



# ALABAMA DEPARTMENT OF HUMAN RESOURCES REQUEST FOR PROPOSALS

PROCUREMENT INFORMATION	
<b>RFP Number:</b> 2015-500-01	<b>RFP Title:</b> <i>Electronic Benefits and Funds Transfer (EBT/EFT) Services</i>
<b>Proposal Due Date and Time:</b> <i>Thursday, June 25, 2015 12:00 p.m., Central Time</i>	<b>Number of Pages:</b> 166
<b>Procurement Officer:</b> Starr Stewart, Director Phone: (334) 353-4744 E-mail Address: <a href="mailto:starr.stewart@dhr.alabama.gov">starr.stewart@dhr.alabama.gov</a> Website: <a href="http://www.dhr.alabama.gov">http://www.dhr.alabama.gov</a>	<b>Issue Date:</b> <i>Thursday, March 05, 2015</i>
	<b>Issuing Division:</b> <i>Food Assistance</i>

INSTRUCTIONS TO VENDORS	
<b>Submit Proposal to:</b> Starr Stewart, Director Resource Management Division-Office of Procurement Alabama Department of Human Resources Gordon Persons Building, Room 2153 50 Ripley Street Montgomery, AL 36130-4000	<b>Label Envelope/Package:</b> <b>RFP Title/Number:</b> <i>Electronic Benefits and Funds Transfer (EBT/EFT) Services /2015-500-01</i> <b>Proposal Due Date:</b> <i>Thursday, June 25, 2015</i> <b>Special Instructions:</b> <i>The cost proposal must be submitted in a separate sealed envelope and clearly labeled cost proposal.</i>

VENDOR INFORMATION	
(Fill in the information fields below and return this form with RFP response)	
<b>Vendor Name/Address:</b>   <b>DUNS NUMBER:</b> _____	<b>Authorized Vendor Signatory:</b>   (Please print name and sign in ink)
<b>Vendor Phone Number:</b> (    )	<b>Vendor FAX Number:</b> (    )
<b>Vendor Federal I.D. Number:</b>	<b>Vendor E-mail Address:</b>
Indicate whether this proposal is an original or a copy. <input type="checkbox"/> Original <input type="checkbox"/> Copy	
<b>Total number of proposal pages:</b> _____	
<b>Trade Secret Declarations:</b> ( <u>reference section/page(s) of trade secret declarations</u> )	

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## VENDOR'S RFP CHECKLIST

1. \_\_\_\_\_ **Read the *entire* document.** Note critical items such as: mandatory requirements; supplies/services required; submittal dates; number of copies required for submittal; licensing requirements; contractual requirements (i.e., contract performance security, insurance requirements, performance and/or reporting requirements, etc.).
2. \_\_\_\_\_ **Note the procurement officer's name, address, phone numbers and e-mail address.** This is the only person you are allowed to communicate with regarding the RFP.
3. \_\_\_\_\_ **Attend the pre-proposal conference** if one is offered. These conferences provide an opportunity to ask clarifying questions, obtain a better understanding of the project, or to notify the Department of any ambiguities, inconsistencies, or errors in the RFP.
4. \_\_\_\_\_ **Take advantage of the “question and answer” period.** Submit your questions to the procurement officer by the due date listed in the Schedule of Events and view the answers given in the formal “addenda” issued for the RFP. All addenda issued for an RFP are posted on the Department’s website at [www.dhr.alabama.gov](http://www.dhr.alabama.gov) and will include all questions asked and responses concerning the RFP.
5. \_\_\_\_\_ **Follow the format required in the RFP** when preparing your response. Provide point-by-point responses to all sections in a clear and concise manner.
6. \_\_\_\_\_ **Provide complete answers/descriptions.** Read and answer **all** questions and requirements. Don’t assume the Department or evaluation committee will know what your company’s capabilities are or what items/services you can provide, even if you have previously contracted with the Department. The proposals are evaluated based solely on the information and materials provided in your response.
7. \_\_\_\_\_ **Use the forms provided**, i.e., cover page, budget forms, certification forms, etc.
8. \_\_\_\_\_ **Check the Department’s website for RFP addenda.** It is the vendor’s responsibility to check the Department’s website at [www.dhr.alabama.gov](http://www.dhr.alabama.gov) for any addenda issued for this RFP, no further notification will be provided.
9. \_\_\_\_\_ **Review and read the RFP document again** to make sure that you have addressed all requirements. Your original response and the requested copies must be identical and be complete. The copies are provided to the evaluation committee members and will be used to score your response.
10. \_\_\_\_\_ **Submit your response on time.** Note all the dates and times listed in the Schedule of Events and within the document, and submit all required items on time. Late proposal responses are *never* accepted.

**This checklist is provided for assistance only and should not be submitted with Vendor’s response.**

## SCHEDULE OF EVENTS

*The following RFP Schedule of Events represents the Department's best estimate of the schedule that will be followed. Unless otherwise specified, the time of day for the following events shall be between 9:00 a.m. and 12:00 p.m., Central Time. The Department reserves the right, at its sole discretion, to adjust this schedule, as it deems necessary. Notification of any adjustment to the Schedule of Events shall be posted on the Department's website at [www.dhr.alabama.gov](http://www.dhr.alabama.gov) as detailed in Section 1.5.3 of this RFP. Vendors should refer to the website periodically for changes to the RFP.*

<b>EVENT</b>	<b>DATE</b>
<b>RFP Issue Date</b> .....	March 5, 2015
<b>Deadline for Expression of Interest</b> .....	March 19, 2015
<b>Deadline for Receipt of Written Questions</b> .....	April 23, 2015
<b>Deadline for Posting of Written Responses to Questions</b> .....	May 21, 2015
<b>Proposal Due Date</b> .....	June 25, 2015
<b>Evaluation of Proposals</b> .....	July 07- August 21, 2015
<b>Vendor's Oral Presentation and Product Demonstration (At State's Option)</b> ....	August 25- .....27, 2015
<b>Deadline for Selection of Vendor</b> .....	September 17, 2015
<b>Deadline for Commencement of Negotiations with Selected Vendor</b> .....	September 24, 2015
<b>Deadline for Conclusion of Contract Negotiations with Selected Vendor</b> ....	October 02, 2015

## SECTION 1: PROJECT OVERVIEW AND INSTRUCTIONS

### 1.0 PROJECT OVERVIEW

The ALABAMA DEPARTMENT OF HUMAN RESOURCES, (hereinafter referred to as “the Department”) seeks a qualified vendor to continue to provide Electronic Benefits and Funds Transfer (EBT/EFT) Services for multiple departments, agencies, divisions and/or programs in the State of Alabama (hereafter referred to as “the State”). The proposed EBT/EFT system(s) must also have the capability to support the addition of other departments, agencies, divisions and/or programs during the life of the contract as the Department and/or State deems necessary. A more complete description of the services sought for this project is provided in Section 5: *Technical Proposal*. Proposals submitted in response to this solicitation must comply with the instructions and procedures contained herein.

### 1.1 ELIGIBLE ENTITIES

Eligible entities may include governmental agencies, faith-based organizations, non-governmental public or private organizations and individuals who: 1) are legally authorized to conduct business within the State of Alabama; 2) possess a high degree of professional skill in the area of service described in this document; 3) possess the skills needed to perform the services described in this RFP; and, 4) meet the terms and conditions of the RFP. In addition, applicants must demonstrate the ability to manage Department funds in accordance with Federal and State regulations and guidelines and must have a minimum of three (3) years of experience developing and operating large automated government systems.

### 1.2 REQUIRED LICENSURE/CERTIFICATION/CREDENTIAL

The selected vendor must provide a valid “Certificate(s) of Liability Insurance” to the Department prior to entering into a contract and on or before the date the previously provided liability insurance expires, the contractor must provide a valid Certificate(s) of Liability Insurance through the expiration of the contract.

### 1.3 CONTRACT TERM

The initial contract term is for a period of two (2) years. Renewals of the contract, with the State having the sole option to renew, may be made under the same terms and conditions for one additional period of two (2) years followed by one (1) year or any interval that is advantageous to the State, not to exceed a total of five (5) years.

### 1.4 POINT OF CONTACT

The procurement officer is the point of contact during this Request for Proposal (RFP) process. From the date this RFP is issued until the vendor selection is announced, all communication must be directed to the procurement officer in charge of this solicitation. **It is not permissible for any vendor, or any entity working on behalf of a vendor, to solicit information from any government source (Federal or State) other than from the procurement officer.** Any unauthorized contact will disqualify the vendor from further consideration. Contact information for the point of contact is as follows:

**Starr Stewart, Director**  
**Resource Management Division-Office of Procurement**  
**Alabama Department of Human Resources**  
**Gordon Persons Building, Room 2153**  
**50 Ripley Street**  
**Montgomery, AL 36130-4000**  
**Telephone Number: (334) 353-4744**

E-mail Address: [starr.stewart@dhr.alabama.gov](mailto:starr.stewart@dhr.alabama.gov)

## 1.5 EXPRESSION OF INTEREST

Vendors must notify the Department in writing of their interest in responding to this RFP. The written Expression of Interest must be submitted via e-mail to [starr.stewart@dhr.alabama.gov](mailto:starr.stewart@dhr.alabama.gov) or delivered in hardcopy via first class mail or courier to the procurement officer by 3:00 p.m. (CST) *Thursday, March 19, 2015*. Failure to provide this Expression of Interest will exclude the vendor from consideration.

## 1.6 REQUIRED REVIEW

### 1.6.1 REVIEW RFP

Vendors should carefully review the instructions, mandatory and general requirements, project specifications, and the standard terms and conditions in this RFP. After a thorough review of the RFP, if the vendor identifies any ambiguity, inconsistency, unduly restrictive specifications, or error, promptly notify the procurement officer identified above in writing, via e-mail or courier by the deadline for receipt of questions as stated in the Schedule of Events.

### 1.6.2 VENDOR'S QUESTIONS

Vendors with questions or requiring clarification regarding any section of this RFP must reference the RFP by title and number and submit written questions via e-mail or courier to the procurement officer referenced above by 3:00 p.m. (CST) *Thursday, April 23, 2015*. Each question must reference the section, page, and item in question. Vendors must submit all questions posed in a single email message to the procurement officer. Questions received after the deadline will not be considered.

### 1.6.3 DEPARTMENT'S RESPONSES

The Department will provide an official written answer by *Thursday, May 21, 2015* to all questions received by the deadline on *April 23, 2015*. The Department's response will either provide clarification of the applicable issue or be in the form of a correction to this RFP. Vendor questions and the Department's responses, as well as any formal written addendum will be posted on the Department's website at [www.dhr.alabama.gov](http://www.dhr.alabama.gov) by the close of business on the date listed.

## 1.7 MANDATORY REQUIREMENTS

Vendors are expected to respond to all of the requirements described in this document. The Department will determine whether a vendor's proposal meets the terms of the requirements. Proposals that do not meet all requirements listed in this RFP may be subject to point reductions during the evaluation process or may be deemed non-responsive. Proposals that do not meet the requirements 1.7.1 through 1.7.6 will be deemed non-responsive and no other consideration will be given. **DO NOT ALTER ANY OF THE FORMS LISTED BELOW OR OTHERWISE INCLUDED/REQUIRED IN THIS DOCUMENT.**

### 1.7.1 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must adhere to the format requirements and must be received by the deadline for receipt of proposals as specified in the Schedule of Events and Section 1.8.1 *Required Copies and Deadline for Receipt of Proposals*.

### 1.7.2 LEGAL STATUS LETTER OR TAXPAYER IDENTIFICATION VERIFICATION

Vendors must include a legible copy of their taxpayer identification letter from the Internal Revenue Service concerning the assignment of their employer identification number (EIN). If the legal status letter is not available, a completed and signed copy of the "Request for Taxpayer Identification Number" form (*Appendix B*) must be included.

### **1.7.3 DISCLOSURE STATEMENT**

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. Disclosure Statements are available for completion on the Attorney General's web site at [www.ago.alabama.gov](http://www.ago.alabama.gov) under *Publications and Forms*. Vendors may also click on either of the following links for a copy of the Disclosure Statement: (manual fill-in) [http://www.ago.state.al.us/documents/vendor\\_disclose.pdf](http://www.ago.state.al.us/documents/vendor_disclose.pdf) or (online fill-in) [http://www.ago.state.al.us/documents/vendor\\_disclose\\_fill.pdf](http://www.ago.state.al.us/documents/vendor_disclose_fill.pdf) when connected to the internet. Vendors must include a completed copy of the Disclosure Statement in their proposals.

### **1.7.4 CERTIFICATE OF COMPLIANCE**

Vendors must submit a completed, signed copy of the certificate of compliance (*Appendix D*) with their proposals.

### **1.7.5 E-VERIFY DOCUMENTATION**

Vendors must submit e-verify registration documentation with their proposals.

### **1.7.6 AUTHORIZED VENDOR SIGNATORY**

Vendors must provide an original proposal using the format described, with an original signature of person(s) legally authorized to bind the applicant to the proposal.

### **1.7.7 DUNS NUMBER**

Vendors must include their Dun & Bradstreet, or D-U-N-S, Number, a unique nine-digit identification number for each physical location of your business.

## **1.8 GENERAL REQUIREMENTS**

### **1.8.1 ACCEPTANCE OF STANDARD TERMS AND CONDITIONS**

By submitting a response to this RFP, vendors agree to acceptance of the standard terms and conditions of this RFP. Requests for additions or exceptions to the standard terms and conditions including any necessary licenses, or any added provisions must be submitted to the procurement officer by the due date for receipt of written questions and must be accompanied by an explanation of why the exception is being sought and what specific effect it will have on the vendor's ability to respond to the RFP or perform the contract.

*Note: The Department reserves the right to not enter into a new contract with a current vendor who is under a corrective action plan until all corrective requirements have been met.*

### **1.8.2 UNDERSTANDING OF SPECIFICATIONS AND REQUIREMENTS**

By submitting a response to this RFP, vendors agree to an understanding of and compliance with the specifications and requirements described in this RFP.

### **1.8.3 PRIMARY VENDOR/SUBCONTRACTORS**

The primary vendor if a contract is awarded shall be responsible, in total, for all work of any subcontractors. All subcontractors, if any, must be listed in the proposal. The vendor shall not assign, transfer or subcontract any portion of the contract without the written consent of the Department. The vendor shall be responsible to the Department for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the vendor. Any awards made as a result of this document will create a contractual relationship between the vendor and the Department, not the subcontractor.

### **1.8.4 VENDOR'S SIGNATURE**

An individual authorized to legally bind the organization submitting the proposal must sign the original proposal in ink. The vendor's signature on a proposal in response to this RFP guarantees that the offer has been

established without collusion that would preclude the Department from obtaining the best possible service for the best possible price.

## **1.9 SUBMITTING A PROPOSAL**

### **1.9.1 REQUIRED COPIES AND DEADLINE FOR RECEIPT OF PROPOSALS**

Vendors must submit **one (1)** original proposal, **ten (10)** copies and **one (1)** electronic (PDF preferred) copy on CD or DVD clearly labeled with the vendor's name and the RFP title and number to:

**Starr Stewart, Director**  
**Resource Management Division-Office of Procurement**  
**Alabama Department of Human Resources**  
**Gordon Persons Building, Room 2153**  
**50 Ripley Street**  
**Montgomery, AL 36130-4000**

Proposals must subscribe to the section/subsection headings and numbering format (i.e., **4.2.5.1 Vendor Qualifying Information**) as specified in *Section 4 Proposal Format and Instructions*. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the *Electronic Benefits and Funds Transfer (EBT/EFT) Services RFP# 2015-500-01*. **Proposals must be received at the receptionist's desk of the Division of Resource Management-Office of Procurement by 12:00 p.m., local time, Thursday, June 25, 2015.** Two business (Monday-Friday) days prior to the due date, proposals may be hand delivered between the hours of 9:00 a.m. -12:00 p.m. (with the exception of state and federal holidays). Faxed and electronically submitted responses to requests for proposals are NOT accepted.

### **1.9.2 FAILURE TO COMPLY WITH INSTRUCTIONS**

Vendors failing to comply with these instructions may be deemed non-responsive or subject to point deductions. The Department may also choose to not evaluate, and disqualify from further consideration any proposals that do not follow the format described in Section 4: *Proposal Format and Instructions*, are difficult to understand or read, or are missing any requested information.

### **1.9.3 PRICING SCHEDULES**

Vendors **must** respond to this RFP by utilizing the RFP Pricing Schedules found in Section 6. These Pricing Schedules will be used as the primary representation of each vendor's cost/price, and will be used extensively during proposal evaluations. Additional information should be included as necessary to explain in detail the vendor's cost/price.

### **1.9.4 TIMELY SUBMITTED PROPOSALS**

All timely submitted proposals and materials received in response to this RFP become the property of the Department and will be incorporated into any formal documentation and/or contract resulting from this RFP between the Department and the vendor.

### **1.9.5 LATE PROPOSALS**

**Regardless of the cause, late proposals will not be accepted and will automatically be disqualified from further consideration.** It shall be the vendor's sole risk to assure delivery at the receptionist's desk at the designated office by the designated time. Late proposals will not be opened and may be returned to the vendor at the expense of the vendor or destroyed if requested.

## SECTION 2: STANDARD INFORMATION

### 2.0 AUTHORITY

This RFP is issued under the authority of Section 41-16-72 of the Alabama Code (Act 2001-956, 2001 3<sup>rd</sup> Sp. Sess., p 817, §1.). Any awards resulting from this RFP will be made based on stated evaluation criteria. The weight assigned to each criterion denotes the relative importance of that criterion. No criteria, other than that identified in this RFP, will be used.

### 2.1 VENDOR COMPETITION

In accordance with 45 CFR 74.43, the Department encourages free and open competition among Vendors. Whenever possible, the Department will design specifications, proposal requests, and conditions to accomplish this objective, consistent with the necessity to satisfy the Department's need to procure technically sound, cost-effective services and supplies.

### 2.2 NONDISCRIMINATION

In accordance with 45 CFR 74.44, no person shall be excluded from participation in, be denied benefits of, be discriminated against in the admission or access to, or be discriminated against in treatment or employment in the Department's contracted programs or activities on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or Alabama State Constitutional or statutory law; nor shall they be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of contracts with the Department or in the employment practices of the Department's contractors. Accordingly, all Vendors entering into contracts with the Department shall, upon request, be required to show proof of such nondiscrimination and to post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

### 2.3 CERTIFICATE OF COMPLIANCE AND E-VERIFY

Only U.S. citizens or foreign citizens who have the necessary authorization to legally work in the United States may be employed to work under any contract with the Department. Vendors must agree to not knowingly employ, hire for employment, or continue to employ an unauthorized alien, and must provide to the Department with a completed and signed certificate of compliance (*Appendix D*) attesting to such.

