalid Transaction
	76	Key Synchronization Error
	80	Voucher Expired
190	86	Invalid Security Code
	90	Processor Not Logged On
	91	Authorizer Not Available
	96	System Malfunction

³ From the “EBT ISO Processor Interface Technical Specifications Manual”

APPENDIX G

STATE

HARDWARE/SOFTWARE

CONFIGURATION



State Hardware/Software Configuration

This section describes the current system hardware and software in place between the existing EBT processor, eFunds Government Solutions, and the State of Alabama. The State of Alabama is connected to eFunds Government Solutions through an IBM SNI Interconnect Process. The SNI interconnect uses a 56KB frame relay leased line using an SNA using TCP/IP as a carrier and an ISDN dial backup line. The lines and accompanying network are provided, maintained, and monitored by eFunds Government Solutions.

The 56KB line with a 32KBS CIR Building Entrance Termination (BET) is located in the basement of the Folsom Administrative Building, Room 32. The line continues to the demarcation point in the Finance ISD Communication Room. The demarcation point is located on the first floor of the Folsom Administrative Building, Room 153, in a Vanguard 6435 56KB router and DSU, which performs the primary and backup functions in case of failure. A 4-wire primary line and the ISDN backup line, provided via AT&T, are terminated in the Vanguard device, which switches to the alternate line automatically when the primary line becomes inoperable.

This communication line is used for batch file transfers between eFunds Government Solutions and the ISD Mainframe, and for the online access of the eFunds EBT Administrative Terminal and online Microfiche application systems. Sterling Commerce' CONNECT:Direct® file transfer software is used to support data file transmissions.

APPENDIX H

**CONTRACT TERMS
AND CONDITIONS**

**ALABAMA DEPARTMENT OF HUMAN RESOURCES
REQUEST FOR PROPOSAL FOR ELECTRONIC BENEFIT TRANSFER SERVICES**



CONTRACT TERMS AND CONDITIONS

A. CONTRACT COMPONENTS

The contract shall include: the Request for Proposal (RFP) to Acquire EBT Services for Alabama, the Contractor's Response to the RFP, and other documents to be specified and incorporated by reference into this agreement and given the same force and effect as if set out in full text. In the event of a conflict between the RFP and the Contractor's Response, the RFP shall govern.

The contract shall be interpreted in accordance with the following, in the order of precedence listed:

- 1) Contract Terms and Conditions
- 2) Applicable Federal law, regulations (including approved waivers), and policies
- 3) Applicable State law, rules, and policies
- 4) Quest Operating Rules, as amended
- 5) RFP Questions and Answers documents
- 6) The RFP
- 7) The Contractor's original response to the RFP, including Pricing

B. TERMS AND CONDITIONS

1. The Contractor shall provide services according to the conditions specified in the contract, the components of which are defined above in Section A.
2. The Contractor shall be responsible for all contractual requirements whether services are provided directly by the Contractor or the Contractor's Subcontractors. The Contractor agrees that Contractor and its agents, employees, and subcontractors are independent Contractors performing professional services for DHR and are not employees of DHR or the State of Alabama and that its agents and employees will not accrue leave, retirement, insurance, bonding, use of government vehicles, retirement benefits, State merit system benefits, or any other employment benefits afforded to employees of DHR as a result of the Contract. Contractor assumes responsibility for its personnel providing services hereunder. Any deductions for social security and withholding taxes and



for contributions to employment compensation funds and all necessary insurance for its employees including, but not limited to, Worker's Compensation and liability insurance for each of them, will be made or maintained by Contractor at Contractor's expense. These requirements also apply to each subcontractor. There will be no withholding of taxes by DHR. Contractor agrees that the responsibility for payment of taxes from the funds received as payment under the Contract shall be Contractor's obligation and shall be identified under Contractor's actual tax identification number(s). Unless justified by the Contractor and agreed to by the State, the State will not furnish services of support.

3. The Contractor shall comply with applicable Federal and State laws and regulations, including those governing EBT:
 - a. Because the Contract includes Federal funds, the Contractor shall comply with the provisions of 45CFR, Part 74; 45CFR, Part 92; 7CFR, parts 272 through 282; and other applicable regulations as specified in the RFP, as amended.
 - b. Because the Contract includes Federal funds, the Contractor shall comply with all applicable standards, orders, or regulations issued under the Clean Air Act, as amended, the Clean Water Act, as amended, Executive Order 11738, and Environmental Protection Agency regulations. The Contractor shall report any violations of the above to the State.
 - c. Prior to contract execution, the Contractor shall complete the Certification Regarding Lobbying form. If a disclosure of Lobbying Activities form, Standard Form LLL, is required, it may be obtained from the State. All disclosure forms as required by the Certification Regarding Lobbying form must be completed and returned to the State.
4. The Contractor shall comply with the following re: Audits and Records:



- a. Maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the State under the contract.
- b. Assure that these records shall be subject at all reasonable times to inspection, review, or audit by State personnel and other personnel duly authorized by the State, as well as by Federal personnel and other personnel duly authorized by the Federal government.
- c. Maintain and file with the State such progress, fiscal and inventory reports as specified in the RFP and other reports as the State may require within the period of the contract.
- d. Provide a financial and compliance audit to the State as specified in Audit and Certification to ensure that all related party transactions are disclosed to the auditor. The Contractor shall, as applicable, ensure that the funds received from the State under this Contract and all other funds, regardless of the source, used to finance the services to be performed under this Contract receive annual audits pursuant to Office of Management and Budget Circular A-133. Said audits shall be performed by the Examiners of Public Accounts for the State of Alabama or an independent Certified Public Accountant (CPA), as applicable, in accordance with the generally accepted government auditing standards covering financial and compliance audits. In the event an independent CPA is required to perform said audits, the State reserves the right to approve the selection, and to examine the records, of said CPA.
- e. Include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.
- f. Assume full financial liability for any and all audit exceptions chargeable to the Contractor and its subcontractors under this Contract. The State shall have the right under this Contract to withhold payment or reimbursement to Contractor in order to satisfy any financial



- chargeback made by any of the personnel authorized hereunder to audit and examine the financial books, records, procedures and accounts of the Contractor and its subcontractors.
- g. Perform an annual SAS 70 examination on its EBT operations and provide the State the report within 30 days of the completion of the audit.
5. The Contractor shall comply with the following re: Retention of Records:
- a. Retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of three (3) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of three (3) years, the records shall be retained until resolution of the audit findings.
 - b. Persons duly authorized by the State and Federal auditors, pursuant to 45 CFR, part 92.35(I)(10) and 45 CFR 74.24, 7 CFR Part 272 shall have full access to and the right to examine any of said records and documents during said retention period or as long as records are retained, whichever is later.
 - c. Upon completion or termination of the contract and at the request of the State, the Contractor will cooperate with the State to facilitate the duplication and transfer of any records or documents during the required retention period as specified above in paragraph 5.a.
6. The Contractor shall comply with the Privacy Act and Information Security:
- a. The Contractor shall comply with the Privacy Act of 1974 (the Act) and the agency regulations issued under the Act, in the design, development, and operation of any system of records on individuals or business which accomplish an agency function. Violations of the Act may involve the imposition of criminal penalties. Any information made available to the Contractor or a Subcontractor shall be used only for the purpose of carrying out the provisions of this contract and shall



- not otherwise be divulged or made known in any manner to any person except as may be required by law. The Contractor shall be responsible for restricting access to all benefit recipient data to authorized personnel only.
- b. The Contractor shall inform its officers, employees, agents, and subcontractors to whom information is or may be disclosed of the penalties for improper disclosure imposed by the Act, which provides that any officer or employee of Contractor, who by virtue of his/her employment official position, has possession of, or access to, agency records disclosure of which is prohibited by the Act or regulations, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000. The Contractor shall post a notice of these requirements.
 - c. The Contractor shall include language essentially the same as that contained in this subsection in any subcontract when the work requires design, development, or operation of a system of records on individuals or businesses that are subject to the Act.
 - d. The Contractor shall comply with the Computer Security Act of 1987, Public Law 100-235, and all applicable standards and regulations established thereunder.
7. The Contractor shall comply with the following re: Monitoring:
- a. Provide reports as specified in the RFP which will be used for monitoring progress or performance of the contractual services.
 - b. Permit, upon reasonable prior notice, persons duly authorized by the State to inspect any records, papers, documents, facilities, goods, and services of the Contractor which are relevant to the contract, and interview any employees of the Contractor to be assured of satisfactory performance of the requirements of the contract. Such inspection will not unduly interfere with the Contractor's performance under the



contract. Following such inspection the State will deliver to the Contractor a list of its comments with regard to the manner in which said goods or services are being provided. The Contractor shall rectify all noted deficiencies provided by the State within the specified period of time set forth herein or shall provide the State with a reasonable and acceptable justification for not correcting the noted shortcomings.