The United States Citizenship and Immigration Services ([www.uscis.gov](http://www.uscis.gov)) provides E-Verify, an internet-based system that allows companies to determine their employees' eligibility to work in the United States. Vendors must participate in the E-Verify program and verify every employee that is required to be verified according to the applicable federal rules and regulations. Vendors must provide documentation to the Department establishing that they are enrolled in the E-Verify program.

Vendors must agree to not knowingly employ, hire for employment, or continue to employ a subcontractor to perform work under a contract that knowingly employs, hires for employment, or continues to employ an unauthorized alien. Any subcontractor hired to perform work under a contract must attest to such by providing to the Department with a completed and signed certificate of compliance (*Appendix D*). Subcontractors must also enroll in the E-Verify program prior to performing any work on a project and must attach to the sworn affidavit documentation establishing that the subcontractor is enrolled in the E-Verify program.

## **2.4 DUNS NUMBER**

Vendors must obtain a Dun & Bradstreet, or D-U-N-S, Number, a unique nine-digit identification number for each physical location of your business. D-U-N-S Number assignment is free for all businesses required to register with the federal and state government for contracts or grants.

## **2.5 PROPOSAL EFFECTIVE PERIOD**

All proposals submitted in response to this RFP shall be effective for a 180-day period following the deadline for receipt of proposals as specified in the Schedule of Events and may not be modified, withdrawn or canceled by the Vendor during this period.

## **2.6 TRADE SECRETS**

As part of the initial evaluation, the procurement officer in charge of this solicitation will review proposals received in response to this RFP, for any information deemed a “trade secret” by the vendor and separate identified parts of proposal from public viewing providing the following conditions have been met: (1) confidential information is clearly marked and separated from the rest of the proposal; (2) the proposal does not contain confidential material in the cost or price section; and (3) an affidavit from a Vendor’s legal counsel attesting to and explaining the validity of the trade secret claim is attached to each proposal containing trade secrets. If applicable, the Vendor’s Legal Counsel must use the Department of Human Resources “Affidavit for Trade Secret Confidentiality” form when requesting the trade secret claim. The affidavit form (*Appendix C*) is included in this document.

Information separated out under this process will be available for review only by the procurement officer, the evaluation committee members, and limited other designees. Vendors must be prepared to pay all legal costs and fees associated with defending a claim for confidentiality in the event of a “right to know” (open records) request from another party.

## **2.7 PRE-SCREENING AND EVALUATION OF PROPOSALS**

### **2.7.1 PRE-SCREENING**

During the pre-screening, proposals will be reviewed to ensure compliance with all general and mandatory requirements. Upon completion of this initial review they will be classified “responsive” or “non-responsive”. However; proposals may be found non-responsive at any time during the evaluation process if the proposal does not meet the formatting requirements specified in the RFP; if any of the required information is not provided; or the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP. Proposals declared non-responsive, will not receive further consideration.

### **2.7.2 EVALUATION OF PROPOSALS**

All responsive proposals will be evaluated against the stated criteria. However, this does not preclude the Department from any discussions/negotiations or requests for a best and final offer that it may deem necessary to assist in determining the Vendor. In scoring against stated criteria, the Department may consider such factors as accepted industry standards and a comparative evaluation of all other qualified RFP responses in terms of differing price, quality, and contractual factors to determine the most advantageous offering to the Department.

## **2.8 DISCUSSION/NEGOTIATION AND/OR ORAL PRESENTATION/PRODUCT DEMONSTRATION**

After receipt of all proposals and prior to the determination of the award, the Department may initiate discussions with one or more Vendors should clarification or negotiation be necessary. Vendors may also be required to make an oral presentation and/or product demonstration to clarify their RFP response or to further

define their offer. In either case, Vendors should be prepared to send qualified personnel to **Montgomery, Alabama**, to discuss technical and contractual aspects of the proposal. Oral presentations and product demonstrations, if requested, shall be at the Vendor's expense.

## **2.9 BEST AND FINAL OFFER**

The Department reserves the right to request a "best and final offer" for this RFP based on price/cost alone, from one or more Vendors if additional information is required to make a final decision. Vendors may be contacted asking that they submit their "best and final offer," which must include any and all discussed and/or negotiated changes.

## **2.10 PUBLIC REQUESTS FOR INFORMATION**

All information received in response to this RFP, including copyrighted material, is deemed public information and will be made available to the public upon requests shortly after the signing of a contract(s) with the exception of: (1) trade secrets meeting the requirements of the Alabama Trade Secrets Act, that have been properly marked, separated, and documented; and (2) any financial information requested by the Department, unless prior written consent has been given by the Vendor.

## **2.11 COST OF PREPARING A PROPOSAL**

The Department is not liable for any expense incurred by the Vendor in the preparation and presentation of their proposal or any other costs incurred by the Vendor prior to execution of a contract. All costs are the responsibility of the Vendor.

## **2.12 DEPARTMENT'S RIGHTS RESERVED**

While the Department has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the Department to award and execute a contract. Upon determination such actions would be in its best interest, the Department, in its sole discretion, reserves the right to the following:

### **2.12.1 PRE-SELECTION DISCRETION**

The Department reserves the right at its sole discretion, at any time and for any reason, to reject any or all of the proposals submitted in response to this RFP, or to cancel this RFP, if it is deemed by the Department to be in its best interest to do so.

### **2.12.2 POST-SELECTION DISCRETION**

Upon selection of a proposal, the Department reserves the right, at its sole discretion, at any time and for any reason, to change its decision with respect to the selection and to select another proposal, or to cancel the RFP, if it is deemed by the Department to be in its best interest to do so.

### **2.12.3 WAIVERS**

Notwithstanding the amendment provisions otherwise set forth herein, the Department reserves the right at its sole discretion, to waive any minor irregularity in an otherwise valid proposal which would not jeopardize the overall program and to award a contract on the basis of such a waiver in the event the Department determines that such award is in the best interest of the Department. Minor irregularities are those which will not have a significant adverse effect on the overall program cost or performance.

### **2.12.4 NEGOTIATIONS**

The Department reserves the right to negotiate with any vendor whose proposal is within the competitive range, as specified in the RFP with respect to technical plan and cost, as well as to select a vendor other than the vendor offering the lowest price.

**2.12.5 ADOPTION OF IDEAS**

The Department reserves the right to adopt to its use all or any part, of a vendor's proposal and to use any idea or all ideas presented in a proposal.

**2.12.6 ORAL PRESENTATIONS**

The Department reserves the right to require some or all of the vendors to provide oral presentations of their proposals.

**2.12.7 AMENDMENTS**

The Department reserves the right to amend the RFP. Except as provided above with respect to "WAIVERS" made by the Department, all amendments to the RFP will be made by written addendum issued by the Department and posted to the web at [www.dhr.alabama.gov](http://www.dhr.alabama.gov) under this RFP link.

**2.12.8 NO GUARANTEE OF CONTRACT**

Selection of a proposal shall not be binding upon the Department and may or may not, at the Department's sole discretion, result in the Department entering into a contract with the vendor if it is in the best interest of Department not to proceed with contract execution.

**2.12.9 RIGHT TO INVESTIGATE AND REJECT**

The Department may make investigations as deemed necessary to determine the ability of the Vendor to perform the services specified. The Department reserves the right to reject any proposal if the evidence submitted by, or investigation of, the Vendor fails to satisfy the Department that the Vendor is properly qualified to carry out the obligations of the contract. This includes the Department's ability to reject the proposal based on negative references.

**2.12.10 DISCLAIMER**

Issuance of this RFP does not constitute a commitment by the Department to select any proposal submitted in response to the RFP, or to award a contract to any vendor who responds to this RFP.

*Note: The entry into a contract with the State for EBT/EFT services is entirely contingent upon the successful negotiation of contract terms and conditions. Also, all contracts awarded by this Department are subject to review and approval by the Legislative Oversight Committee and the Governor's Office.*

## **SECTION 3: OVERVIEW OF CURRENT SYSTEM AND PROGRAM PROFILES**

### **3.0 CURRENT SYSTEM DESCRIPTION**

EBT/EFT services are currently provided to the State by Xerox State & Local Solutions, Inc. (herein after referred to as Xerox), a wholly owned subsidiary of Xerox. Comerica Bank is currently the sponsoring financial institution for Alabama's branded debit MasterCard used for accessing unemployment compensation benefits and child support.

#### **3.0.1 SERVICES PROVIDED BY EBT/EFT CONTRACTOR**

Xerox operates turnkey EBT/EFT systems for the State of Alabama. They provide project management, settlement and reconciliation services, system account management, processing services, EBT/EFT transaction switching services, client customer service, EBT-only Point-of-Sale (POS) terminal driving and retailer management. Fiserv, Inc. provides card production services.

#### **3.0.2 STATE INTERFACES**

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

##### **3.0.2.1 BATCH FILES**

The primary method used to exchange information between the State's EBT/EFT Interface Systems and the Contractor's EBT/EFT system(s) is by batch files. The descriptions of the files are provided in Section 5 of the RFP and the specific file formats are detailed in Appendix F, EBT/EFT File Formats.

##### **3.0.2.2 ADMINISTRATIVE TERMINALS**

The EBT/EFT web based Administrative Terminals provided by the current Contractor is utilized mainly for inquiry access, although there are update functions associated with the Administrative Terminal applications. While the State is not expecting the existing Administrative Terminal screens be duplicated in the new EBT/EFT system(s), the State is expecting that the functionality provided by the Administrative Terminals be duplicated. The descriptions of the functions are provided in Section 5 of the RFP.

### **3.1 ALABAMA BENEFIT PROGRAM PROFILES**

The State currently has two departments, Department of Human Resources (DHR) and the Medicaid Agency that allow access to benefits via the use of the Alabama EBT card. The programs included are the Food Assistance (SNAP), Family Assistance (FA – Cash) and Medicaid (Non-Emergency Transportation, NET – Cash). The State also has two departments, Department of Human Resources (DHR) and Alabama Department of Labor (ADOL) that allow access to benefits via the use of prepaid branded debit MasterCard. The programs included are the Child Support Enforcement Division (CSED – CS Debit Card) and ADOL (Unemployment Compensation Benefits, UCB – AL Vantage Card). The State plans to include additional benefit types and programs during the life of the contract that is executed as a result of this RFP. The programs that the State is currently aware of that plan or may be added will be discussed along with the existing programs in the Section 3 information that follows if appropriate and/or relevant

#### **3.1.1 PROGRAM DESCRIPTIONS**

The Supplemental Nutrition Assistance Program (SNAP) is a food assistance program administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). FNS sets national SNAP 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 and the administrative office is housed in the Food Assistance Division. 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 DHR offices are also charged with investigating clients who are suspected of fraudulently obtaining benefits.

The Employment and Training (E&T) Program is designed to assist SNAP recipients in moving promptly into unsubsidized employment. Only non-exempt recipients are required to be registered in the program. E&T is operated by the State and county DHR offices and the administrative office is also housed in the Food Assistance Division. The Food Assistance Program works closely with the State Employment Service Offices.

The Temporary Assistance for Needy Families (TANF) was implemented in Alabama as the Family Assistance (FA) Program effective November 15, 1996, replacing the AID to Families with Dependent Children (AFDC) Program. The Family Assistance (FA) 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 DHR offices operate the program. The State administrative office is housed in the Family Assistance Division.

The Family Assistance Division is also responsible for implementation and ongoing operation of the JOBS Program. The case management system is used to provide services aimed at preparing clients to gain and retain unsubsidized employment. The DHR JOBS Program is centered on assisting clients that are or were associated with the FA Program and provides similar and sometimes identical services as the E&T Program.

The Alabama Medicaid Agency is the State agency responsible for administering the Non-Emergency Transportation (NET) Program, under Title XIX of the Social Security Act. The Non-Emergency Transportation Program must ensure that transportation for Medicaid covered medical services is available for all eligible recipients in the state who have no other means of transportation. Any appropriate means of transportation which can be obtained without charge through volunteer groups, nonprofit organizations, public services, relatives or other persons is the preferred method of transportation. If transportation is not available without charge, the Alabama Medicaid Agency will make reimbursement for non-emergency transportation, with the exception of ambulance transports, directly to the recipient through an Electronic Benefit Transfer (EBT) system. The recipient uses the reimbursement to purchase transportation. Non-emergency ambulance transportation is reimbursed fee-for-service.

The Child Support Enforcement Division (CSED) is responsible for administering a statewide child support enforcement program under the provisions of Title IV-D of the Social Security Act (42 U.S.C. 651 through 659).

CSED is responsible for a variety of services to the public. These services include but are not limited to establishment of paternity, establishment of child support obligations, and medical support orders. CSED is also required to review and potentially modify child support orders. CSED is responsible for the enforcement of orders to pay child support. This is accomplished through a number of ways, e.g. the Income Withholding Order, which requires that child support be deducted from the parent's wages. Other effective means of enforcement are intercept of federal and state tax refunds, suspension of drivers and professional licenses, reporting delinquent cases to Credit Bureaus, civil contempt, referrals to the US Attorney's Office for interstate cases, and filing liens against assets. Our average State caseload is approximately 232,000 and of these approximately 192,000 have support orders. Our average growth rate in support orders is .12% per month.

Another service CSED provides is accounting and distribution of Child Support collections to families. In Fiscal Year 2014 CSED collected and disbursed \$257,099,547.08 and issued 1,901,596 checks.

Unemployment Compensation payments are administered by the Alabama Department of Labor under regulations established by the United States Department of Labor. Individuals who are unemployed through no fault of their own and meet all other eligibility requirements may be eligible for weekly payments.

### **3.1.1.1 PROGRAMS PURPOSE**

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

The E&T Program has multiple components designed to allow States the opportunity to provide an effective and efficient Job Search process for those new or returning to the Food Assistance Program. By limiting job search to only those newly work registered, the State is able to focus a job search program on those most likely to benefit from the intervention. Job Shop is also offered in conjunction with Job Search in certain counties to help equip the client in their search for employment. An annual one-time cash reimbursement that cannot exceed the allowed maximum is paid to each client who completes the required orientation and job search.

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

The JOBS program's purpose is to encourage and assist the recipients of FA succeed in making the transition from welfare to work or self-sufficiency; and aid former recipients so that they can retain their employment and avoid returning to the system

Medicaid Non-Emergency Transportation (NET) reimbursements are issued to eligible Medicaid recipients who are in need of transportation assistance to access Medicaid covered medical services. These reimbursements are based on the most cost-effective rate for the appropriate mode of transportation, considering the rates for the particular area and the options available to the requesting recipient.

The purpose of the Child Support Program is to reduce child poverty by ensuring that children have the financial support of both parents.

Unemployment Compensation is designed to provide unemployed workers with funds to avoid a period of destitution after having lost their employment through no fault of their own, while looking for other employment.

### **3.1.1.2 CLIENT PROFILES**

Appendix E contains Statistical Caseload Data for the various programs in Alabama. However, the data contained in Appendix E is no indication or guarantee of future SNAP or cash caseloads.

### **3.1.1.3 BENEFIT RESTRICTIONS**

As a food assistance program, the SNAP benefits are restricted to the purchase of eligible food items in authorized food retail locations. TANF benefits are restricted to the purchase of items other than alcoholic beverages, tobacco products and lottery tickets. 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. The Contractor shall have clear approaches available to blocking access to cash benefits at ATM

and POS terminals in accordance with the Middle Class Tax Relief and Job Creation Act of 2012, Spending Policies for Assistance under State TANF Programs, Public law 112-96, 126 Stat.156(2012), Title IV § 4004 and Alabama Act 2014-419 if the State chooses this option. Customers shall not be permitted to use their EBT card in cash transactions at casinos or gambling establishments, adult entertainment establishments in which performers disrobe or perform in an unclothed state, retail establishments whose primary purpose is the sale of alcoholic beverages, tattoo facilities or facilities providing psychic services. ADOL AL Vantage cardholders are not allowed to use their card for online gambling.

#### **3.1.1.4 FUNDING**

SNAP 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 Employment and Training Program is funded with a 100% Federal Grant allocation. There is an additional 50/50% participant transportation reimbursement for those who complete a Job Search. Both Family Assistance (FA) and JOBS are jointly funded by the State and the TANF block grant from ACF. NET benefits are match funded by the Federal government and the State government. Benefit funds are not disbursed until the recipient 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 Child Support Program is 66% federally funded and 34% State funded. Child Support is not a benefit, but rather a payment made by a third party. These payments are considered distributed as soon as they are placed on a debit card. Unemployment Compensation benefits are 100% federally funded from the Federal Unemployment Trust Fund by taxes assessed on employers. .

#### **3.1.1.5 RETAILER MANAGEMENT**

Retailers authorized by FNS to accept SNAP benefits are required to comply with program rules. This may include traditional and non-traditional merchants. 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". SNAP 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.

## SECTION 4: PROPOSAL FORMAT AND INSTRUCTIONS

### 4.0 PROPOSAL REQUIREMENTS

Proposals must meet all requirements as specified in this RFP. Proposals must incorporate the specified structure and format; must be clear, detailed, and complete as to fully demonstrate that the prospective vendor has a thorough understanding of the requirements for providing the services for this procurement. Statements that the vendor understands, acknowledges, or can comply with the requirements/specifications and statements paraphrasing the specifications are considered inadequate as are phrases such as “industry standards will be adhered to” and/or “standard procedures will be implemented”, or “research-based models will be used”. Proposals must clearly and adequately describe the concepts and methodologies to be implemented by the vendor. Information must be clear, succinct, and easily understandable.

The proposal must state the section/subsection headings from each requirement verbatim, employing the same numbering system used in the RFP. Each requirement listed in Section 5 of the RFP requires a response. A detailed response to a requirement must be presented directly below the section heading and must 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 Department is strongly suggesting that additional information be provided if such information will enhance the clarification of the vendor’s response and the State is requiring, at a minimum, agreement by the vendor to comply with the requirement. The proposal from a vendor failing to follow these instructions shall be rejected.

Section 6 of this RFP defines the requirements for the Cost Proposal. Similar to the technical proposal, the **cost** proposal must state the section/subsection headings from each requirement verbatim, and follow the section heading with a detailed response.

Vendors 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

*Note: Vendor and contractor are used interchangeably throughout this RFP and both are referring to the entity providing the response to this RFP unless it is specifically stated that the information is relevant to the current contractor.*

### 4.1 COMPLETENESS OF PROPOSAL

Selection and award will be based on the vendor’s proposal and other items described in this RFP. The proposal must not include references to information located elsewhere, such as internet websites. Information or materials presented by the vendor outside the formal response or subsequent discussion/negotiation or “best and final offer,” if requested, will not be considered, will have no bearing on any award, and may result in the vendor being disqualified from further consideration.

### 4.2 PROPOSAL FORMAT

Proposals must be single-spaced, incorporating 1-inch margins, typed using Times New Roman (font), size 12. Proposals must be printed/copied onto one side of standard (8½ x 11) white typing/copier paper. *Paragraphs must be double-spaced.* All proposals must include labeled tabs that correspond with the bolded sections and

subsections to which the information pertains. ***Do not use adhesive tabs, tabs with the paper inserts, sheet protectors, rings or prong fasteners.*** Vendors should avoid the use of elaborate presentations and binding materials beyond that which is sufficient to present complete and effective proposals.

#### **4.2.1 COVER SHEET**

The first page of each proposal must be the completed **Cover Sheet** (RFP cover sheet) with an original ink signature of the person(s) legally authorized to bind the Vendor to the proposal. **A proposal without the signature(s) of the person(s) legally authorized to bind the Vendor to the proposal will be rejected.** The Cover Sheet must also include the name of the contact person and contact information of the person authorized to act on behalf of the vendor (do not number this page). Vendors must also provide their federal employer identification number and DUNS number. The vendor must denote the original proposal and copies by placing a check in the appropriate box on the Cover Sheet.

#### **4.2.2 TABLE OF CONTENTS**

The Cover Sheet should be followed by the **“Table of Contents”**, which should list all sections, subsections and page numbers. Numbering of the proposal pages should begin with page 1 of the Table of Contents. Page numbers should be placed in the right corner of the bottom margin.

#### **4.2.3 TAXPAYER IDENTIFICATION NUMBER VERIFICATION**

The Table of Contents must be followed by a copy of the **EIN Letter**. *This letter is issued by the IRS and is used to identify a business entity. The original letter should have the number 574A on it and if the entity has requested a written confirmation of its EIN after misplacing the original letter, the letter should have the number 147C on it.* If the EIN Letter is not available, a completed and signed copy of the **“Request for Taxpayer Identification Number”** form (*Appendix B*) must be included. All items on this form must be completed. (Do not number this page.)

#### **4.2.4 CERTIFICATE(S) OF LIABILITY INSURANCE**

The **Certificate(s)** does/do not have to be included in the proposal, but must be submitted prior to entering into a contract with the State.

#### **4.2.5 TECHNICAL PROPOSAL**

The EIN Letter or Request for Taxpayer Identification Number should be followed by the **Technical Proposal**. The Technical Proposal must subscribe to Section 5.

#### **4.2.6 ATTACHMENTS**

Vendors must include all applicable forms identified below as attachments (i.e., Attachment A, B, C, etc.), applicable forms must follow the Technical Proposal.

##### **4.2.6.1 DISCLOSURE STATEMENT**

The Technical Proposal must be followed by a completed copy of the **Disclosure Statement**. ***All proposals must include the Disclosure Statement.***

##### **4.2.6.2 TRADE SECRET AFFIDAVIT**

The Disclosure Statement must be followed by a completed copy of the **Trade Secret Affidavit** (*Appendix D*), if applicable.

##### **4.2.6.3 CERTIFICATE OF COMPLIANCE**

The Trade Secret Affidavit must be followed by a completed copy of the **Certificate of Compliance** (*Appendix D*). ***All proposals must include the Certificate of Compliance.***

##### **4.2.6.4 E-VERIFY DOCUMENTATION**

The Certificate of Compliance must be followed by a completed copy of the **E-verify documentation**. ***All proposals must include the E-verify documentation.***

The **cost proposal** must be submitted in a separate sealed envelope and clearly labeled as such. The cost proposal must subscribe to Section 6. *The cost proposal does not have to be sent in a separate mailing or delivery.*

## SECTION 5: TECHNICAL PROPOSAL

### 5.0 SCOPE OF PROJECT

This section of the RFP provides the requirements of the State for the implementation and ongoing project management for the EBT/EFT services to be provided by the vendor who is selected as the State's contractor. This section is also intended to provide details on the specific functional and technical requirements to develop, test, implement, and operate an EBT/EFT system(s) 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/EFT card production and issuance, reporting, training and on-going operational support.

The State intends for this EBT/EFT system(s) 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 for eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services. At minimum, the contractor is also required to allow all clients and retailers the option of selecting English or Spanish when using EBT/EFT services provided by the contractor.

### 5.1 VENDOR CERTIFICATIONS

Vendors must submit a statement attesting that they warrant and represent to the State that the vendor accepts and agrees with all certifications and terms and conditions of this RFP. Further, by submitting a response to this RFP, the vendor certifies to the State that they are legally authorized to conduct business within the State of Alabama and to carry out the services described in this RFP.

#### 5.1.1 REVOLVING DOOR POLICY

Vendors must attest that neither the vendor nor any of their trustees, officers, directors, agents, servants or employees are current employees of the State, and none of the said individuals have been employees of the State in violation of the revolving door prohibitions contained in the State of Alabama ethics laws.

#### 5.1.2 DEBARMENT

Vendors must attest that neither the vendor nor any of their trustees, officers, directors, agents, servants or employees (whether paid or voluntary) are debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension."

#### 5.1.3 STANDARD CONTRACT

The selected vendor must agree to the use of the State's standard contract document. The vendor will further comply with all the terms and conditions of that document, including, but not limited to, compliance with the Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act, Alabama Act No. 2000-775 (governing individuals in direct service positions who have unsupervised access to children), the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as applicable, and all other Federal and State laws, rules and regulations applicable to receiving funds from the State to carry out the services described in this RFP. Further, any contract executed pursuant to this RFP must be subject to review by the State's legal counsel(s) as to its legality of form and compliance with State contract laws, terms and conditions, and may further be subject to review by the Alabama Legislative Contract Review Committee, Examiners of Public Accounts, the State Finance Director and the Office of the Governor.

#### **5.1.4 CHARITABLE CHOICE (APPLIES TO FAITH-BASED ORGANIZATIONS ONLY)**

Vendors must attest that funds received as a result of this procurement will not be used for sectarian instruction, worship, proselytizing or for any other purely religious activities that are not directed toward the secular social goals related to the services described in this RFP. Vendors must agree to serve all eligible members of the public without regard to their religious beliefs and, further, must not require clients' active participation in any religious practice. (In carrying out the said services, the vendor will remain independent from Federal, State and local governments; will retain control over the expression of its religious beliefs, and is NOT required to remove its religious writings or symbols or to alter its internal governance as a condition of doing business with the State).

#### **5.1.5 FINANCIAL ACCOUNTING**

Vendors must attest that their accounting system will be consistent with General Accepted Governmental Accounting Principles (GAAP). The selected vendor must maintain sufficient financial accounting records documenting all funding sources and applicable expenditure of all funds from all sources.

#### **5.1.6 VENDOR WORK PRODUCT**

The vendor must attest that the proposal submitted in response to this document is the work product of said vendor. If the proposal is determined not to be the work product of the vendor, the proposal may, at the Department's sole discretion, be rejected. Further, any contract executed pursuant to this RFP must be subject to review by the State's legal counsel(s) as to its legality of form and compliance with State contract laws, terms and conditions.

#### **5.1.7 OFFICE LOCATION**

Vendors must provide the physical address of the office where records will be maintained and services will be performed under a contract with the State in the event the vendor becomes the contractor.

### **5.2 VENDOR'S QUALIFICATIONS AND ORGANIZATION**

The State of Alabama requires a contractor that has the necessary qualifications, skills, and resources to provide quality EBT/EFT services to the clients of the State. Previous experience in providing EBT/EFT services to other State agencies, while desired, is not a requirement. Regardless, the State is adamant that EBT/EFT services 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/EFT contractor, vendors must demonstrate in their proposal that not only can they provide the requested EBT/EFT services, but also perform an on-time and successful conversion and transition of EBT/EFT services from the existing contractor to their EBT/EFT System(s).

#### **5.2.1 PAST AND PRESENT CONTRACTUAL RELATIONS WITH THE STATE**

The vendor shall describe any present or past contractual relationship it has or have had with the Department or any other State agency including colleges/universities during the past three years. If the vendor, its predecessor, or any party named in the vendor's responses to this section has contracted with any department within State Government during the past three years, identify the contract number and/or other information available to identify such contract(s). If no such contracts exist, so declare. If any party named in the vendor's response to this RFP was an employee of the State in the past two years, identify the individual(s) by name, State agency by which employed, job title of position held with the State, and separation date. If no such relationship exists, so declare.

#### **5.2.2 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, EFT and financial network services, transaction processing, etc. In totality, the vendor's experience, combined with that of any subcontractor(s) must demonstrate the capability to successfully meet the requirements of this RFP. Therefore, the vendor's proposal must highlight its corporate

capabilities, organizational structure, financial stability, and previous experience related to the requirements of this RFP. The vendor must also list all names its company has used when conducting business.

#### **5.2.2.1 VENDOR'S CAPABILITIES**

The vendor's response must include the following:

- Date the firm was established and ownership model.
- Organizational and decision-making chart, relative to the EBT/EFT system(s) proposed.
- Prior and current litigation and/or formal administrative protests or actions for the most recent ten (10) years 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.

#### **5.2.2.2 VENDOR'S EXPERIENCE**

The vendor's responses must include the following:

- A detailed description of all relevant financial system development, implementation and operating experience within the last five years that demonstrates the vendor's ability to satisfy the requirements of this RFP.
- A list of governmental or commercial customers for whom the vendor has provided relevant financial services. The vendor will provide references from a minimum of three current customers who can speak to the vendor's capabilities and qualifications. For each reference, the vendor must provide: company/agency name of the reference; location where the services were performed (city, state); primary and secondary contact name, title, telephone number, and e-mail address; a brief description of the project; description of the vendor's role in the project; and the start and end date of each project.

#### **5.2.3 VENDOR'S ORGANIZATION**

The vendor must provide a proposed organizational chart for the State's EBT/EFT project defining how they will staff and manage the project. The response must include a discussion of the proposed lines of authority, and how the project management team will be involved in the administration of the services, including the coordination and communication internally and among all subcontractors.

#### **5.2.4 VENDOR'S PROPOSED KEY PERSONNEL**

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

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

A resume for the proposed Project Manager must be included within the response. The Project Manager must 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/EFT systems to contractor's EBT/EFT system(s). Following a successful conversion, the contractor may designate a different Project Manager responsible for the EBT/EFT contract that must maintain regular and frequent contact with the State's EBT/EFT Director(s) 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 subject to the approval of the State are the:

- Retail Manager
- Technical Conversion Coordinator

- System Test Manager
- Technical System Lead

The following must be clear in the proposal:

- A description of the project team to be assigned to the State's EBT/EFT 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/EFT project.
- A management structure ensuring adequate oversight and executive direction for the Project Manager. In this regard, the vendor 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/EFT Director(s) 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/EFT systems. 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 for providing a plan whereby the Project Manager or designee is available on-site in Alabama 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 on-site in Alabama 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 on-site in Alabama.

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 must 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 is not currently in the employ of the vendor, a letter of intent to accept employment must be included in the vendor's response.

### **5.2.5 SUBCONTRACTOR'S QUALIFICATIONS AND EXPERIENCE**

Vendors 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 vendor providing a service specifically defined and required within this RFP, including but not limited to EBT/EFT card production, EBT-only terminal driving, and/or EBT/EFT transaction switching. When proposing the use of a subcontractor, the vendor must explain and document the relationship between the subcontractor and the vendor. In addition, organizational charts and a breakdown of duties between the subcontractor and the vendor must be provided.

Any changes in subcontractors after the execution of this agreement will first require written notification and prior approval by the State, which approval shall not be unreasonably withheld. The contractor must 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) and/or State 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 the State. The contractor must address each concern in writing to DHR and/or the State no later than 30 days from receipt of DHR's and/or the State's concerns.

The responsibility for the performance of subcontractors rests solely with the vendor. If used, subcontractors must be made aware and adhere to the requirements specified within this RFP and the subsequent contract between the State and the vendor. The vendor must 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;
- Three (3) references for each subcontractor, to include contact names, addresses, and telephone numbers, and a description of the services currently being provided; and
- 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.

### **5.3 PROJECT MANAGEMENT**

The State envisions the EBT/EFT 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).

#### **5.3.1 PROJECT WORK PLAN**

The vendor's Project Work Plan must be based on their proposal. The plan must include, at a minimum a schedule of all tasks and deliverables required throughout the project. The plan must also include any vendor proposed additions to the tasks outlined in Section 5. 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 must submit a preliminary Project Work Plan no later than two weeks after signing of a contract. The State must 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 vendor shall provide a draft work plan in their response that can be fully executed in six (6) months.

### **5.3.2 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 amount of time for the State to review and comment upon the deliverable.

#### **5.3.2.1 TRANSITION PLAN**

The vendor must agree to and be responsible for the migration of the client and retailer database from the current contractor's EBT/EFT system(s) to the new EBT/EFT system(s). The vendor must prepare and submit with its proposal a migration plan that covers each of the following activities in detail:

- Migration of transaction acquirers (TPPs) and retailers;
- POS device deployment and installation for eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services;
- Migration of client database; and
- EBT/EFT card issuance and replacement, including entering into an agreement with a sponsoring financial institution on behalf of the State for the Alabama electronic payment/branded debit cards program.

The plan must address the processes to be used for the migration, how the processes will 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 must submit the final Transition Plan no later than two (2) months after contract signing. (See Section 5.18 for requirements.)

#### **5.3.2.2 FUNCTIONAL DESIGN DOCUMENT**

This document must, at a minimum, provide a functional overview and a description of the operating environment, procedures and workflow of the vendor's EBT/EFT system(s). The contractor must agree to and submit the final Functional Design Document no later than six (6) weeks after contract signing.

#### **5.3.2.3 DETAILED DESIGN DOCUMENT**

The Vendor's 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 agree to and submit the final document no later than three (3) months after contract signing.

#### **5.3.2.4 LIFE CYCLE TESTING APPROACH**

The Vendor 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(s) or the State's systems, should be properly tested prior to being introduced into a production environment. The plan shall include, at a minimum, the tests identified in Section 5.3.2.5, Test Plans, 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 four (4) months after contract signing.

### **5.3.2.5 TEST PLANS**

The Contractor shall develop System Test Plans during the Design Phase. Test Plans shall be submitted with the Vendor's proposal, 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 four (4) months after contract signing.

### **5.3.2.6 BACK-UP AND RECOVERY PLANS**

The Vendor shall provide an evaluation of the types of service interruptions that may impact the EBT/EFT system's operations and therefore require the use of a backup and recovery process. For each potential interruption type, the Vendor 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 Vendor 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 four (4) months after contract signing. (See Section 5.19 for requirements.)

### **5.3.2.7 SYSTEM SECURITY PLAN**

The Vendor shall prepare a security plan detailing, at a minimum, the security provisions and proposed user profiles established within the EBT/EFT system(s). The Contractor shall agree to and submit the final System Security Plan no later than four (4) months after contract signing.

### **5.3.2.8 TRAINING PLAN**

The Vendor shall prepare and submit a Comprehensive Training Plan that identifies the proposed deadlines and supportive tasks for the planning, design, development, production and distribution of all training materials. The training plan should address the timeline for creation of the deliverables as noted in Section 5.9, 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.

### **5.3.2.9 RETAILER AND TPP AGREEMENTS**

The Vendor shall provide copies of the proposed retailer and TPP agreements that will be utilized within the State in its proposal. The Contractor shall agree to and provide the final versions for review and approval by the State and FNS after contract signing.

## **5.3.3 DEVELOPMENT PHASE**

The Development Phase shall commence following the completion of the Design Phase, and shall be completed no later than five (5) months from the contract signing date. During this phase of the project, the Contractor shall configure and test the Alabama EBT/EFT system(s) 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/EFT 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.

### **5.3.3.1 SYSTEM TESTING**

System testing must be performed on all components and functional areas of the EBT/EFT application system(s) before delivery of the system(s). Upon completion and approval of the design documents, the Contractor shall update the System Test Plan as appropriate. The Vendor 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:

#### **5.3.3.1.1 FUNCTIONAL DEMONSTRATION**

The functional demonstration shall provide State and Federal representatives the opportunity to review and observe planned EBT/EFT 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 four (4) weeks prior to the System Acceptance Test to ensure the design is proceeding according to the expectations of the State and Contractor.

#### **5.3.3.1.2 INTERFACE TESTING**

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

#### **5.3.3.1.3 SYSTEM ACCEPTANCE TESTING**

The System Acceptance Test provides both State and Federal representatives the opportunity to test the EBT/EFT 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.

#### **5.3.3.1.4 PERFORMANCE (STRESS) TESTING**

The purpose of this test is to ensure that there is sufficient capacity within the EBT/EFT system(s) 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/EFT systems 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 Vendor is anticipating utilizing this option, the Vendor 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.

#### **5.3.3.1.5 SIVR/IVR TESTING**

The SIVR/IVR system shall be tested to ensure the system properly accepts, processes, and transfers both retailer and client calls per the system requirements and within the specifications defined in Sections 5.6.1 and 5.11.1.2.

#### **5.3.3.1.6 TRANSITION TESTING**

The Contractor shall be required to demonstrate to the State the conversion process of the EBT/EFT systems from the current Contractor to the new EBT/EFT system(s). 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., SNAP and cash transactions) and administrative transactions (e.g., benefit adds and card replacement transactions).

#### **5.3.3.1.7 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/EFT system(s) prior to conversion. Consequently a Live Demonstration is not required.

#### **5.3.3.2 TEST REPORTS**

The Vendor's proposal shall 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 five (5) months after contract signing.

#### **5.3.3.3 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 agree to and submit the updated Detailed System Design no later than two (2) weeks following the completion of the EBT/EFT system(s) testing process.