8. The Contractor shall comply with the following re: Indemnification: The Contractor agrees to be liable for all claims, suits, judgments, or damages, including court costs and attorney's fees, arising out of the negligent or intentional acts or omissions of the Contractor, and its agents, subcontractors, and employees, in the course of the operation of the contract. Further, the Contractor agrees to indemnify the State against all claims, suits, judgments, or damages, including court costs and attorney's fees, arising out of negligent or intentional acts or omissions of the Contractor, and its agents, subcontractors, and employees, in the course of the operation of the contract. Also, the Contractor agrees to defend the State, upon receiving timely written notification from the State, against all claims, suits, judgments, or damages, including costs and attorney's fees arising out of the negligent or intentional acts of omissions of the Contractor and its agents, subcontractors, and employees, in the course of the operation of the contract. Where the Contractor and the State commit joint negligent acts, the Contractor shall not be liable for nor have any obligation to defend the State with respect to that part of the joint negligent act committed by the State. In no event shall the Contractor be liable for or have any obligation to defend the State against claims, suits, judgments, or damages, including costs and attorney's fees, arising out of the sole negligent or intentional acts or omissions of the State. The Contractor agrees that it is an independent Contractor and not an agent or employee of the State.



Upon notice of any claim against the State for which Contractor has agreed to defend the State pursuant to Indemnification, DHR will provide prompt notice of said claim to Contractor. DHR will provide reasonable assistance in defense of claims. Any proposed settlement will be subject to review and approval by DHR and the Attorney General of Alabama. DHR will act promptly in reviewing and reaching a decision regarding approval/disapproval of any proposed settlement. All parties acknowledge that the Attorney General and Governor of the State of Alabama must approve any settlement of litigation involving DHR and the State of Alabama.

9. The Contractor shall provide Insurance as follows:
Provide liability insurance coverage on a comprehensive basis and to hold such liability insurance at all times during the existence of the contract. The Contractor accepts full responsibility for identifying and determining the type(s) and extent of liability insurance necessary to provide reasonable financial protection for the Contractor and the State to be served under the contract. Upon the execution of the contract, the Contractor shall furnish the State written verification supporting both the determination and existence of such insurance coverage, including Certificates of Insurance for all types of insurance required under this paragraph. The State reserves the right to require additional insurance.
10. The Contractor shall Safeguard Information in accordance with the following:
 - a. The Contractor agrees that the use or disclosure of information, by any party and for any purpose, concerning applicants for or recipients of services under this Contract that is not required in the course of, and directly connected with, the performance of services under this Contract is prohibited, except as may be authorized in writing by the State. The Contractor shall not use or disclose any information acquired pursuant to the contract concerning a recipient of services under the contract for any purpose not in conformity with the State



regulations and Federal regulations (45 CFR, Part 205.50 and 7 CFR, Part 272), except upon written consent of the recipient, or his authorized representative. The Contractor may disclose information that is required by law or that which is disclosed with the prior written approval of the State.

In the event such written authorization is given, the Contractor understands and agrees that release of information forms, including the required written consent, must also be completed by the client or the client's authorized representative, as applicable, citing each agency or individual to whom information regarding the client or service recipient is to be provided. Contractor agrees and understands that all discussions with Contractor and all information gained by Contractor as a result of Contractor's performance under the contract shall be confidential and that no reports, documentation or material prepared as required by the Contract shall be released to the public without the prior written consent of DHR.

- b. All records and information which are regarded by Contractor as confidential must be identified as such to DHR in writing. Further, information identified by Contractor as confidential may be released where required by Federal or State law or court order. All reports, documentation, and material developed or acquired by Contractor as a direct requirement specified in the contract shall become the property of DHR.
11. The Contractor shall comply with the following re: Subcontracts and Subcontractors:
 - a. Assign neither the responsibility of the contract to another party nor subcontract for any of the work contemplated under the contract without prior written approval of the State. Approval by the State of any assignment or subcontract shall not be deemed in any event or in any manner as a provision for the incurring of any obligation to the State in addition to the total dollar amount in the contract. All such



assignments or subcontracts shall be subject to the conditions of the contract and to any conditions of approval the State shall deem necessary.

- b. The Contractor is solely responsible for Contract performance regardless of the manner in which subcontractors are used. DHR expressly approves the designation by Contractor of subcontractors (list by name). Any changes to subcontractors must be requested in writing by Contractor and approved in writing by DHR, which approval shall not be unreasonably withheld. Subcontractors must adhere to the same standards required of Contractor. Contractor will provide copies of all new contracts with key subcontractors excluding pricing or proprietary information on or before 15 business days of the effective date of such contracts. Upon receipt, DHR will have 30 business days to review such contracts and provide in writing to Contractor any concerns regarding the level of service that is required of such subcontractors by Contractor in meeting its contractual obligations to DHR. Contractor agrees to resolve any such concerns in its contracts with its subcontractor. Contractor shall address each concern in writing to DHR no later than 30 days from receipt of DHR's concerns.