#### **5.3.3.4 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.

#### **5.3.3.5 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 six (6) months after contract signing.

#### **5.3.3.6 SETTLEMENT 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/EFT System(s) as defined within 7 CFR 274.4(a) and (b), and consistent with FNS reconciliation guidance revised March 29, 2007 (the FNS EBT Reconciliation Guidance document is located at [www.dhr.alabama.gov](http://www.dhr.alabama.gov)). The manual should identify the specific EBT/EFT reports from the Contractor's system that are required for settlement and reconciliation of the Contractor's EBT/EFT system(s).

### **5.3.3.7 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 5.16.

### **5.3.4 TRANSITION PHASE**

The Transition Phase consists of the activities required to convert the EBT/EFT 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/EFT 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.

### **5.3.5 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/EFT operations and immediate notification to the State of any issues or system problems. The Contractor assigned project manager, defined in Section 5.2.4, Contractor Proposed Key Personnel, shall be the point person for ongoing communications to the State for all EBT/EFT 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.

#### **5.3.5.1 CHANGE/ENHANCEMENT REQUESTS**

For change orders and enhancements 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 Vendor's Cost Proposal. The Contractor shall respond to change orders and enhancements 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 change order and/or enhancement 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 changes or enhancements 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 Vendor shall describe its approach to providing the State with information concerning EBT/EFT System changes and enhancements implemented by other States.

### **5.4 GOVERNING REGULATIONS**

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

#### **5.4.1 QUEST OPERATING RULES**

Quest Operating Rules, Version 2.1, dated April 2014, plus all subsequent revisions and amendments to these rules.

#### **5.4.2 REGULATION E**

Regulation E shall govern only if applicable to the type of service being provided.

#### **5.4.3 FNS REGULATIONS**

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

- 7 CFR Part 274 – Issuance and Use of Program Benefits, §274.1 through §274.8;
- Direct Final Rule re: Supplemental Nutrition Assistance Program, Regulation Restructuring: Issuance Regulation Update and Reorganization to Reflect the End of Coupon Issuance System; Federal Register, Vol. 75, No. 69, Monday, April 12, 2014;
- 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. Retailer Participation – Charges to Retailers/Reinstallation Fees, 7 CFR 274.3(a) (2): Waiver to allow the State to support a “Rights Upon Termination” clause in the retailer agreement that allows the 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 and training material.
2. Retailer Participation – Point of Sale (POS) Deployment, 7 CFR 274.3(b): Waiver so that POS deployment is not required for retailers with monthly redemptions less than \$100.
3. Performance and Technical Standards – PIN Selection via Automated Response Unit (ARU), 7 CFR 274.8(b)(3)(ii)(C): Waiver to allow PIN selection to be handled through the ARU or SIVR/Help Desk.
4. Retailer Adjustment – No Hold/15 Calendar Day Debit, 7CFR 274.2(g)(2)(ii): Waiver allowing implementation of an EBT adjustment system which does not place a hold on a household’s account for the amount of the debit. Also allows states to act on the debit adjustment within 15 calendar days rather than 10 business days.

#### **5.4.4 OTHER FEDERAL REGULATIONS**

45 CFR §302.32 mandates that child support payments must be forwarded to families within two business days of receipt.

#### **5.4.5 STATE RULES**

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

### **5.5 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.

#### **5.5.1 ACCOUNTING AND AUDIT REQUIREMENTS**

Regulation 7 CFR 274.1(i)(2) requires the State to obtain a SSAE 16 examination annually of the EBT Contractor regarding the issuance, redemption, and settlement of SNAP benefits. The Contractor shall have an annual SSAE 16 audit performed on its EBT operations, and shall provide the report to the State within 30 days of the completion of the audit. 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.

Internal Revenue Service (IRS), Treasury 26 CFR Parts 1, 3 and 301, Information Reporting for Payments Made in Settlement of payment card and third Party Network Transactions also requires the EBT/EFT Contractor file an information return for each calendar year reporting all payment and transactions and third party network transactions with participating payees occurring in that calendar year. Therefore, the EBT/EFT Contractor shall supply to IRS or its designated entity as required each year the settlement information for the retailers for which the Contractor is directly responsible for handling POS devices and transaction processing.

## 5.6 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 A* apply to the contract with the Contractor.

Vendors shall accept all provisions in the contract terms in Appendix A unless specific departures are taken from particular terms or conditions. All such departures must be noted in the proposal as explained in **1.8.1**. 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 Vendor must identify concerns with the contract terms during the question period described in **1.6.2**.

If the Vendor, or any proposed Subcontractor, has had a contract terminated for default during the past five years, all such instances must be described as discussed below. Termination for default is defined as notice to stop performance delivery due to the Vendor's nonperformance or poor performance and the issue was either (a) not litigated due to inaction on the part of the Vendor; or (b) litigated and such litigation determined the Vendor to be in default. Submit full details of all terminations for default experienced by the Vendor during the past five years, including the other party's name, address, and telephone number. Present the Vendor's position on the matter. The Department shall evaluate the facts and may, at its sole discretion, reject the Vendor's proposal if the facts discovered indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the Vendor. If the Vendor has experienced no such terminations for default in the past five years, so declare. If at any time during the past five years, the Vendor has had a contract terminated for convenience, non-allocation of funds, or any other reason, which termination occurred before completion of all obligations under the initial contract provisions, describe fully all such terminations including the name and address of the other contracting party and the circumstances surrounding the termination. If no such early terminations have occurred, so declare.

Failure to report on the foregoing or if the information furnished is determined to be inaccurate, whether by omission or commission, shall result in rejection of the Vendor's proposal.

***Note: No points will be assigned to proposals submitted by new or current Vendors who have performed their contractual obligations satisfactorily. However, current Vendors who have performed unsatisfactorily may experience point deductions up to a maximum of 10 points.***

**5.6.1 PERFORMANCE STANDARDS**

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

Requirement	Performance Deficiency
<p><b><u>EBT/EFT Central Computer Uptime</u></b></p> <p>The EBT/EFT 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 Interactive Voice Response Unit. The EBT/EFT 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/EFT Central Computer to be “up” 99.9% of the time scheduled uptime measured on a monthly basis.</p>
<p><b><u>Settlement and ACH Processes</u></b></p> <ol style="list-style-type: none"> <li>1. The timeframe for Automated Clearing House (ACH) settlement window will be met 90% of the time measured on a monthly basis.</li> <li>2. Account Management Agent (AMA) Entries will be made with 100% accuracy.</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>1. Failure to meet timeframe for ACH settlement window 90% of the time measured on a monthly basis.</li> <li>2. Two or more errors in providing AMA data to the FRB of Richmond over a two month period.</li> <li>3. Two or more errors in the daily redemption totals provided to the BRSB over a two-month period.</li> </ol>
<p><b><u>Benefit Availability</u></b></p> <ol style="list-style-type: none"> <li>1. DHR EBT cardholder daily benefits received by 1:00 a.m. Central Time (CT) will be in the clients’ accounts by 5:00 a.m. CT the same morning.</li> <li>2. Medicaid EBT cardholder daily benefits received by 5:00 p.m. Central Time (CT) will be in the client’s accounts by 10:00 a.m. CT the following morning.</li> <li>3. DHR Child Support Debit Card deposits will be settled in the clients’ accounts within two business days of the deposit.</li> </ol>	<ol style="list-style-type: none"> <li>1. Failure to have benefits available by 6:00 a.m. CT for two or more days within a calendar month.</li> <li>2. Failure to have benefits available by 10:00 a.m. CT for two or more days within a calendar month.</li> <li>3. Failure to settle Child Support deposits in the clients’ accounts with two business days.</li> </ol>
<p><b><u>ADOL Transfer of Funds (Regular ACH Transfers)</u></b></p> <p>The ACH file (including instructions and funds) must be received by 5:00 p.m. Central Time on*:</p> <ol style="list-style-type: none"> <li>1. Thursday</li> <li>2. Friday</li> <li>3. Monday</li> <li>4. Tuesday</li> <li>5. Wednesday</li> </ol> <p>In order for the requested transfer to be completed by 8 a.m. Central Time on the following*:</p> <ol style="list-style-type: none"> <li>1. Monday</li> <li>2. Tuesday</li> <li>3. Wednesday</li> <li>4. Thursday</li> </ol>	<p>Failure to complete requested transfer of funds by 8 a.m. CT as specified in left column for two or more days within a calendar month.</p>

<p>5. Friday *For each day within the processing period that is a banking holiday, an additional day is required to complete the load processing.</p>	
<p><b><u>Child Support ACH Transfers</u></b> Child Support will, at a minimum, send one ACH file each day. Funds must be settled in the clients' debit card accounts within two business days.</p>	<p>Failure to settle Child Support deposits in the clients' accounts within two business days.</p>
<p><b><u>EBT/EFT Switching Services</u></b> 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><b><u>Transaction Response Time</u></b> 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><b><u>Inaccurate Transactions</u></b> No more than 2 inaccurate transactions for every 10,000 SNAP 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 SNAP and other financial transactions for a month.</p>
<p><b><u>Customer Service Help Desks</u></b> 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.</p>	<p>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>
<p><b><u>Host Response Time for Administrative Terminal Transactions</u></b> 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><b><u>Equipment Installation for Eligible EBT-only Retailers</u></b> 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;"><b><u>EBT Card Issuance</u></b></p> <ol style="list-style-type: none"> <li>For expedited card issuance requests received by the Contractor by 12:00 p.m. (noon) Central Time (CT), cards will be mailed the same business day measured on a monthly basis.</li> <li>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 measured on a monthly basis.</li> </ol>	<ol style="list-style-type: none"> <li>Failure to mail cards for expedited card requests in accordance with contractual requirement 90% of the time measured on a monthly basis.</li> <li>Failure to mail cards in accordance with contractual requirement 90% of the time measured on a monthly basis.</li> </ol>
<p style="text-align: center;"><b><u>Project Status Reporting</u></b></p> <ol style="list-style-type: none"> <li>The Management Reports defined in Section 5.17.5 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 15<sup>th</sup> of the following month.</li> <li>Customer Service Statistics Reports shall be provided by the 15<sup>th</sup> of the following month.</li> </ol>	<ol style="list-style-type: none"> <li>Failure to deliver reports to the State within the required timeframe unless advance approval is received by the State.</li> <li>Failure to deliver reports to the State within the required timeframe unless advance approval is received by the State.</li> </ol>
<p style="text-align: center;"><b><u>Response to Enhancement/Change Requests</u></b></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>

**5.6.2 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.

### **5.6.3 PENALTIES FOR CONVERSION DELAYS**

The State of Alabama Department of Human Resources considers a timely, successful and problem free transition from the current EBT/EFT Contractor to a new EBT/EFT Contractor critical. It is critical, both because of the public perception of the EBT/EFT programs 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 and transition of the EBT/EFT database to the new Contractor's EBT/EFT system(s).

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 5.3.1 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 and transition, including, but not limited to, additional costs for the continuation of EBT/EFT services, shall also be the responsibility of the new Contractor.

## **5.7 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 (SNAP, cash) that the client receives.

For the accounts that will be associated with the AL Child Support Debit card, DHR will generate a request to set-up a new account when cases meet policy criteria for receiving a debit card. The Contractor will establish the debit card account and transmit through secure FTP the account number for payment purposes. Within 24 hours, the Contractor will also emboss and mail a debit card to the Child Support recipient to the address of record.

For the accounts that will be associated with the AL Vantage card, ADOL will generate a request to set-up a new account when the first Unemployment Compensation payment is made for an individual without a personal bank account. The Contractor will establish the debit card account and transmit through secure FTP the account number for payment purposes. Within 24 hours, the Contractor will also emboss and mail a debit card to the unemployed claimant to the address of record. For any other program that desires to use an electronic payment/branded debit card, the account set-up and maintenance will be handled in a manner as mutually agreed upon by the program and the Contractor.

### **5.7.1 CREATION OF EBT/EFT ACCOUNTS**

The State of Alabama Department of Human Resources currently has two eligibility systems in production. The SCI-II eligibility system supports eligibility determination and authorization of SNAP benefits. FACETS is the eligibility system that supports client eligibility determination and authorization for Family Assistance (FA) benefits for the entire State of 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. Clients receiving both Family Assistance (FA) and SNAP benefits are contained in different eligibility systems (SCI-II and FACETS), which utilize different case numbers. The existing interface to the EBT system combines the different cases under one EBT account (see Appendix F, EBT/EFT File Formats). The new Contractor must also be required to support the inclusion of the different case numbers under the one EBT account for clients. The Contractor must also provide the option of issuing the customer's cash and SNAP benefits on two separate EBT cards, thereby allowing one customer to have two active EBT accounts, one for cash and one for SNAP.

The State of Alabama Medicaid Agency currently operates the AMAES and CARES eligibility systems for operation of the Non-Emergency Transportation (NET) Program interfaces with the Alabama Department of Human Resources 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. The NET Program is set up with a separate benefit type for reimbursement to all eligible Medicaid NET recipients.

The Department of Human Resources Child Support Enforcement Division operates the ALECS enforcement/collection system for managing and distributing payments to current and former recipients of IVD Child Support services. ALECS will provide account set-up and maintenance information.

The State of Alabama Department of Labor will generate a request to set-up a new account when the first Unemployment Compensation payment is made for an individual without a personal bank account. The Contractor will establish the debit card account and transmit through secure FTP the account number for payment purposes. Creation of accounts for any other program that desires to use an electronic payment/branded debit card will be handled in a manner as mutually agreed upon by the program and the Contractor.

#### **5.7.1.1 EBT/EFT 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 Vendors 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 Vendor must also specify the approach for validating the EBT Account Numbers provided by the State in batch maintenance records.

CSED and ADOL require that the Contractor assign unique 16 digit account numbers that do not begin with a leading zero.

#### **5.7.1.2 USE OF EXISTING FILE FORMATS**

The State has defined formats established with the current EBT/EFT 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/EFT Contractor must utilize each program's existing record formats for the exchange of this data.

#### **5.7.1.3 FILE TRANSMISSIONS**

DHR Case/Client Maintenance Files will be transmitted to the EBT/EFT Contractor two times a day. The first set of files, consisting of expedited cases, will be transmitted to the EBT/EFT 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 issuance see Section 5.8.2.2.

Medicaid Case/Client Maintenance Files will be transmitted to the EBT/EFT Contractor once daily at 5p.m. Central Time. For timeframe requirements for card and PIN issuance see Section 5.8.2.2.

Minimally, CSED will transmit an update file and a deposit file once daily. See section 5.7.2.2 for additional details.

ADOL will utilize the Vendor's secure website for transfer of data. ADOL transmits two files each day. The file to request establishment of new accounts is sent around 8 p.m. The second file is sent about 7 a.m. daily after the new card account numbers have been updated.

#### **5.7.1.4 AUTHORIZED REPRESENTATIVES**

Alabama provides a SNAP client the option of selecting one authorized representative to receive an EBT card. The Contractor must 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 must 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 address and Date of Birth (DOB) for verification of identity.

The State plans to allow an alternate payee for cash similar to the authorized representative process for SNAP. The contractor must provide an EBT card for the alternate payee that has a unique card number and PIN. The case/client file transmitted to the Contractor will contain the alternate payee's name followed by the suffix "AR". Therefore, the alternate payee's name will be embossed in this manner. The card must be mailed to the primary client's address. When the alternate payee calls the customer service Help Desk, they should use their own name along with the primary client's address and Date of Birth (DOB) for verification of identity.

#### **5.7.1.5 FRAUD INVESTIGATOR ACCOUNTS**

The Contractor must 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 5.16

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 SNAP 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.

## **5.7.2 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 must 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.

### **5.7.2.1 BENEFIT AVAILABILITY**

Monthly ongoing cash (FA) benefits must 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 5<sup>th</sup> 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 SNAP benefits must 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 4<sup>th</sup> day of each month and ends on the 23<sup>rd</sup>. On the specified availability date, benefits must 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.

For NET, daily cash benefits shall be posted to be accessible to respective recipients no later than 10:00 a.m. Central Time on the day following the day the Contractor receives the batch update file.

Child Support payments must be available to the clients no later than two days after receipt. Unemployment Compensation benefits should be available for use as soon as the funds are loaded to individual accounts.

#### **5.7.2.2 FILE TRANSMISSION (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/EFT Contractor by 1:00 a.m. Central Time every State business day, which may also include the third Saturday of each month. The daily benefit file from FACETS will be transmitted to the EBT/EFT Contractor by 1:00 a.m. Central Time every State business day.

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 (SNAP and cash) will be transmitted to the EBT/EFT Contractor by 1:00 a.m. Central Time.

The Alabama Medicaid Agency Non-Emergency Transportation (NET) Program shall authorize daily benefits for new accounts and existing accounts and will be transmitted to the EBT/EFT Contractor by 5:00 p.m. Central Time every State business day.

Child Support payments are received daily by the Alabama Child Support Payment Center and transmitted electronically to CSED daily for distribution through the Alabama Locate and Enforcement of Child Support (ALECS) system. ALECS is the Statewide Child Support System for IV-D cases. CSED currently issues payments to its customers primarily through a branded debit card. The Child Support Program is federally mandated to distribute child support collections within two (2) business days. Child Support Payment files must be transferred on a daily basis, can dramatically vary in size from one day to the next, and on certain occasions such as the end of a month, quarter, or fiscal year, CSED is required to send more than one payment file in the same day. Therefore, due to the aforementioned, the Contractor must be able to process a daily payment file and be able to process more than one file in the same day. CSED will mutually decide on a frequency and time for transmission with the selected Vendor during the Functional Design Phase.

The Department of Labor will utilize the Contractor's secure website for transfer of data. ADOL transmits two files each day. The file to request establishment of new accounts is sent around 8 p.m. The second file is sent about 7 a.m. daily after the new card account numbers have been updated.

#### **5.7.2.3 BENEFIT EXPUNGEMENT**

For those programs required or that select the option to expunge benefits, on a monthly basis the Contractor will send to the State an extract file of all benefits falling into the expungement (formerly aging) periods as specified by the State. The Contractor must support two expungement 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 Expungement (formerly 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 expungement indicator that

identifies the expungement period for the benefit (i.e., period 1 or 2 for 1 or 2 months respectively) as well as the remaining balance that is being expunged.

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

All benefits on a case shall be utilized first in, first out (FIFO). During the monthly benefit expungement run, benefits on a case will be retrieved in order of the benefit available timestamp. Any benefit with a benefit Last Used timestamp greater than 365 days from the availability date will be expunged.

When the oldest benefit(s) on the case reaches the second expungement period without being used, that benefit will be expunged from the Contractor's system and the expunged balances will be returned to the State. The benefits being expunged will be reported on the benefit expungement report and files, as well as on the transaction history file.

## **5.8 EBT/EFT CARD AND PERSONAL IDENTIFICATION NUMBER (PIN)**

The Contractor must produce and supply hi-cocivity magnetic stripe cards to the State's EBT/EFT 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/EFT system(s) shall provide online, real time access to clients' EBT/EFT accounts via a benefit access card containing a magnetic stripe that supports electronic transactions.

### **5.8.1 TECHNICAL SPECIFICATIONS**

The Contractor must ensure that the EBT/EFT cards designed and produced for the Alabama EBT/EFT system(s) 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. If the card is a branded debit card it must also comply with the entity sponsoring the card if the specifications exceed the aforementioned rules and standards.

#### **5.8.1.1 CARD DESIGNS**

The award of the new EBT/EFT contract for EBT/EFT services will require the use of the State's current EBT/EFT card designs and may require an additional design(s) in the future. The State will provide input concerning the design process and reserves the right to approve the reproduction of the card designs. The State retains the right to rename or change the design of the EBT/EFT cards at any time. The Contractor must produce the State's EBT/EFT cards using the same graphics and color processing as is currently being used. At the States' request, the card may include a photo of the client on the front of the card. However no other security features, such as a hologram, fine line printing, or ultraviolet ink are required for the card. The Vendor's proposal must describe in detail its capabilities to design and/or manufacture the State's EBT/EFT cards and identify any third party or subcontractor involvement in the process.

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

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.

### 5.8.1.2 TRACK 2 FORMAT

Track 2 of the EBT benefit card(s) must 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 must 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 must be transferred to the new Contractor. The new Contractor must continue to encode the CAV field on Track 2 with a cryptographic value to validate the Track 2 data contents.

The Child Support Debit card must be personalized with the cardholder’s name on the face of the card and will expire at the end of the 36th month after the date of issue.

For ADOL, the AL Vantage card shall be personalized with the cardholder’s name on the face of the card and will expire at the end of the 36<sup>th</sup> month after the date of issue. Other programs that desire to use an electronic payment/branded debit card will select their expiration as mutually agreed upon by the program and the new Contractor.

### 5.8.1.3 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 must issue Alabama 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 must not interfere with the existing card base being utilized by the State of Alabama clients. The Vendor must describe the process by which it will generate the PANs for the EBT cards being issued in its proposal.

The State’s current Bank Identification Number (BIN)/Issuer Identification Number (IIN) for AL Vantage cards is 510756. The new Contractor must also issue AL Vantage 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 Child Support Debit card uses a 16-digit PAN generated by the current vendor and does not use the state’s current BIN. The Vendor must describe the process by which it will generate the PANs the AL Vantage cards being issued in its proposal.

## **5.8.2 CARD AND PIN ISSUANCE**

Currently initial card issuance is indicated through the batch interface in the account set up record. When a new EBT/EFT account is set up, or a new SNAP authorized representative is added to the EBT/EFT account, the Contractor assigns a PAN to the client on the EBT/EFT account, and issues an EBT/EFT 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 allows the client to select his/her own PIN, the client may do so by calling the SIVR/IVR.

### **5.8.2.1 ISSUANCE THROUGH MAIL REQUIREMENTS**

The Contractor must 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 issued for the State must be issued through the mail.

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

### **5.8.2.2 TIMEFRAME REQUIREMENTS**

Card issuance requests within the batch Case/Client Maintenance file received by the Contractor by 12:00 p.m. (noon) Central Time must 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 must be placed in the mail no later than the next business day.

### **5.8.2.3 CLIENT SELECTION OF PIN**

Clients must select their own PIN by using a PIN select SIVR/IVR. The Contractor is required to propose a secure SIVR/IVR select procedure. The State currently uses a one-step PIN select process.

## **5.8.3 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 labeled as such and a report provided to the State. See Appendix E for card replacement statistical data. The Contractor must provide excessive card replacement services as outlined in 7 CFR 274.6(b)(5).

### **5.8.3.1 TIMEFRAME REQUIREMENTS**

All Alabama replacement EBT cards must be delivered by direct mail through the U.S. Postal Service. A replacement card must 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 must 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. ADOL does not reimburse for overnight deliveries and does not require overnight delivery of cards.

### **5.8.3.2 PIN TRANSFERRED FROM OLD CARD TO NEW CARD**

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

### **5.8.3.3 COMPROMISED PINS**

Each client must be able to report a compromised PIN by calling the Customer Service Help Desk. The system must allow a client to select his or her own PIN by using the SIVR/IVR PIN Select procedure.

### **5.8.4 USE OF EXISTING EBT CARDS**

With the exception of minor changes that may have to be made in the information that appears on the back of the EBT card, the State does not currently 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.

#### **5.8.4.1 CONVERSION PROCESS**

New (initial) EBT cards with training materials must 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 must 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.

#### **5.8.4.2 TIMEFRAMES**

Issuance of new EBT cards must continue on the same schedule as required in 5.6.1 Performance Standards, EBT Card and PIN Issuance.

### **5.8.5 EBT CARDS WITH CLIENT'S PHOTO**

The State does not currently issue EBT cards that display the client's photo. In the event the State does implement this redesign, at any time during the contract period, the Contractor shall issue, by mail, replacement EBT cards displaying the client's photo. Specifics of the process will be decided at that time.

## **5.9 TRAINING**

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

### **5.9.1 CLIENT**

All new EBT/EFT clients must be provided with training materials.

#### **5.9.1.1 PRINTED MATERIAL**

All new cards mailed to EBT/EFT clients must 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 SNAP Regulations and Regulation E, if applicable. 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 must include the following topics:

- Use of the Alabama EBT/EFT 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/EFT 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 SNAP transaction procedures.
- Guidance on reporting problems with the card or its use and on reporting a lost or stolen Alabama EBT/EFT card.
- Use of the transaction receipt to track balances.
- Use of the SIVR/IVR.
- Customer service functions, including a prominent display of the toll-free Customer Service Help Desk number.
- The nondiscrimination statement must be printed on the Alabama EBT card.

#### **5.9.1.2 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 must also develop an EBT training video for the purposes of local agency training of clients. The EBT training video must 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 must provide 100 copies of the Alabama Training video in DVD format.

#### **5.9.2 RETAILER**

The Contractor must provide training and training material to retailers participating in the EBT program. Training must cover benefit information topics for both the SNAP and Cash Programs.

##### **5.9.2.1 PRINTED MATERIAL**

FNS Federal Regulation 274.3(e)(7) requires that retail store employees be trained in system operation prior to implementation. Such training must include the provision of appropriate written and program specific materials. The Vendor must propose training deliverables in order to meet FNS requirements.

Training material should include:

- Merchant Help Desk toll-free number.
- Use of the SIVR/IVR.
- Manual Voucher Processing Procedures.

#### **5.9.3 STATE**

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

### **5.9.3.1 ADMINISTRATIVE TERMINAL**

Training material provided by the Contractor must cover all of the functionality supported by the EBT/EFT Administrative Terminal for the State. The material must 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 must include the Administrative Terminal Manual. Sufficient copies for each authorized Administrative Terminal user plus 10 additional copies must be provided. See Appendix E.

### **5.9.3.2 REPORTS**

The Contractor must provide a training module describing the detail and use of the reports generated by the EBT/EFT System(s).

## **5.10 SETTLEMENT/RECONCILIATION**

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

The Contractor must designate a standard daily cutoff time for EBT/EFT transaction processing. The 24-hour period between the cutoff time on Day 1 and Day 2 constitutes the EBT/EFT 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/EFT cutoff coincide as closely as possible with the cutoff time of the prevailing EBT/EFT transaction switch and/or regional ATM/POS networks as appropriate to minimize the need for carry over or suspense accounting.

### **5.10.1 OVERVIEW**

The Contractor must maintain ledger accounts at the program and State levels. Subsequent to the daily settlement cutoff, the EBT/EFT system(s) must be balanced and reconciled. The Contractor must compute the end-of-day net position or balance for each benefit program. An audit trail must exist so that reconciliation can be performed at the individual EBT/EFT 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 must ensure that the EBT/EFT system(s) as a whole is in balance. The balancing functions performed by the Contractor must 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 must also ensure that the change in the net position in the sum of the program accounts is equal to the change in the net position (obligations outstanding) for the funding agencies. The Contractor must specify procedures for maintaining audit trails throughout the settlement processes.

#### **5.10.1.1 FNS REQUIREMENTS**

The Contractor must meet Food Assistance Program (formerly Food Stamp Program - FSP) reconciliation requirements of 7 CFR 274.4(a) and (b). At a minimum, Contractors must 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 Assistance 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 Assistance Program; and
- The net settlement value of all transactions to the sum of the net settlement value for the State.

If FNS makes it a requirement, the Contractor will provide the service below at no extra charge. Below are the current requirements which are still subject to change:

ACH settlement, rejected due to inaccurate account information or closed accounts, must be researched by the Contractor and, when possible, corrected and re-sent to the retailer or Third Party Processor account. The Contractor must return to FNS any funds that could not be settled to the retailer within 90 calendar days of the initial ACH. If the responsibility for EBT-only acquiring is subcontracted, the subcontractor must also return any rejected settlement funds to FNS. These funds must be returned to FNS within 10 calendar days after the end of the Federal Fiscal Quarter (FFQ) in which the unsettled funds met the 90 day resolution period.

At a minimum, the Contractor must provide the following information for each unsettled payment returned to the State: transfer type (credit or debit), transfer method (ACH, wire transfer, etc.), STARS settlement date, total amount, Federal SNAP amount, additional attempted settlement date(s), retailer/TPP name, retailer's last known address, and FNS retailer number if SNAP funds are involved. Additional EBT Contractor contact information will also be required.

#### **5.10.2 CURRENT STATE PROCESS**

As SNAP 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 (FA) 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/EFT Contractor for interest expenses as agreed upon to cover the cost of money for the settlement dollars advanced by the Contractor.

The Medicaid Agency authorizes benefits using the Payment Management System (PMS). 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. Exceptions are state holidays, which will be handled as discussed above and year-end cut off the last week in September, which will be paid on October 1.

The State Comptroller creates an ACH file from Child Support collections received each day and sends the file to the vendor to deposit in the clients' debit card accounts. This is done at least once daily after COB. Unusual circumstances can necessitate the creation of more than one ACH file in a single business day. (See also section 5.7.2.2.)

All ADOL payment transactions are ACH transfers. The funds are already available at the time of the transfer.

#### **5.10.2.1 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 (FA) 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 SNAP 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.

#### **5.10.2.2 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 must 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 must 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.

#### **5.10.2.3 CUT-OFF TIMES**

The cut-off time used for financial settlement by the current Contractor is 2:30 p.m. Central Time.

#### **5.10.3 RETAILER/TPP/ATM SETTLEMENT**

Settlement to retailers, Third Party Processors (TPPs) and ATM networks must be through the existing commercial banking ACH infrastructure. The Contractor must 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 must provide access to the ATMs of local networks for the State's EBT/EFT clients as per State requirements 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 must originate an ACH credit for the total balance due for EBT/EFT benefits provided during the just closed EBT/EFT processing day. The benefit provider credits must be entered into the ACH for settlement on the next banking day. Credits due EBT/EFT benefit providers who are connected to the

Contractor through a transaction switch, TPP, or national network will settle utilizing the Quest Operating Rules or Regulation E, if applicable.

## **5.11 CUSTOMER SERVICE**

The Contractor is required to support a Customer Service Help Desk for both the EBT/EFT clients and the retailers accepting the State EBT/EFT cards. The State's clients and EBT-only retailers currently have access to an Interactive Voice Response (IVR) system. The Contractor is also required to provide EBT/EFT clients and EBT-only retailers access to account information via a web based online system. The Contractor must ensure that EBT-only retailers have online access to other information pertinent to doing business with the Contractor. The Contractor must explain the online services provided for EBT/EFT clients and EBT-only retailers in its proposal.

### **5.11.1 CLIENT HELP DESK**

The Contractor must provide Client Customer Service 24 hours a day, 7 days per week, the purpose of which is to provide current EBT/EFT account and benefit access information via a toll-free, "1-800" number (refer to Section 6.1, Response Requirements). See Appendix E, for IVR and CSR statistical data.

#### **5.11.1.1 SERVICE REQUIREMENTS (STANDARDS)**

The Contractor must 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 must be consistent with call center industry standards. In its proposal, the Contractor must 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 5.6.1, Performance Standards, for the Help Desk.
- For reporting purposes, the Contractor must provide SIVR/IVR and Customer Service Center activity data (refer to Customer Service Statistics Reports, Section 5.17.6). Additionally, Teletypewriter (TTY) capability must be provided to clients with hearing disabilities.
- Help Desk access and support for clients using rotary phones.

#### **5.11.1.2 FUNCTIONAL REQUIREMENTS**

The SIVR/IVR and/or Customer Service Center must support the following functions:

##### **5.11.1.2.1 CARD ACTIVATION**

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

##### **5.11.1.2.2 REPORT PROBLEMS OR 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.

##### **5.11.1.2.3 CURRENT BALANCE INQUIRY**

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

##### **5.11.1.2.4 TRANSACTION HISTORY**

Transaction History must 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.

#### **5.11.1.2.5 ACCOUNT HISTORY**

Account History must 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.

#### **5.11.1.2.6 PIN CHANGE**

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

#### **5.11.1.2.7 BENEFIT ACCESS/SERVICE POINTS**

Callers must be given information about POS/ATM site locations where benefits may be accessed. The Contractor must provide general information regarding stores and ATMs displaying the Quest® logo and supporting the Alabama EBT card, the CS debit card, AL Vantage card and/or other branded card if one exist or is created in the future. The information must also be provided to Alabama clients attempting to use their EBT, CS debit card, AL Vantage or other branded card out-of-state. The general information must be in two parts distinguished by SNAP (unrestricted) and TANF (restricted – refer to Sections 3.1.1.3 and 5.15).

#### **5.11.1.2.8 REPORT UNAUTHORIZED CARD USE**

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

#### **5.11.1.2.9 BENEFIT AVAILABILITY DATE**

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

#### **5.11.1.2.10 CUSTOMER SERVICE REPRESENTATIVE (CSR)**

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

#### **5.11.1.2.11 INTERACTIVE VOICE RESPONSE (IVR)**

The State reserves the right to review and approve the transaction flow and content of all SIVR/IVR messages, prompts, and customer service scripts a minimum of thirty (30) days prior to their implementation. The Contractor must not change SIVR/IVR 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 SIVR/IVR 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.

### **5.11.2 RETAILER HELP DESK**

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

#### **5.11.2.1 SERVICE REQUIREMENTS (STANDARDS)**

The Contractor must ensure through technical design, resource allocation, and staffing that each retailer call is answered in accordance with Section 5.6.1, Performance Standards.

For reporting purposes, the Contractor must provide SIVR/IVR and Retailer Customer Service Center activity data (refer to Customer Service Statistics Reports, Section 5.17.6). 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.

#### **5.11.2.2 FUNCTIONAL REQUIREMENTS**

The Contractor must 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 SIVR or IVR/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.

#### **5.11.2.2.1 VOICE AUTHORIZATIONS**

The Contractor must equip and program the SIVR/IVR to provide voice authorization for SNAP transactions. CSRs must also support voice authorizations if the SIVR/IVR is not available or is not functioning.

#### **5.11.2.2.2 EBT-ONLY RETAILER SUPPORT**

The Contractor must 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.

## **5.12 TRANSACTION PROCESSING**

The Contractor will be responsible for the authorization of client initiated SNAP and cash transactions. The Contractor must have the capability to receive and process client transactions from both ATM and POS devices. The Contractor must ensure that clients access their SNAP benefits only at POS terminals in authorized food retailer locations. Cash benefits may be accessed through participating ATMs or POS terminals with the following restrictions: use of Family Assistance Cash benefits (TANF, emergency, or special benefits) in liquor stores, gambling establishments and strip clubs is prohibited. See Appendix E for statistical data on transactions.

Clients may be entitled to benefits under a number of programs. Each transaction must be allocated to either the SNAP or cash account. Benefits within the EBT/EFT 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/EFT system(s) 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 SNAP 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/EFT 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 must 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.).

#### **5.12.1 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/EFT system meets the processing requirements and criteria established by FNS.

It is the responsibility of the Contractor to ensure that the EBT/EFT 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;
3. Regulation E, if applicable; or
4. 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/EFT 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 must comply with all relevant processing speed requirements as stated in 7 CFR §274.8. The EBT/EFT host computer must process and respond to all on-line transaction requests within 2 seconds. The Contractor must provide back-up purchase procedures for FNS authorized retailers when the EBT/EFT system is unavailable; both for unscheduled and planned outages. Responses must 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/EFT system must be available 99.9% of scheduled uptime, 24 hours a day, seven days per week. Schedule uptime must 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), must be available 98% of scheduled uptime, 24 hours per day, 7 days per week.

The State must 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/EFT System Central Computer must permit no more than 2 inaccurate EBT/EFT transactions for every 10,000 EBT/EFT transactions processed. The transactions to be included in measuring system accuracy must include:

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

The Contractor will resolve all errors in a prompt manner.

### **5.12.2 INTEROPERABILITY REQUIREMENT**

The Contractor must support the federal requirement of processing interoperable SNAP transactions, including SNAP 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 must have the capability of accepting and processing client transactions occurring at out-of-state (non-Alabama) retailers. The Contractor must outline its plan for supporting interoperable transactions for both Alabama and non-Alabama clients.

### **5.12.3 POS TRANSACTION SETS**

The EBT/EFT System must be able to accept EBT/EFT transactions from POS devices for both SNAP and cash benefits.

#### **5.12.3.1 SNAP TRANSACTIONS**

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

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

#### **5.12.3.2 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

#### **5.12.4 ATM TRANSACTION SETS**

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

##### **5.12.4.1 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

#### **5.12.5 MANUAL AUTHORIZATIONS**

The Contractor must process manual SNAP transactions. A paper voucher must be designed and distributed by the Contractor to FNS-authorized retailers for use in processing manual SNAP transactions. This process may be used for the manual processing of SNAP 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 SNAP;
- 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 SNAP 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/EFT host processor, or the EBT/EFT system is down or otherwise not available.

The Contractor must 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 E for statistical data.