Contractor and DHR, in the performance of this Contract, shall be acting in their separate capacities and not as agents, employees, partners, or associates of one another. The employees or agents of one party shall not be deemed or construed to be employees or agents of the other for any purpose whatsoever.

Any contract between Contractor and the subcontractor shall be in accordance with the terms of this agreement and shall include the conditions of this agreement insofar as applicable.



12. The Contractor shall Return Funds in accordance with the following:
Return to the State any overpayments due to unearned funds or funds disallowed pursuant to the terms of the contract that were disbursed to the Contractor by the State. The Contractor shall return any overpayment to the State within forty (40) calendar days after either discovery by the Contractor or notification by the State of the overpayment. In the event the Contractor or its independent auditor discovers an overpayment has been made, Contractor shall repay said overpayment within forty (40) calendar days without prior notification from the State. In the event the State first discovers an overpayment has been made, the State will notify the Contractor by letter of such a finding. Should repayment not be made in a timely manner, the State will charge interest as specified in the Contract.
13. The Contractor shall provide assurance for the following:
 - a. The Contractor represents and warrants to the State that in administering the funds received from the State under this Contract there will be no discrimination against any applicant for, or recipient of, aid, benefits, or services, or any employee or any other persons on the basis of race, color, religion, sex, age (as specified by the Age Discrimination Act of 1975), or national origin, including but not limited to discrimination prohibited by Title VI of the Civil Rights Act of 1964, as amended, and any other applicable Federal law or regulations. This provision shall survive the termination of this Contract.
 - b. The Contractor represents and warrants to the State that in administering the funds received from the State under this Contract there will be no discrimination against any handicapped or disabled applicant for, or recipient of, aid, benefits, or services, or any employee or any other persons on the basis of physical or mental handicap or disability, in accordance with the Rehabilitation Act of



1973, as amended, the Americans with Disabilities Act, and any other Federal law or regulations applicable thereto.

14. The Contractor shall comply with the following re: Debarment/Suspension:
 - a. The Contractor warrants and represents to DHR that neither the Contractor nor any of the Contractor's trustees, officers, directors, agents, servants and employees (whether paid or voluntary) is or has been debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."
 - b. The Contractor shall further certify that it and its principals, agents, and subcontractors:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (2) Have not within a three 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 anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
 - (3) Are not presently indicted of or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) in relation to transaction or contract under a public transaction; violation of Federal, or State anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;



- (4) Have not within a three year period preceding the contract signing date had one or more public transaction (Federal, State, or local) terminated for cause or default; and where the Contractor is unable to certify to any of the statements in the certification, he or she shall attach an explanation to the application/certification.
15. The Contractor shall comply with the following re: Political Activity:
- a. The Contractor shall comply with all applicable provisions of the Federal "Hatch Act," as amended.
 - b. The Contractor warrants and represents to the State that no Federal or State funds, including but not limited to the funds received from the State under this Contract, have been paid or will be paid, either directly or indirectly, for any partisan political activity or to further the election or defeat of any candidate for public office. The Contractor further agrees that if any other funds from any source are used for such purposes as are described hereinabove in this paragraph, the Contractor shall immediately disclose same in writing to the State.
 - c. The Contractor warrants and represents to the State that no Federal or State funds, including but not limited to the funds received from the State under this Contract, have been paid or will be paid, either directly or indirectly, to lobby, influence or attempt to influence any agency, any member of Congress or of any State legislature concerning any State or Federal statute, legislation, grant, loan, cooperative agreement or any other matter pending before the Congress or before any State legislature.
16. The Contractor shall comply with the following re: Drug Free Workplace: The Contractor shall certify that it will or will continue to provide a drug-free workplace in accordance with the Drug-Free Workplace Act of 1988 and implemented in 45 CFR Part 76 Subpart F for grantees, as defined in 45 CFR Part 76, Section 76.606 and 76.610.
17. The Contractor shall comply with the following re: Legal Requirements:



The Contractor will be responsible for compliance with all laws, rules, regulations, procedures, executive orders and opinions of the Attorney General of Alabama in doing business with the State, and shall further comply with all of the terms and conditions of this Contract, the Addenda attached hereto and any additional forms, disclosures, reports, procedures, timeliness standards and instructions pertaining thereto as may be required by the State, and all purchase orders and contracts must comply with said laws, orders, and opinions.