##### **5.12.5.1 SNAP VOICE AUTHORIZATIONS**

The retailer is required to complete the manual voucher and receive a voice authorization from the EBT system prior to completing the SNAP sale. The client is required to sign the paper voucher. The Contractor must require the client's signature on the voucher as a condition for processing. A toll-free telephone number must be provided to retailers to obtain authorizations for the manual vouchers. The authorization process should be automated as part of the Help Desk SIVR/IVR 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 SNAP transaction, the Contractor shall place a “hold” on the amount of benefits necessary to fund the transaction. The Contractor must maintain the hold on SNAP benefits until the voucher transaction is “cleared”, up to a maximum of 30 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 must 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.

#### **5.12.5.2 STAND-IN PROCESSING**

If the retailer cannot access the Contractor’s system because it is unavailable, the Contractor must allow for “stand-in” processing of SNAP purchases up to \$40 for which the Contractor shall be liable for insufficient funds. Vendors must define in their proposals under what circumstances they would consider their EBT/EFT system unavailable. Responses to this requirement must 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 must be designed to prevent merchants from re-presenting vouchers in subsequent months. However, an exception to re-presentation must be allowed if the insufficient funds for the voucher occurred while the Contractor was authorizing transactions in a “stand-in” processing mode. Vendors must describe if and how they would utilize this exception for re-presentments.

#### **5.12.5.3 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/EFT 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.

#### **5.12.6 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 must 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/EFT account.

#### **5.12.7 REVERSALS**

A POS or ATM transaction may be reversed if for some reason the completion of the transaction cannot take place at the originating POS device or ATM (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 POS device or ATM) within the response chain where the transaction error is recognized will generate a reversal message back to the Contractor. As defined within the EBT/EFT 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 must have the capability to accurately process the reversal transaction and have the results reflected immediately and appropriately in the client's account.

### **5.12.8 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 must have the capability to process the adjustment and have this reflected in the client's account. Federal regulations have been issued regarding the recording, tracking and processing of these types of adjustments. These regulations can be found at [http://www.fns.usda.gov/snap/ebt/ebt\\_regulations.htm](http://www.fns.usda.gov/snap/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/EFT 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 if required by the State. The contractor must provide a brief overview of its adjustment process in its proposal.

### **5.12.9 STORE AND FORWARD**

At its option and sole liability, a retailer may store and forward SNAP transactions one time within 24 hours of when the system becomes available and in accordance with FNS regulations at 7 CFR 274.8(e)(1) *Store-and-Forward*.

### **5.12.10 KEY-ENTERED**

The Contractor must accept and process EBT/EFT 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/EFT host for processing, the Contractor must deny the transaction.

The Contractor must adopt other security measures to prevent client and retailer abuse/misuse of the key-entry feature. The Contractor must 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 must track key-entered transactions by card number and by retailer site. The Contractor must 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.

### **5.12.11 TRANSACTION FEES**

FNS regulations prohibit the charging of a fee for any SNAP transactions. The EBT/EFT system must provide Alabama EBT cardholders with two (2) successful cash only 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 only withdrawals and any processing costs for POS cash only withdrawal transactions as part of the Cost Per Case Month. The State does not pay for any interchange fees or other POS fees associated with cash withdrawal transactions. 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 only 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.

### **5.12.12 MERCHANT VALIDATION (FNS RETAILER NUMBER)**

For all SNAP transactions, the Contractor must validate the transactions originated at an FNS authorized retail location. The Contractor must maintain a database of authorization numbers for all FNS authorized retailers in accordance with the Retailer Participation Requirements specified in 7 CFR 274.12(g). 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 must verify the retailer identification number is that of an FNS-authorized retailer prior to completing its processing of a transaction.

### **5.13 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 and/or Child Support payments received from the State directly deposited into their bank account. In its response, the vendor must describe their system of handling direct deposits of a client's cash EBT/EFT benefits.

#### **5.13.1 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/EFT system through the EBT/EFT Administrative Terminal application after an EBT/EFT account for the client has been established on the EBT/EFT 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).

#### **5.13.2 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. Vendors must describe their process for correcting rejects of direct deposited benefits.

### **5.14 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/EFT system.
2. Ensuring that the Alabama EBT system is interoperable with other States' EBT systems as defined in 7 CFR 274.8.
3. Assuring that a sufficient number of retailers have agreed to participate in the system to allow clients adequate access to both cash and SNAP 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/EFT system. The Contractor shall enter into an agreement with the retailer in accordance with 7 CFR 274.3 (c).
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 274.3.
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.

#### **5.14.1 CURRENT ENVIRONMENT DESCRIPTION**

Xerox currently provides retailer management services. Xerox has reported the statistics to the State in regards to EBT-only retailers and EBT-only terminal driving as outlined in Appendix E.

#### **5.14.2 SERVICE REQUIREMENTS (FNS STANDARDS)**

Federal regulation at 7 CFR 274.3(a)(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 274.8(b)(1)(i) 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.

#### **5.14.2.1 EBT-ONLY RETAILERS**

According to Federal regulation at 7 CFR 274.3(b), POS terminals shall be deployed for the following: farmer's markets, direct marketing farmers, military commissaries, non-profit food buying cooperatives, and establishments, organizations, programs or group living arrangements described in paragraphs (3), (4), (5), (7), (8), and (9) of section 3(k) in the Food and Nutrition Act, as amended.

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.

#### **5.14.2.2 THIRD PARTY PROCESSORS**

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

#### **5.14.3 CASH ACCESS FROM POS TERMINALS**

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

#### **5.14.4 GROUP HOME SUPPORT**

In addition to the traditional retail merchants, SNAP 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 SNAP merchant may not necessarily require the installation of POS equipment. However, group homes which meet the monthly minimum SNAP redemption total and are authorized by the Food and Nutrition Service, United States Department of Agriculture, as retailers in the SNAP shall have the option to receive EBT-only POS devices. To support these facilities, the Contractor must 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.

### **5.15 ADEQUATE CASH ACCESS**

The Contractor must propose a method for maintaining a database and tracking retailers providing cash back and ATMs that accept the Alabama EBT/EFT cards. The Contractor must propose a method to ensure that no cash client must travel any further than 15 miles to any cash access location that is a non-prohibited location. The cash access location may be either a retailer location or an ATM other than liquor, wine or beer stores;

casinos or other gambling establishments; strip clubs; tattoo or body piercing facilities or facilities providing psychic services. In addition, clients receiving NET reimbursements via the Alabama EBT card, CS debit card, AL Vantage cardholders and other electronic payment/branded debit card cardholders must be allowed to access cash via a teller within a financial institution if the withdrawal amount meets the financial institution's minimum amount for withdrawal.

The Quest Operating Rules will govern the processing of all retail merchant cash transactions that are made by the Alabama EBT cardholders. The retail merchant cash transactions that are made by the CS debit card cardholders, AL Vantage cardholders or other cardholders' payment card if created in the future will be governed by Regulation E and/or any other rules mutually agreed upon by the Contractor and State program choosing to use the card as a benefit delivery method. Depending upon the Contractor's arrangement with the prevailing ATM Networks, either the Quest Operating rules, Regulation E or the ATM Network's Operating Rules may govern ATM cash transactions.

## **5.16 EBT/EFT ADMINISTRATIVE TERMINAL**

In addition to ATM and retail POS transaction functionality, the Contractor must also support administrative transactions from a web based EBT/EFT 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.

### **5.16.1 OVERVIEW**

Federal, State and county staffs primarily use the EBT/EFT Administrative Terminal application for inquiries into the EBT/EFT system; however, the EBT/EFT 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/EFT 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/EFT 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, MS), the South East Regional Office (SERO), FNS Compliance office in Memphis, TN, and OIG investigative office (Atlanta). The Vendor must detail its planned approach to supporting this requirement.

The Contractor must provide EBT/EFT Administrative Terminal software and communication protocols to State and county offices. Administrative Terminal functionality must include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access client account information through EBT/EFT Administrative Terminals. Vendors 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 an intranet application. The Vendor must clearly define the hardware and software infrastructure required to support their Administrative Terminal application within the State and county offices.

#### **5.16.1.1 USER PROFILE**

The Contractor must provide a security system for the EBT/EFT Administrative Terminal(s) 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.

#### **5.16.1.2 SECURITY ADMINISTRATION**

The administration of the Administrative Terminal security system shall lie with the State EBT/EFT Administrative Security Officer(s). DHR would prefer to maintain its own users. The Contractor is responsible for training the State Security Officer(s).

#### **5.16.2 FUNCTIONALITY**

Vendors must describe their Administrative Terminal functionality in terms of navigation and data presentation. At a minimum, the transaction set that shall be supported by the EBT/EFT Administrative Terminal(s) includes:

- EBT/EFT Account Set-up
- EBT/EFT Account Maintenance
- Benefit Authorization
- Benefit Cancellation (prior to availability date)
- Card Status Change
- Card Issuance and Replacement
- Client Search (by Card Number– this is the PAN for the EBT cardholders, Case Number, Name, Account Number, SSN, Benefit Authorization Number)
- Client Account Information Inquiry (Client Demographics, Benefit Data)
- Retailer Search (by name, FNS Authorization Number, Store Number)
- Card Inquiry
- Transaction History Inquiry (by PAN – this is the Card Number for EBT cardholders, Case Number, FNS Authorization Number, Account Number)
- Repayment Functionality
- Retrieval of Archived Data
- EBT Data Warehouse (Client Search by name, DOB, PAN, account number, case number, SSN; Merchant Search by name, FNS authorization number, EBT-only store number; and Transaction Search by client, merchant, agency level) Note: Vendor must include, as an option the cost for adding geo-mapping technology to the data warehouse.

#### **5.16.2.1 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.

#### **5.16.2.2 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.

### **5.16.2.3 THREE (3) YEAR HISTORY**

Current EBT/EFT account balances and a rolling 3-year transaction history for each account shall be maintained for on-line access through the EBT/EFT web based Administrative Terminals. After three years, transaction history data shall be maintained online for four (4) years in a Data Warehouse, or longer if required by FNS or federal legislation. At a minimum, data within the transaction history inquiries shall include:

- PAN (Card Number)
- EBT/EFT 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 vendor must describe in its proposal how data maintained off-line is retrieved.

## **5.17 EBT/EFT REPORTING**

The contractor must 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 must 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 must be in an electronic format, but the method for distribution of reports will be finalized during system design/development activities. However, the vendor in its response to this RFP must state its preferred method for distributing reports. The contractor must also be able to support the retransmission of previously produced reports to the State as requested. The contractor must 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 must use standard ANSI carriage control for controlling the formatting of reports being printed. The contractor must provide report training and report manuals for State and county staff prior to EBT/EFT operations as described under the Training Requirements (Section 5.9). 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 must 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 Expungement (formerly 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.

The CSED requires that the vendor demonstrate its ability to generate reports to the department related to customer accounts by providing sample summary and detailed reports; describe its ability to send a daily electronic data file to inform the department of the date an account is ready to accept deposits; and agree to notify the department when a card or PIN mailer has been returned by the Post Office as undeliverable. The vendor, at a minimum, must submit reports which provide the following information: total number of cards issued, total number of accounts added and deleted, total number of cards/accounts cancelled, total number of PIN mailers returned for bad address, total dollar value of deposits, total dollar value of withdrawals, total number of accounts with deposits that have had no withdrawal activity for 3 months, 6 months, 9 months, and 12 months, and a report showing the dates deposits are not credited to accounts in the required time frame.

ADOL requires that reports be accessible from a secure website on a daily basis and include at a minimum information concerning Account Activation, Account Creation, Account Activity Detail, Account Balance Summary, Direct Deposit Setup, Days After Expiration Date, Cards Lost/Stolen, Negative Balance, Mailed Cards, Returned Cards (undeliverable), Transaction Detail and Value Load Detail.

General categories of State EBT reports currently being received have been identified and are described below, but are not intended to be used as a comprehensive list of all the EBT reports the State expects the new Contractor to provide. The State expects the new Contractor at a minimum to maintain reports that encompass the data that the current Contractor is maintaining on reports. 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/EFT Contractor.

### **5.17.1 FINANCIAL REPORTS**

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

#### **5.17.1.1 ACCOUNT ACTIVITY REPORTS**

The Contractor must 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 must provide detail on every transaction that impacts an EBT account balance. The reports must 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).

#### **5.17.1.2 TERMINAL ACTIVITY REPORTS**

The Contractor must 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 must list, at a minimum, the transaction type, amount, transaction date and type, settlement date, merchant and terminal identifier, and benefits impacted. The report must 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., SNAP and cash).

### **5.17.1.3 CLEARING REPORTS**

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

### **5.17.1.4 DATABASE VALUE REPORT**

This report must provide the value of the outstanding liability for unused benefits residing on the EBT system at the end of the processing day. Totals must be maintained by benefit type, and rolled up into the program types. State totals must 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.

### **5.17.2 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.

#### **5.17.2.1 ADMINISTRATIVE ACTION REPORTS**

The Contractor must 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 must 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.

#### **5.17.2.2 CARD MAIL DATE REPORT**

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

#### **5.17.2.3 BATCH PROCESSING REPORTS**

The Contractor must 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 must include a Summary Report by file transmission that provides a confirmation for the processing of the batch file(s). The Summary Report must 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 must contain a summary of the processing of the transmission (i.e., number of records accepted and number of records rejected).

#### **5.17.2.4 BATCH EXCEPTION REPORTS**

The Contractor must 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.

### **5.17.2.5 ADMINISTRATIVE TERMINAL BENEFIT AUTHORIZATION REPORT**

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

### **5.17.2.6 MERCHANT VOUCHER REPORT**

The Contractor must provide a daily report of all voice authorizations of SNAP 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.

### **5.17.2.7 MONTHLY OUT-OF-STATE ACTIVITY REPORT**

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

### **5.17.2.8 BENEFIT EXPUNGEMENT REPORTS**

The Contractor must provide a report of clients who have not accessed their benefits for the last eleven (11) months and twelve (12) months. The Contractor must clearly identify the expungement category the EBT account is within and must have page breaks by caseworker within local offices.

### **5.17.2.9 CARD ISSUANCE/RE-ISSUANCE REPORTS**

The Contractor must provide audit and statistical reports of cards being issued and/or reissued to clients. Audit reports must 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 must 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.

### **5.17.2.10 TRANSACTION DENIAL SUMMARY REPORTS**

The Contractor must 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.)

### **5.17.2.11 FRAUD REPORTS**

The Contractor must recommend a set of Fraud Reports that will help the State manage and detect fraud within the Food Assistance 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.

### **5.17.2.12 HOST RESPONSE TIME REPORT**

The Contractor must 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 must be used to monitor the Contractor's compliance with Contractor Host response times.

## **5.17.3 STATISTICAL REPORTS**

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

### **5.17.3.1 MONTHLY UTILIZATION REPORTS**

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

### **5.17.3.2 NETWORK STATISTICS REPORT**

The Contractor must 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.

### **5.17.3.3 MANAGEMENT STATISTICS REPORT**

The Contractor must 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., SNAP purchases, cash purchases, and 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.

### **5.17.3.4 MONTHLY TRANSACTION FEE REPORT**

The Contractor must 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.

### **5.17.4 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.

#### **5.17.4.1 ACCESS DEFINITION REPORT**

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

#### **5.17.4.2 FAILED LOGON REPORT**

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

#### **5.17.4.3 USER SESSION ACTIVITY REPORT**

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

### **5.17.5 MANAGEMENT REPORTS**

The Management Reports must be produced by the Contractor and must 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:

#### **5.17.5.1 PROJECT DESIGN/DEVELOPMENT REPORTS**

This weekly report is a summary by task of major completed activities during reporting period. The report must 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.

### **5.17.5.2 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 must also include the status of:

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

The report must include problem identification, required corrective action and timeframe for resolution. The report must 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.

### **5.17.5.3 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 must include in the Project Status Report the detail data that documents the performance of the EBT system over the last month. The Contractor must meet or exceed the standards, requirements and definitions specified in 7 CFR 274.1, et seq. Specifically, the Project Status Report shall detail the performance of the system against the following processing requirements:

- EBT central computer must be available 99.9 % of scheduled up time.
- EBT transaction switch must 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, must be available 98% of scheduled up time.
- The host computer must permit no more than two (2) inaccurate transactions per 10,000 transactions processed.
- Benefit authorizations to EBT accounts and ACH settlement must occur accurately and on schedule 99% of the time.

### **5.17.6 CUSTOMER SERVICE STATISTICS REPORTS**

The Contractor must 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 SIVR/IVR and Customer Service Representatives (CSR) must be reported. The Contractor must deliver the reports that follow.

#### **5.176.1 MONTHLY CLIENT HELP DESK STATISTICS**

This monthly report must provide a summary of the number of calls received on the Client Customer Service line by reason (lost/stolen card, balance inquiry, transaction history, etc.) for both SIVR/IVR 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 SIVR/IVR and CSR must be provided.

### **5.17.6.2 MONTHLY RETAILER HELP DESK STATISTICS**

This monthly report must provide a summary of the number of calls received on the Merchant Assistance line by reason (SNAP voice authorization, terminal problems, settlement questions, etc.) for both SIVR/IVR and CSR. Statistics regarding retailer help tickets, including number of tickets opened, tickets closed, and reason for ticket, must 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) must be collected and reported. Statistics regarding language selected for both SIVR/IVR and CSR must be provided.

### **5.17.6.3 MONTHLY POS INSTALL REPORT**

This report must provide retailer information concerning newly authorized FNS retailers being offered or provided with EBT-only POS devices.

### **5.17.7 BILLING REPORTS**

The Contractor must provide to the State in an electronic format detail reports substantiating the monthly billing for EBT/EFT services. The Billing Reports must include detail information to allow the State to validate the bill for EBT/EFT services.

### **5.17.8 AD-HOC REPORTS**

Although requests for ad-hoc reports will not be often, there are times when additional reporting regarding data on the EBT/EFT 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 must 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.

### **5.17.9 STATE DATA FILES**

The current EBT/EFT Contractor provides three data files to the State on a regular basis concerning accounts maintained for Alabama EBT cardholders. These files are:

- History Extract File (received daily)
- Benefit Expungement (formerly 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.

The current EBT/EFT Contractor provides two data files to the State concerning accounts maintained for AL Vantage cardholders. The files are:

- Daily New Card File with DDA numbers
- Rejected (error) File

### **5.17.10 FNS DATA FILES**

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

#### **5.17.10.1 AMA FILE**

Each business day, the EBT/EFT Contractor must provide data necessary to support increases/decreases to the projects 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 SNAP 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 SNAP EBT activity. Consequently, it will be necessary

for the EBT/EFT 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).