18. The Contractor shall comply with the following re: Jurisdiction:
The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, is governed by the laws of the State of Alabama. Contractor, by signing this contract, agrees and submits, solely for matters concerning this contract, to the jurisdiction of the courts of the State of Alabama and agrees, solely for such purpose, that the venue for any legal proceedings shall be this jurisdiction.
19. The Contractor shall comply with the following re: Travel:
 - a. Any travel costs incurred by the Contractor during the life of the contract shall not be billed to the State.
 - b. DHR assumes no liability for any accident or injury that may occur to Contractor's agents, dependents, or personal property while enroute to or from government facilities or during any travel associated with or mandated by the terms of the Contract.
20. The Contractor shall comply with the following re: Excess Costs:
The State shall not be liable for the payment of any other costs incurred by the Contractor or its subcontractors in connection with this Contract in excess of the amount specified in the Pricing Agreement.
21. The Contractor 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 Commissioner of DHR who shall reduce the decision to writing within 90 days after the Commissioner takes the matter under submission for decision. Pending final determination of any dispute hereunder, Contractor shall proceed diligently with the performance of the Contract in accordance with the DHR EBT Project Director's direction.

22. Contract Amendments and Change/Enhancement Requests shall be handled as follows:

Contract Amendments

A contract amendment is required whenever a change affects the payment provisions, the scope of work, the period of performance, the delivery schedule of the contract, or is otherwise determined to be necessary by the State. Formal contract amendments shall be negotiated by the parties. Any amendment of the Contract is effective only after it has been approved by the applicable Federal agencies if required and signed by the appropriate signature authorities of each party to the agreement. Either DHR or Contractor may request expansion of the scope of work covered by the contract. Any expansion of work requires an approved Contract amendment. The expansion of work may be based on new requirements resulting from changes in State of Alabama or Federal law or regulations.

Change/Enhancement Requests

For enhancements and change orders requested by the State, the Contractor will provide to the State its cost estimate including programming time and/or any incremental change for the State's review prior to implementing any State-requested changes. The cost estimate shall be provided by hour utilizing the hourly rate for the labor grades provided in the Contractor's Response to the Pricing Proposal to the RFP. The Contractor shall respond to enhancements and change order requested by the State within two weeks of receiving the request. If the Contractor is unable to provide an accurate estimate within two weeks, the Contractor shall provide within the two weeks a timeframe of when a complete estimate will be delivered to the State. Work shall not begin on the



enhancement and/or change order by the Contractor until written approval is received from the State.

23. The Contractor shall provide the State a Letter of Guarantee:

If Contractor is not a parent company, Contractor will provide a written parent company guarantee to guarantee Contractor's faithful performance of the specifications and conditions of the Contract within 45 days of execution, retroactive to date of Contract execution.

24. The Contractor shall comply with the following re: Key Personnel:

The Contractor shall identify key personnel employed either by Contractor or as an approved subcontractor to perform work in the State of Alabama on this contract. If during the term of the contract these key personnel become unavailable, DHR shall reserve the right to approve the proposed replacement personnel. Approval of replacement personnel shall not be unreasonably withheld. DHR shall reserve the right to review the submitted resume(s), and if desired conduct telephonic or face to face interview(s), of any Contractor and subcontractor key personnel assuming any position, role, or responsibility in the State of Alabama in performance of this contract. Contractor shall provide a current and complete resume of any such key personnel to appropriate DHR representatives immediately upon identification of such personnel by Contractor and its subcontractors. Contractor and its subcontractors shall make such proposed replacement personnel available to the DHR for telephonic and face to face interviews, if requested. The key personnel positions specifically subject to approval under the terms of this agreement is the Alabama EBT Project Manager (State Project Manager) whose duties and responsibilities shall be the management of the Alabama EBT contract, the Retail Manager, the Technical Conversion Coordinator, the System Test Manager, and the Technical System Lead. Contractor reserves the right to assign the State Project Manager other responsibilities and duties that do not interfere with the performance of his/her duties and responsibilities under this contract. If, subsequent to the assignment of



other duties and responsibilities, DHR determines, upon good cause, that the additional assigned duties and responsibilities interfere with performance of the State Project Manager under this contract, DHR may request removal of those additional duties and responsibilities. In the event the parties cannot agree upon removal of the additional assigned duties and responsibilities, the matter shall be resolved through the dispute resolution process. Contractor also reserves the right to locate the key personnel outside the State.

25. The Contractor shall comply with Other Terms and Conditions as follows:
 - a. If, at any time during the term of the contract, the DHR Commissioner determines the best interests of DHR will be served by temporarily suspending work, he shall do so by providing Contractor with a written notice to that effect. Contractor shall, immediately upon receipt of the notice, cease all affected operations for the period specified in such notice, said notice not to be unreasonably invoked.
 - b. No cancellation of a purchase order may be made except in writing by the State of Alabama Director of Purchasing. A purchase order may be canceled without the consent of the Contractor. The Contractor may request cancellation and the State may grant relief if the Contractor service provider is prevented from performance by an act of God, act of war, order of legal authority, or other unavoidable causes not attributed to the fault or negligence of the Contractor. The burden of proof of need of such relief rests with the Contractor. All correspondence pertaining to cancellation of a purchase order must be addressed to the Director of Purchasing with a copy to the ordering agency.
 - c. In the event that DHR or Contractor discovers any material omission in the provisions of this Contract that is believed to be essential to the successful performance of the Contract, each must so inform the other in writing. DHR and Contractor will then follow the procedures outlined in the provisions of the contract addressing change orders.



- d. If any term or condition of the Contract or the application thereof to any person(s) or circumstance(s) is held invalid, the invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application.
- e. Section or paragraph headings under the Contract are for convenience only and shall have no binding force or effect and shall not enter into the interpretation of the Contract.
- f. This contract supersedes any and all other agreements, either oral or written, between the parties with respect to retaining Contractor by DHR and contains all of the covenants and agreements between the parties with respect to such contract. No representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied in this contract, and no other agreement, statement, or promise, not contained in this Contract shall be valid or binding. Any modification of this Contract will be effective only through a duly executed Contract Amendment signed by those parties to the agreement having the appropriate signature authority. For the purpose of this paragraph and of the entire agreement the signatures of the appropriate authorities of the State of Alabama are the only signatures that will bind DHR.
- g. The Contractor is the sole point of contact with regard to all contractual matters and is solely responsible for the fulfillment of the Contract with DHR.
- h. The Contractor will, without additional cost to DHR, correct or revise all errors or deficiencies in any contract work.
- i. DHR review, approval, acceptance of, and payment of fees for services required under the Contract, shall not be construed to operate as a waiver of any rights under the Contract or of any cause of action arising out of Contractor's failure to perform.



- j. The Contractor is and shall remain liable to DHR for all direct costs which may be incurred by DHR as a result of Contractor's failure to perform any of the services required under the Contract.
- k. The Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of the Contract, no person having any such known interests will be employed.
- l. The Contractor warrants that it has obtained such licenses as are necessary to provide services under this contract to the State of Alabama. This requirement also applies to each subcontractor.
- m. DHR is not liable for payment to Contractor under the terms of this contract for any work performed by Contractor prior to the full execution of the contract. Contractor expressly waives any and all claims for services performed under the terms of this contract prior to its execution by the parties and prior to its approval by U.S.D.A., Food and Nutrition Service and Health and Human Services Administration for Children and Families.
- n. DHR reserves the right to require replacement of any individual working under the contract for reasonable cause as determined by DHR.
- o. The Contractor or DHR shall be excused from performance under the Contract for any period that Contractor or DHR is prevented from performing any services in whole or in part as a result of an act of God, war, civil disturbance, epidemic or court order, provided that Contractor or DHR has prudently and promptly acted to take any and all corrective steps that are within Contractor's or DHR's control to ensure that Contractor or DHR can promptly perform. Such non-performance shall not be deemed breach of the Contract.



- p. Except for breaches of the Contract by subcontractors at any tier, Contractor shall not be liable for any excess costs if the failure to perform the Contract arises from causes beyond the control and without the negligence of Contractor. Examples include (1) Acts of God, (2) Acts of the State or Federal governments in their sovereign or contractual capacity, (3) Fire, (4) Flood, (5) Strikes. In each instance the failure to perform must be beyond the control and without the fault or negligence of Contractor.
- q. It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this contract shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of this contract, be enacted, then that conflicting provision in the contract shall be null and void. The Contractor's sole remedy for the settlement of any and all disputes arising under the terms of this agreement shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama provided, however, all disputes must be first referred to resolution through the dispute resolution process set forth in paragraph 21.

For any and all disputes arising under the terms of this contract, the parties hereto agree, in compliance with the recommendations of the Governor and Attorney General, when considering settlement of such disputes, to utilize appropriate forms of non-binding alternatives dispute resolution including, but not limited to, mediation by and through the Attorney General's Office of Administrative Hearings or where appropriate, private mediators.



26. The Contractor shall be considered in default by the State if the Contractor:
- a. Fails to deliver its services substantially in accordance with the requirements set forth in the contract.
 - b. Fails to comply with any other material obligation under the contract.
 - c. Fails to comply with any other obligation under the contract, which, in the reasonable opinion of the State, materially endangers the performance of services under the contract.
 - d. Becomes insolvent or is closed for business by the State or Federal regulatory authority or by corporate action, or if a receiver, conservator, liquidator, or any other such officer is appointed, or if Contractor is convicted of criminal malfeasance.
 - e. Fails to comply with the nondiscrimination clauses of this agreement.
27. The Contract may be terminated for the following:
- a. Termination for Lack of Funds
The contract may be terminated for lack of funds for the following reasons:
 - 1) By DHR, in whole or in part, whenever funding from State of Alabama, Federal, or other sources is withdrawn, reduced, or limited.
 - 2) This contract is subject to termination in the event that funds should not be appropriated for the continued payment of the Contract in subsequent fiscal years. The State will not incur liability beyond the payment of those services agreed to and provided through the date of termination of the Contract for lack of appropriation of funds.
 - 3) In the event of the proration of the fund from which payment under this contract is to be made, the contract will be subject to termination.