#### **5.17.10.2 SNAP REDEMPTION REPORTING**

The EBT/EFT Contractor must provide detailed daily SNAP redemption data by retailer identification number to the Store Tracking and Redemption Subsystem (STARS), the FNS SNAP 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.

#### **5.17.10.3 ALERT FILE**

The EBT/EFT Contractor must 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.

### **5.18 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.

#### **5.18.1 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.

#### **5.18.2 EBT/EFT DATABASES**

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

The Contractor must:

- 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 a minimum of three years and up to seven years of transaction history to be transferred from the current EBT Contractor's data warehouse. If information cannot be transferred from the currently existing data warehouse, then at least three years will be stored in the data warehouse using the online history.
- Provide for conversion of three years 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.

### **5.18.3 EBT/EFT CARD ISSUANCE**

The State does not wish to convert its existing clients' Alabama EBT cards to a new card stock, nor does it wish to change its Child Support Debit Cards to a new card stock. Although the State understands that the AL Vantage branded cards must be replaced, the Contractor must continue to use the State's current card designs 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 EBT card or Child Support Debit Card, the PIN for the client shall be transferred from the old card to the new (replacement) card. Once a new EBT card or Child Support Debit card is issued the old card will be inactivated. The old card will be inactivated after the clients have used all funds associated with the AL Vantage cards that were issued by the current Contractor or the balances are transferred to the new Contractor to reflect in the client's new accounts, whichever is most feasible and mutually agreed upon by ADOL and the Contractors involved.

## **5.19 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 disasters impacting a large number of the State's population. This section of the RFP covers these three areas.

### **5.19.1 CONTRACTOR SYSTEMS**

The Contractor must provide an alternate means of authorization of EBT/EFT transactions during short-term outages, when switching over to the back-up site is not considered appropriate. The response to this requirement must 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 must have available a back-up site for host processing and telecommunications network services. The Contractor must 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 must notify the State immediately upon Contractor's decision to move to a disaster back-up site to provide EBT/EFT services. If the Contractor is providing EBT/EFT services to multiple States, the disaster recovery plan must 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/EFT system(s) must not be delayed because the Contractor is recovering other States' EBT/EFT systems.

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

### **5.19.2 STATE SYSTEMS**

The Contractor must support the recovery of the State's eligibility and EBT/EFT interface systems at a back-up site in the event of a disaster at the State's primary data center(s). This support must 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/EFT 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 must provide support to the State in ensuring that benefits are still being provided to clients through the EBT/EFT system(s) 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(s), the Contractor must work with the State technical staff to provide EBT/EFT Administrative Terminal support.

### **5.19.3 DISASTERS WITHIN THE STATE**

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

The State's plan in supporting disasters for the SNAP is to maintain an inventory of pre-embossed and pre-encoded Alabama 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 SNAP 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/EFT 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 for the SNAP, the Contractor must maintain on the EBT/EFT database predefined disaster accounts and the related EBT card. The Contractor must maintain 49,994 EBT accounts to be used for disaster services, and the associated EBT cards and system assigned PINs. These EBT accounts must remain on the Contractor's EBT/EFT system until utilized for a disaster. If the State needs additional EBT disaster cards, PIN mailers and manifests with lift out labels, they must be delivered to the State in EBT account number ascending sequence. The State is responsible for storing the cards and related PIN mailers and manifest until they are needed for a disaster. The EBT account number must 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 must 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 must support the option of drop shipping all requested EBT/EFT 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/EFT cards that would normally be mailed to clients within the impacted zip codes instead be dropped shipped using overnight delivery services to the location specified by the State. The EBT/EFT 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 Vendor's Cost Proposal.

## **SECTION 6: COST PROPOSAL**

### **6.0 COST PROPOSAL**

This section describes the format and content of the Cost Proposal. Price quotations must 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 Department. Vendors are reminded that the State's current Contractor maintains and operates two systems for the State. One for EBT and another that supports the prepaid branded CS Debit and AL Vantage programs. ADOL does not wish to have any existing history transferred from the current Contractor to the new Contractor unless the new Contractor finds it to be necessary. Therefore, any new Contractor must have the ability to successfully transition both programs independently of the other and the pricing quoted in this section that is not specified as EBT only related pricing shall be to transition and continue ongoing operations for both the State's EBT and prepaid CS Debit and AL Vantage programs. Unless identified otherwise by the State in this RFP, prices quoted shall apply for the duration of the Contract executed as a result of this RFP.

### **6.1 RESPONSE REQUIREMENTS**

Responses must include prices for services in the following categories of EBT/EFT-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 SNAP, cash only and combined SNAP and cash cases.
- Incremental cost increases/decreases for alternative service options.
- 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 only withdrawal transactions from commercial POS devices.
- Client fee for cash only withdrawals (after two free transactions) in a one-month period.

Responses must 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 must 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. Price quotations for all other EBT/EFT services shall be expressed in terms as specified by the State in the Pricing Schedules.

#### **6.1.1 PRICING SEPARATE FROM TECHNICAL RESPONSE**

Pricing information must be submitted in a separate sealed envelope and clearly labeled as "Cost Proposal." (See Schedule of Events and Section 1.9.1 for submission requirements.)

#### **6.1.2 PRICING ASSUMPTION**

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

- The cost for each required service outlined and detailed in this RFP and additional services offered by the Vendor should be the Vendor's best/lowest cost(s) that can be afforded and guaranteed by the Vendor.
- The start-up costs shall be fixed based upon the requirements within the RFP and the costs cannot be for an amount less than zero (0).
- The CPCM pricing provided by the Vendors shall be fixed for the life of the contract.
- Vendors should use the tiers within the CPCM pricing schedule to cover fluctuations in the case volumes.
- The State requires that all technical and support services be provided by employees located within the United States.

- ADOL is prohibited from paying any cost associated with the AL Vantage card. Also, the State currently does not incur any cost from the current Contractor associated with the AL Vantage Program and does not expect to incur cost from the new Contractor.

### **6.1.3 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.

## **6.2 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/EFT Systems to the new Contractor’s EBT/EFT System(s). The Vendor shall provide costs within the defined categories as follows:

- EBT/EFT System Design and Development – Vendors shall provide costs directly related to the design, development, and testing of the EBT/EFT system(s) being provided to the State. The cost for the interfaces to the State’s eligibility systems should be included in this category.
- EBT-only Terminal Conversion Costs – Vendors shall provide costs related to the transition of EBT-only retailers from the current EBT Contractor to the Vendor’s EBT system. Costs to be included in this category are the costs to deploy the new POS terminals, train retailers, and retailer transaction acquiring costs until the EBT database has been converted.
- EBT/EFT Database Conversion/Transition Costs – Vendors shall provide costs related to the conversion/transition of the EBT/EFT databases from the current Contractor to the Vendor’s EBT/EFT system(s). These costs shall include development and testing of conversion programs, performing mock conversions, and performing the actual database conversion/transition.
- EBT/EFT Card Issuance Costs – Vendors shall provide costs related to the design, development, and testing of the card issuance process.
- Branded Debit Card Replacement Costs – Vendors shall provide costs related to the replacement of the States AL Vantage cardholders’ cards. If there are none, enter zero (\$0.00).
- Branded Debit Card Costs for the Child Support Program– Vendors shall provide costs related to requirements as specified in Scheduled VI-1. If there are none, enter zero (\$0.00).

The format of the response is contained in Schedule VI-1, Pricing Table for Alabama EBT/EFT Start-up Costs. Vendors shall include a narrative explaining the costs included within each component. The narrative should also include a breakdown of the costs by agency/department (i.e., DHR, Medicaid, ADOL, etc.) that comprise the total 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/EFT 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/EFT cards.

### **6.3 CPCM PRICING SCHEDULES**

Vendors should use the pricing table contained in Schedule VI-2, Pricing Table for Alabama EBT CPCM, to reflect Cost Per Case Month pricing for the EBT/EFT contract. Active case counts shall be the total unduplicated case count on the Contractor's EBT/EFT 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 135,000 cases shall be provided at the "< 135,000" tier).

All ongoing costs not identified separately for EBT services shall be included in the CPCM. Vendors should be aware that Schedule VI-2 should contain their baseline/lowest CPCM price for the EBT services as defined in Section 5 of this RFP. Scoring of the CPCM pricing will only be completed on the pricing contained in Schedule VI-2.

### **6.4 PRICING OF EBT/EFT OPTIONAL SERVICES**

Vendors are encouraged to identify means to reduce the costs of EBT/EFT services to the State or provide increased service (service that exceeds the minimum service requirements specified in Section 5 of the RFP) to the State and/or its EBT/EFT clients. As part of the pricing schedules included in this section, Vendors 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 VI-3, Pricing Table for Alabama EBT/EFT 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 or as specifically stated by the State.

Again, Schedule VI-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 the location of the Customer Service Call Center, and a request for pricing for wireless POS devices. Any other entries within the table are to be made at the discretion of the Vendor.

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 if there are services that must be provided during the initial contract period.

### **6.5 FEE FOR SERVICE PRICING**

Pricing Schedule VI-4 contains pricing for services that the State will pay based upon the utilization of the respective service. An example of this is the charges for direct deposit of cash benefits into a client's bank account.

### **6.6 PRICING FOR ELECTRONIC PAYMENT/BRANDED DEBIT CARD SERVICES**

Vendors must use the pricing table contained in Schedule VI-5 to reflect all costs that will be charged to the cardholder or billed to the State, whichever is appropriate. Any cost(s) not specified will be considered as part of the core services of the turnkey system being offered at no cost to the cardholder and/or State.

Vendors must also include in their narrative for this section a response to all the value-added requirements desired by the CESD that follow. The value-added requirements provide additional functionalities and capabilities desired of a vendor's proposed solution.

1. Card Program Enhancements
  - a. The Vendor allows for customer withdrawals at a bank teller window.
  - b. The Vendor allows the card to remain active until CSED indicates otherwise.
  - c. Vendors should describe any other additional cardholder features and capabilities proposed as program enhancements.
2. Debit Card Program Fees
  - a. The Vendor does not charge a monthly account fee to the customer.
  - b. The Vendor allows unlimited balance inquiries at no charge to the State or cardholder.
  - c. The Vendor allows unlimited purchases with the card at no charge to the State or cardholder.
  - d. Vendor allows a minimum of four cash withdrawals per month at no charge.
3. Program Fee Schedule - As Part 2 of the proposal, Vendor will submit a comprehensive fee schedule for the proposed debit card program for customers, to include the following:
  - a. All customer fees associated with card usage.
  - b. All customer fees associated with card replacement.
  - c. Overdraft fees which may be attributed to customers and the applicable conditions.

## **6.7 PROFESSIONAL SERVICES PRICING**

Pricing Schedule VI-6 contains the hourly rate pricing that would be charged to the State for professional services not specifically addressed as being a part of the turnkey system or not outside of the scope of this RFP, such as a request to add additional benefit types and program areas or 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.

## **6.8 INTEREST COST FOR DELAYED FUNDING OF EBT SETTLEMENT**

As described in Section 5.10.2, 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 (which will be simple interest) on the total settlement amount funded by the contractor. The response to this section shall state the annual simple interest rate that will be used to calculate the interest charge to the State. The rate shall also be entered in Schedule VI-4.

The formula for computing the daily interest owed will be as follows: Settlement amount that was delayed times prime interest rate as reported by the Wall Street Journal + contractor’s stated interest rate divided by 365 days equals the daily interest owed.

## **6.9 CLIENT FEES FOR EBT CASH ONLY WITHDRAWALS**

EBT cardholders receiving cash benefits must be provided with two (2) cash only withdrawals per month per case before the contractor can assess a transaction fee (Section 5.12.11 provides a more detailed description of the requirement). These transactions can occur at either an ATM or a POS device. The contractor must 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.

## **6.10 PAYMENTS TO RETAILERS SUPPORTING EBT CASH ONLY WITHDRAWALS**

Retailers who support cash only withdrawal transaction functionality from their commercial POS devices shall be paid no more than \$0.30 cents for each successful cash only 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, provided that the fee is for either the first or second successful cash only withdrawal transaction performed by the client in the respective month. 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.

### **6.11 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
- Total amount due

If payments are due from the State for services concerning the electronic payment/branded debit card, the invoice shall be handled in a similar manner.

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule VI - 1  
 Pricing Table for Alabama EBT/EFT Start-Up Costs**

Category	Cost			
	DHR (SNAP & FA)	MEDICAID	ADOL	DHR (CS)
EBT/EFT System Design and Development				
EBT-only Terminal Conversion Costs		N/A	N/A	N/A
EBT/EFT Database Conversion Costs				N/A
EBT/EFT Card Issuance Costs				
Branded Debit Card Replacement Costs	N/A	N/A		
Branded Debit Card (Design, development, testing, production, and distribution for any new program that comes on using the current design for the State's Branded Debit Card.)	N/A	N/A	N/A	
Branded Debit Card (Design, development, testing, production, and distribution for any new program that comes on using a card design as specified by the program in question and that is different from the State's current design.)	N/A	N/A	N/A	
Total Start-up Costs				
Grand Total Start-up Costs (includes all departments/agencies listed in this schedule)				

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

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

<b>Active Cases for Billing Month</b>	<b>SNAP Price</b>	<b>Cash Price (Refers to any cash accessed using the EBT card)</b>	<b>Combined Price (SNAP and Cash, NET excluded)</b>
>450,000			
445,001-450,000			
440,001-445,000			
435,001-440,000			
430,001-435,000			
425,001-430,000			
420,001-425,000			
415,001-420,000			
410,001-415,000			
405,001-410,000			
400,001-405,000			
395,001-400,000			
390,001-395,000			
385,001-390,000			
380,001-385,000			
375,001-380,000			
370,001-375,000			
365,001-370,000			
360,001-365,000			
355,001-360,000			
350,001-355,000			
345,001-350,000			
340,001-345,000			
335,001-340,000			
330,001-335,000			
325,001-330,000			
320,001-325,000			

315,001-320,000			
310,001-315,000			
305,001-310,000			
300,001-305,000			
295,001-300,000			
290,001-295,000			
285,001-290,000			
280,001-285,000			
275,001-280,000			
270,001-275,000			
265,001-270,000			
260,001-265,000			
255,001-260,000			
250,001-255,000			
245,001-250,000			
240,001-245,000			
235,001-240,000			
230,001-235,000			
225,001-230,000			
220,001-225,000			
215,001-220,000			
210,001-215,000			
205,001-210,000			
200,001-205,000			
195,001-200,000			
190,001-195,000			
185,001-190,000			
180,001-185,000			
175,001-180,000			
170,001-175,000			
165,001-170,000			
160,001-165,000			
155,001-160,000			
150,001-155,000			
145,001-150,000			
140,001-145,000			
135,000-140,000			
< 135,000			

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule VI - 3  
Pricing Table for Alabama EBT/EFT Optional Services**

Service Description	Unit of Measure	Unit Cost
Restricting EBT 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).	CPCM Increase (+) or Decrease (-)	
Ensuring that the EBT Client Customer Service Call Center is located in Alabama within a thirty (30) mile radius of Montgomery County. Start-up cost shall be specified as a total amount separate from the ongoing increase or decrease of the CPCM.	CPCM Increase (+) or Decrease (-)	
The Alabama Medicaid Agency wishes to receive pricing that will allow NET recipients to receive cash benefits within a banking institution and to allow Medicaid NET recipients to access an ATM if the funds loaded on their EBT cards are sufficient to meet the minimum allowed for ATM usage.	CPCM Increase (+) or Decrease (-)	
Provide wireless POS devices/terminals to EBT-only retailers needing them during a federally declared disaster. This cost would be an additional cost outside the monthly CPCM or an increase in the monthly lease payment if one is being made and would be only for a State specified length of time.	Monthly Lease Cost for Each Device/Terminal	
Provide wireless POS devices/terminals to Farmers Markets.	Monthly Lease Cost for Each Device/Terminal.	
Provide wireless POS devices/terminals to Farmers Markets.	Purchase Price for Each Device/Terminal.	
Add a client photo to the EBT cards		
Separate EBT card for TANF		

Separate debit card for TANF that would allow us to limit the use at machines or facilities that violate current federal and state law such as casinos, etc.		
Geo-mapping technology in the data warehouse		
Other (Vendor Specify):		
Other (Vendor Specify):		

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule VI - 4  
Pricing Table for Alabama EBT/EFT Fee for Service**

<b>Service Description</b>	<b>Unit of Measure</b>	<b>Unit Cost</b>
The interest rate (this is simple interest) that will be charged for delayed funding of settlement.	Annual Rate.	
Client fees for EBT cash only withdrawals (The client shall be allowed two (2) cash only withdrawals per month per case at either an ATM or POS device before assessing a transaction fee for the respective month).	Per successful withdrawal after 2 free in the same month.	
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 along with a manifest that includes lift out adhesive labels that contain the printed account number for each account provided, the associated disaster vault cards and the system assigned PINs. The aforementioned can be used for providing benefits in the event of a disaster	Per 5,000 cards and PINs along with the manifest.	
Drop shipping of EBT/EFT cards to a State specified location for localized disasters.	Per drop shipment.	
Mail disaster cards to individual clients via first class mail to their respective address that will be provided via batch file by the State, rather than drop ship to a specified location.	Per Initial card.	
Provide additional Federal agencies with web based administrative terminal access.	Cost for programming change, if any and if over five locations.	

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule VI - 5**  
**Pricing Table for Alabama Electronic Payment/Branded Debit Card Services**

<b>Transaction Type</b>	<b>How Assessed</b>	<b>Fee to Cardholder</b>	<b>Fee to State</b>
Successful ATM Withdrawals at Sponsoring Bank ATM	Each month, per transaction after four (4) free ATM withdrawals.		N/A
If ATM Withdrawal is requested but Declined	Each declined transaction, even on the first two ATM withdrawals during the month.		N/A
ATM Withdrawal at Other (Non-Sponsoring Bank) ATMs	Each month, per transaction.		N/A
Bank or Credit Union Cash Withdrawals via Teller Window Displaying the Branded Card Logo	Each successful withdrawal.		N/A
Card Replacement Fee for First Replacement Card	Card after the first (initial or mass reissue by Vendor) card.		N/A
Card Replacement Fee for Additional Replacement Cards After the First Replacement Card	Each card after first replacement card if the client's card has been replaced within the past 12 months.		N/A
Card Replacement Fee for Expedited (Overnight) Card	Each replacement card.		N/A
Inactivity Fee	Monthly, if there is no activity on the card for 90 consecutive days; the fee continues as long as inactivity continues.		N/A
International Transaction Fee	Each card transaction made in a foreign currency and each card transaction made outside the United States.		N/A
ATM Balance Inquires at	Per inquiry.		