In the event funds to finance the contract become unavailable, the State may terminate the contract upon no less than twenty-four (24) hours notice in writing to the Contractor without penalty or termination costs. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. The State shall be the final authority as to the availability of funds. Notwithstanding the foregoing, the contract will continue in full force and effect during any period of sixty (60) days or less wherein funds are temporarily unavailable either from State or Federal funding sources.

b. Termination for Breach

Unless the Contractor's breach is waived by the State in writing, the State may, by written notice to the Contractor, terminate the contract upon no less than twenty-four (24) hours' notice without penalty or termination costs. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. Waiver of breach of any provisions of the contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of the contract. The provisions herein do not limit the State's right to remedies at law or to damages. In the event of default DHR may terminate the Contract for breach. At its sole discretion DHR may give Contractor an opportunity to cure the default, in which case the actual cure must be completed within no more than thirty (30) working days from notification by DHR of the default or such other time as allowed by DHR. In the event Contractor is allowed more than thirty (30) working days to complete the cure, Contractor must provide DHR a written plan detailing how Contractor intends to cure the default.

If Contractor fails to cure the default within the time allowed by DHR or if DHR determines that circumstances demand immediate termination, DHR may terminate the Contract immediately. If the



Contractor fails to correct the deficiency in the time provided, the State may terminate the contract for breach by delivering a Notice of Termination to the Contractor. In the event of termination for breach, in full or in part, DHR may procure, upon such terms and in such manner as deemed appropriate by DHR, services similar to those terminated, and Contractor shall be liable for any excess costs for such similar services and all other damages allowed by law. In addition, Contractor shall be liable to DHR for reasonable administrative costs incurred to re-procure such similar services as are needed to continue operations.

c. Termination for Convenience

The State may terminate performance of the services under the contract, in whole or in part, if the State determines that termination is in the best interest of the State. The State shall send a Notice of Termination to the Contractor which will specify the extent of termination and the effective date which shall not be less than thirty (30) days from the date of the notice. The Contractor will be entitled to submit a claim for equitable compensation of its costs resulting from the termination. In the event of a dispute as to equitable compensation, the Contractor may seek settlement through the dispute resolution process set forth in this contract.

d. Termination by Mutual Agreement

Termination of the Contract is allowed by mutual written agreement of the State and the Contractor.

28. The Contractor shall comply with the following re: Continuity of Services:

- a. The Contractor recognizes that the services provided under this contract are vital to the State and must continue without interruption, and that, upon the expiration or termination of the contract as specified above, a vendor other than the current Contractor may be chosen to continue these services. The Contractor agrees to continue performance of the services under the terms set forth herein during the



pendency of any ongoing process of selecting a successor vendor. The Contractor agrees to furnish phase-in training and exercise its best efforts and cooperation to effect an orderly and efficient transition to the successor.

- b. Should the State find it necessary to transition to a new Contractor at any time during the contract, or at the conclusion of the contract, the current Contractor shall participate in conversion to the new Contractor. The current EBT Contractor shall work in good faith with the State and the new EBT Contractor to develop a plan providing an orderly transition to the new EBT Contractor. The Contractor shall provide phase-in, phase-out services for a period to be determined by the State. The plan shall specify a training program and set a date for transferring responsibility for each division of work described in the plan. The plan shall be subject to the prior written approval of the State. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by the contract are maintained at the required level of proficiency. At a minimum three sets of test conversion files will be provided prior to conversion to a new Contractor at the timeframe defined within the transition plan. As part of the conversion process, three years of transition history shall be provided by month in a flat file with a standard fixed format.
 - c. The Contractor will be compensated for all reasonable phase-in, phase-out costs on an actual and reasonable basis. Any disputes as to costs under this section will be resolved by the dispute resolution process in this contract. These rights shall survive the termination of the contract.
29. The Contractor shall comply with the following re: Transfer of Agreement:



Sale, transfer, or assignment of the contract shall be prohibited. However, the State may recognize as a successor in interest to the contract if it is determined by the State that it is in the best interest of the State to do so.

30. The Contractor shall comply with the following re: Software Ownership:
All right, title, and interest in all copyrightable materials which Contractor shall conceive originate, either individually or jointly with others, and which is designed or developed with State or Federal funds in the course of performing this Contract, shall be the property of the State and are by this Contract assigned to the State along with ownership of any and all copyrights in the copyrightable material. Contractor agrees to execute all papers and perform all other acts necessary to assist the State to obtain and register copyrights on such materials in any and all countries. Where applicable, works of authorship created by Contractor, either individually or jointly with others, for the State in performance of this Contract shall be considered “works made for hire” as defined in the U.S. Copyright Act.
31. The Contractor shall, upon award of the contract, be required to complete the “State of Alabama Disclosure Statement.” A copy of the Disclosure Statement is included on the next page of this Appendix for informational purposes.



State of Alabama Disclosure Statement

(Required by Act 2001-955)

ENTITY COMPLETING FORM

ADDRESS

CITY, STATE, ZIP

TELEPHONE NUMBER

()

STATE AGENCY/DEPARTMENT THAT WILL RECEIVE GOODS, SERVICES, OR IS RESPONSIBLE FOR GRANT AWARD

ADDRESS

CITY, STATE, ZIP

TELEPHONE NUMBER

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This form is provided with:

Contract Proposal Request for Proposal Invitation to Bid Grant Proposal

Have you or any of your partners, divisions, or any related business units previously performed work or provided goods to any State Agency/Department in the current or last fiscal year?

Yes No

If yes, identify below the State Agency/Department that received the goods or services, the type(s) of goods or services previously provided, and the amount received for the provision of such goods or services.

STATE AGENCY/DEPARTMENT	TYPE OF GOODS/SERVICES	AMOUNT RECEIVED

Have you or any of your partners, divisions, or any related business units previously applied and received any grants from any State Agency/Department in the current or last fiscal year?

Yes No

If yes, identify the State Agency/Department that awarded the grant, the date such grant was awarded, and the amount of the grant.

STATE AGENCY/DEPARTMENT	DATE GRANT AWARDED	AMOUNT OF GRANT

1. List below the name(s) and address(es) of all public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF PUBLIC OFFICIAL/EMPLOYEE	ADDRESS	STATE DEPARTMENT/AGENCY

OVER



2. List below the name(s) and address(es) of all family members of public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the public officials/public employees and State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF FAMILY MEMBER	ADDRESS	NAME OF PUBLIC OFFICIAL/ PUBLIC EMPLOYEE	STATE DEPARTMENT/ AGENCY WHERE EMPLOYED

If you identified individuals in items one and/or two above, describe in detail below the direct financial benefit to be gained by the public officials, public employees, and/or their family members as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

Describe in detail below any indirect financial benefits to be gained by any public official, public employee, and/or family members of the public official or public employee as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

List below the name(s) and address(es) of all paid consultants and/or lobbyists utilized to obtain the contract, proposal, request for proposal, invitation to bid, or grant proposal:

NAME OF PAID CONSULTANT/LOBBYIST	ADDRESS

By signing below, I certify under oath and penalty of perjury that all statements on or attached to this form are true and correct to the best of my knowledge. I further understand that a civil penalty of ten percent (10%) of the amount of the transaction, not to exceed \$10,000.00, is applied for knowingly providing incorrect or misleading information.

Signature _____ Date _____

Notary's Signature _____ Date _____ Date Notary Expires _____

Act 2001-955 requires the disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000.

APPENDIX I

**ADMINISTRATIVE
TERMINAL USERS**



ADMINISTRATIVE TERMINAL USERS

The State currently has 221 Administrative Terminal Users. The breakdown of this number is as follows:

State Office	31
County Offices	190

NOTE: This information is provided for informational purposes only. This is not to constrain the State in any way in the number of Administrative Terminal Users.



APPENDIX J

TRANSACTION VOLUMES

ALABAMA DEPARTMENT OF HUMAN RESOURCES
REQUEST FOR PROPOSAL FOR ELECTRONIC BENEFIT TRANSFER SERVICES



TRANSACTION VOLUMES*

<u>MONTH</u>	<u>FOOD STAMPS</u>		<u>CASH</u>	
	<u>Voice Authorizations</u>	<u>POS Transactions</u>	<u>POS Cash Transactions</u>	<u>ATM Transactions</u>
April 2004	2,762	1,510,062	99,366	16,452
May 2004	1,399	1,587,518	100,498	17,167
June 2004	860	1,488,477	99,504	16,953
July 2004	2,232	1,557,405	102,816	17,263
August 2004	746	1,560,510	104,397	17,596
September 2004	1,370	1,787,250	117,268	17,913

*Both Approved and Denied Transactions are Included.

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