Sponsoring Bank ATM			N/A
ATM Balance Inquires at Other (Non-Sponsoring Bank) ATM	Per inquiry.		N/A
Banks or Credit Union Balance Inquires Displaying the Branded Card Logo	Per inquiry.		N/A
Calls to Customer Service (A Live Person - CSR)	Per call for calls over 8 per month, not including calls to the SIVR/IVR.		N/A
Calls to the SIVR/IVR	Per call for calls over 8 per month, not including calls to a CSR.		N/A
Access to a Web Based Online Account System	Each access.		N/A
Start-up and Ongoing Cost to State to Add Additional Departments/Agencies and/or Programs after implementation.	Per 2,000 cases being added and managed.	N/A	
Cost to State for Developing, Designing, Producing, and Distributing Cards to Their Clients That Has a Different Design From the State's Then Current Card Design.	Per 2,000 cases being added and managed by Vendor.	N/A	
Cost to State for Developing, Designing, Producing, and Distributing Cards to Their Clients That Has the Same Design as One Already Being Used by the State.	Per 2,000 cases being added and managed Vendor.	N/A	

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule VI - 6**  
**Pricing Table for Alabama EBT/EFT Professional Service Fees**

<b>Professional Services</b>	<b>Hourly Rate</b>
Project Manager	
Technical Project Manager	
Database Specialist	
Senior Programmer/Analyst	
Programmer/Analyst	
Software Test Specialist	
Technical Writer	
Other (Vendor Specify):	
Other (Vendor Specify):	

## **SECTION 7: EVALUATION CRITERIA**

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 committee will review and evaluate the proposals according to the following criteria based on **a maximum possible value of 1,000 points**. Proposals failing to meet the requirements of this RFP may be deemed non-responsive or subject to point deductions.

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

1. Meets or exceeds the detailed EBT/EFT system requirements described in this RFP;
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(s) 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/EFT contractor, the responses to Section 5: *Technical Proposal* will be evaluated and scored along with the *Cost Proposal* in Section 6. The evaluation team will be composed of representatives from EBT/EFT user departments within the State. **In the overall scoring scheme that will be used by the State, the technical response will account for 60% (600 possible points) of the total score and cost will account for 40% (400 possible points) of the overall total score.**

The point value assigned to each component of the **Technical Proposal and Cost Proposal** will be based on the following scoring scale.

<b>Category</b>		<b>RFP Section</b>	<b>Point Value</b>
<b>Contractor Qualifying Information</b>		<b>20% of points for a possible 200 points</b>	
A.	Vendor Certifications	5.1	0
B.	Contractor's Qualifications and Organization	5.2	35
C.	Project Management	5.3	130
D.	Governing Regulations	5.4	7
E.	Contractor's Responsibilities and Liabilities	5.5	14
F.	Contract Performance	5.6	14
<b>Method of Providing Services</b>		<b>40% of points for a possible 400 points</b>	
A.	Account Set-up and Maintenance	5.7	77
B.	EBT/EFT Card and Personal ID Number	5.8	28
C.	Training	5.9	21
D.	Settlement/Reconciliation	5.10	21
E.	Customer Service	5.11	14
F.	Transaction Processing	5.12	84
G.	Direct Deposit of Cash Benefits	5.13	7
H.	Retailer Management	5.14	28
I.	Adequate Cash Access	5.15	7
J.	EBT/EFT Administration Terminal	5.16	14
K.	EBT/EFT Reporting	5.17	70
L.	Transition	5.18	21
M.	Disaster Preparation and Contingency Planning	5.19	8
<b>Cost Proposal</b>		<b>40% of points for a possible 400 points</b>	
A.	Cost Proposal	6.0	400

## SECTION 8: GLOSSARY OF TERMS

<b>TERM</b>	<b>DEFINITION</b>	<b>ACRONYM</b>
Account	The record kept and maintained by the EBT/EFT Contractor for each benefit type a recipient receives: SNAP, Cash or SNAP and Cash.	
Active Case	Cases for which a benefit authorization has been posted and made available during the billing month. See Section 6.1.3 of the RFP for a complete definition.	
Acquirer	An entity such as an ATM Network or Third Party Processor acquiring EBT/EFT 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.	
Agency	In this document, it is referring to any government entity.	
American National Standards Institute	The U.S. standards group responsible for issuing U.S. standards and maintaining consistency with similar international standards.	ANSI
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/EFT 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 SNAP benefits on behalf of the SNAP household.	AR
Automated Response Unit	An interactive voice response unit accessed via telephone and utilized by clients and merchants for various functions. May also be a Speech Interactive Voice Response (SIVR) System that interacts with clients and merchants using verbal questions and responses.	ARU
Authorized Retailer	Any facility which has been approved by the Food and Nutrition Service, U.S. Department of Agriculture to accept SNAP benefits as payment for eligible food items.	
Authorization	<ol style="list-style-type: none"><li>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."</li><li>2. Benefit Authorization: The transmittal of authorized program benefits from the State to the Contractor.</li></ol>	
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.

Calendar Day	For purposes of this RFP, all seven (7) days of the week, Sunday through Saturday.	
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
Department	In this document, specifically refers to the Department Of Human Resources (DHR) when the upper case "D" is used. When the lower case "d" is used, it is referring to any governmental entity.	
Division	Made up of a group of government employees who are responsible for administering and/or delivering specific services to the public (i.e., Child Support Enforcement, Food Assistance, Family Assistance, etc.) within a department or agency.	
Electronic Benefit Transfer/Electronic Funds Transfer	In this document, it is intended to mean an electronic (automated) process used to deliver benefits, payments, reimbursements and/or monetary entitlements to recipients of or providers of governmental or government sponsored services. This process eliminates the issuance of paper warrants (checks) to those individuals or entities who participate. All States are federally mandated to use EBT to deliver SNAP benefits.	EBT/EFT
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.	
Food and	The division of the U.S. Department of Agriculture	FNS

Nutrition Service	responsible for administering the Supplemental Nutrition Assistance Program (SNAP), the authorization of retailers to participate in the SNAP.	
FNS Retailer Number	A number assigned by FNS which identifies a retailer who has been authorized to participate in the SNAP.	
Primary Account Number	The number which serves as the primary identification of a client and is the 16 digit number on the EBT/EFT 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.	
Program	Synonymous with Division.	
Quest Operating Rules	Quest Operating Rules, Version 1.2, dated June 3, 1999, plus all subsequent revisions and amendments to these rules.	
Regulation E	The Electronic Fund Transfers (Regulation E) carries out the purposes of the Electronic Fund Transfer Act, which establishes the basic rights, liabilities, and responsibilities of consumers who use electronic fund transfer services and financial institutions or entities that offer these services. The primary objective of the act is the protection of individual consumers engaging in electronic fund transfers.	
Settlement	The movement of funds between an Issuer and an Acquirer in satisfaction of transactions in accordance with the Quest Operating Rules. Also as per Regulation E, if applicable.	
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	In this document, specifically refers to any (or multiple)	

governmental department(s), agency(ies), division(s), etc.  
within the State of Alabama.

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, 2009 – September 30, 2014).
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 or ARU over the telephone of a request for a manual SNAP transaction.

## **APPENDIX A: STANDARD TERMS AND CONDITIONS**

**By submitting a response to request for proposal or acceptance of a contract, the vendor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation or contract.**

**ACCEPTANCE/REJECTION OF PROPOSALS:** The Department reserves the right to accept or reject any or all proposals, wholly or in part, and to make awards in any manner deemed in the best interest of the Department. Proposals will be firm for 180 days, unless stated otherwise in the text of the request for proposal.

**ACCESS AND RETENTION OF RECORDS:** The contractor agrees to provide the Department, Legislative Auditor, or authorized agents, access to any records necessary to determine contract compliance. The contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by the Department or third party.

**ALTERATION OF SOLICITATION DOCUMENT:** In the event of inconsistencies or contradictions between language contained in the Department's solicitation document and a vendor's response, the language contained in the Department's original solicitation document will prevail. Intentional manipulation and/or alteration of solicitation document language will result in the vendor's disqualification and possible debarment.

**ASSIGNMENT, TRANSFER AND SUBCONTRACTING:** The contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of the Department.

**AUTHORITY:** The following request for proposal, limited solicitation, or contract is issued under authority of Section 41-16-72 of the Alabama Code (Act 2001-956, 2001 3<sup>rd</sup> Sp. Sess., p 817, §1.)

**CHARGE BACKS:** The Alabama Department of Human Resources and Medicaid will deduct federal charge backs from future payments.

**COMPLIANCE WITH LAWS:** The contractor must, in performance of work under the contract, fully comply with all applicable federal, department, or local laws, rules and regulations, including the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the contractor subjects subcontractors to the same provision. The contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

**DEBARMENT:** The contractor certifies, by submitting this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by the Department.

**DISABILITY ACCOMMODATIONS:** The Department does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals, who need aids, alternative document formats, or services for effective communications or other disability-related

accommodations in the programs and services offered, are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

**FACSIMILE RESPONSES:** Facsimile responses will not be accepted for requested for proposals or limited solicitations.

**FAILURE TO HONOR PROPOSAL:** If a vendor to whom a contract is awarded refuses to accept the award (contract) or, fails to deliver in accordance with the contract terms and conditions, the Department may, in its discretion, suspend the vendor for a period of time from entering into any contracts with the Department.

**FORCE MAJEURE:** Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

**FOREIGN CORPORATIONS (OUT-OF-STATE FIRMS):** Alabama law provides that a foreign corporation (out-of-state company/firm) may not transact business in the state until it obtains a certificate of authority from the Secretary of State, Section 10-2B-15.01, Code of Alabama 1975. To obtain form for a certificate of authority, contact the Secretary of State, Corporation Division, (334) 242-5324. Not having this certificate does not keep the vendor from registering.

**HOLD HARMLESS/INDEMNIFICATION:** The contractor agrees to hold the Department, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the contractor and/or its agents, employees, representatives, assigns, subcontractors, except for acts of omission resulting from the sole negligence of the Department, under this agreement.

**LATE PROPOSALS:** Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be solely the vendor's risk to assure delivery at the designated office by the designated time. Late proposals will not be opened and may be returned to the vendor at the expense of the vendor or destroyed if requested.

**REGISTRATION WITH THE PURCHASING DIVISION:** Any business intending to transact business in Alabama must register with the Alabama Purchasing Division by completing the Vendor Disclosure Statement. A copy of the Vendor Disclosure Statement can be downloaded from the Purchasing website at [www.purchasing.alabama.gov](http://www.purchasing.alabama.gov).

**SEVERABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually dependent.

**SOLICITATION DOCUMENT EXAMINATION:** Vendors must promptly notify the Department of any ambiguity, inconsistency, or error, which they may discover upon examination of a solicitation document.

**TERMINATION OF CONTRACT:** Unless otherwise stated, the Department may, by written notice to the contractor, terminate the contract in whole or in part at any time the contractor fails to perform the contract.

**UNAVAILABILITY OF FUNDING:** The Department, at its sole discretion, may terminate or reduce the scope of the contract if available funding is reduced for any reason.

**U.S. FUNDS:** All prices and payments must be in U.S. dollars.

**CONTRACT TERMS AND CONDITIONS:** More details are included in the information that follows.

#### **A. CONTRACT COMPONENTS**

The contract shall include: the Request for Proposal (RFP) to acquire EBT/EFT Services for the State of 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) Electronic Fund Transfers (Regulation E)
- 6) RFP Questions and Answers documents
- 7) The RFP
- 8) 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 the State and are not employees of 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 the State 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 the State. 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 approved waivers), and policies, including those governing EBT/EFT:
- 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.
  - 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. The Contractor shall complete the Certification Regarding Lobbying form if Federal or State funds are or will be used for lobbying purposes. If a disclosure of Lobbying form, Standard Form LLL, is required, it can be obtained from the State. All disclosure forms as required by the Certification Regarding Lobbying form must be completed and returned to the State.
  - d. The State is not using State or Federal funds for lobbying purposes.
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. The State shall request other reports through the Change/Enhancement Request order process and shall pay the Contractor actual and reasonable costs for reports not specified within the RFP.
  - 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 SSAE 16 examination on its EBT operations and provide the State the report within 30 days of the receipt of the audit report.
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 in paragraph 5.a. above, and the State shall pay actual and reasonable costs, unless the termination of the Contract is a result of default or breach of Contract by the Contractor.
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 there under.
  - e. The State agrees to the conditions stipulated in USDA Policy memorandum 3140-001 and the Contractor shall comply with all requirements that affect activities that the Contractor is performing on behalf of the State. The requirements can be found at <http://www.ocio.usda.gov/directives/doc/DM3140-001.html>.
7. The Contractor agrees that it will meet the system performance standards and requirements set forth in the Performance Standards, which will be attached and incorporated by reference. The Contractor shall comply with the following regarding 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 regarding 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 acts or omissions, intentional misconduct, or breach of the terms and conditions of this Contract by 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, the State will provide prompt notice of said claim to Contractor. The State will provide reasonable assistance in defense of claims. Any proposed settlement will be subject to review and approval by the State and the Attorney General of Alabama. The State 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 the State.

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 the respective State agency.
  - b. All records and information which are regarded by Contractor as confidential must be identified as such 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 the respective State agency.
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. The State expressly approves the designation by Contractor (list by name). Any changes, additions, or deletions 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 the State. 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 the State, 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 be compensated in accordance with the Pricing Schedules that will be attached and incorporated herein by reference. The Contractor will be liable for all account overdrafts, unauthorized over issuances and processing errors.
13. 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 in writing of such a finding. The overpayment shall be reflected as a credit on the next invoice submitted by the Contractor to the State for EBT/EFT services.

14. 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.
15. The Contractor shall comply with the following re: Debarment/Suspension:
  - a. The Contractor warrants and represents to the State 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.
  - (5) Will ensure that all contractors and/or sub-grantees are neither excluded nor disqualified under the suspension and debarment rules found at 7 CFR Part 3017.300 and will check the Excluded Parties List System (EPLS) at [www.epls.gov](http://www.epls.gov) and confirm that none of the Contractor's subcontractors are on this list.
16. 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.
17. 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. Also, as required by USDA/FNS, the grantee agrees to make (A) make a good faith effort, on a

- continuing basis to maintain a drug-free workplace (including taking specific actions described at 7 CFR Part 3021.200 through 3021.230); and (B) identify all workplace locations where work under the Federal award will be performed. Since Federal entities will no longer collect a paper certificate, this may include the following: a) Notifying all sub-grantees and contractors of the Drug-Free Workplace rules; b) Making conforming changes to internal procedures, directives, training materials, etc.; c) Incorporating the new rules into sub-grantee monitoring practices.
18. 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.
19. 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.
20. The Contractor shall comply with the following re: Travel:  
a. Travel costs incurred by the Contractor during the life of the Contract shall not be billed to the State.  
b. The State assumes no liability for any accident or injury that may occur to Contractor's agents, dependents, or personal property while in route to or from government facilities or during any travel associated with or mandated by the terms of the Contract.
21. 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 Schedules.
22. 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 Office of Certification and Benefit Delivery Manager's direction.

23. 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 change orders and enhancements 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 Contractor's Response to the Cost Proposal to the RFP. The Contractor shall respond to change orders and enhancements 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 change order and/or enhancement by the Contractor until written approval is received from the State.

24. 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.

25. 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 are the Alabama EBT/EFT Account Manager (State Project Manager) whose duties and responsibilities shall be the management of the Alabama EBT/EFT Contract, the Retail Manager, the Transition Project Manager (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.

26. 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 the State will be served by temporarily suspending work, he/she 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 the State 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 is 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 the State.
  - g. Contractor is the sole point of contact with regard to all contractual matters and is solely responsible for the fulfillment of the Contract with the State.
  - h. The Contractor will, without additional cost to the State, correct or revise all errors or deficiencies in any Contract work.
  - i. The State's 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 the State for all direct costs which may be incurred by the State 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. The State 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. The Contractor acknowledges and understands that this Contract is not effective until it has received all requisite State government approvals and the Contractor shall not begin performing work under this Contract until notified to do so by DHR. The Contractor is entitled to no compensation for work performed prior to the effective date of this 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 USDA, Food and Nutrition Service.
- 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 State shall be excused from performance under the Contract for any period that Contractor or State 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 State has prudently and promptly acted to take any and all corrective steps that are within Contractor's or State's control to ensure that Contractor or State 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 of 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 22.

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.

27. 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.

28. 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 the State, 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, the State may terminate the Contract for breach. The State shall 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 the State of the default or such other time as allowed by the State, except in the case of an emergency as determined at the sole discretion of the State. In the event Contractor is allowed more than thirty (30) working days to complete the cure, Contractor must provide the State a written plan detailing how Contractor intends to cure the default.

If Contractor fails to cure the default within the time allowed by the State or if the State determines that circumstances demand immediate termination, the State 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, the State may procure, upon such terms and in such manner as deemed appropriate by the State, 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 the State 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.

29. 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 and transition to the new Contractor. The current EBT/EFT Contractor shall work in good faith with the State and the new EBT/EFT Contractor to develop a plan providing an orderly transition to the new EBT/EFT Contractor. The Contractor shall provide phase-in, phase-out services for a period to be determined by the State. The plan shall 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 and

- transition to a new Contractor at the timeframe defined within the transition plan. As part of the conversion process, three years of transaction 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
30. 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 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.
31. The Contractor shall comply with the following regarding 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.
- USDA Food and Nutrition Services reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for federal government purposes, the copyright in any work developed under a grant, sub-grant, or contractor under a grant or sub-grant any rights of copyright to which a contractor purchases ownership.
32. The Contractor shall, upon award of the Contract, be required to complete the “State of Alabama Disclosure Statement” and the “Immigration Status” form.



**APPENDIX C: TRADE SECRET AFFIDAVIT**

**Alabama Department of Human Resources**

**AFFIDAVIT FOR TRADE SECRET CONFIDENTIALITY**

DEPARTMENT OF \_\_\_\_\_)

)ss.

County of \_\_\_\_\_)

\_\_\_\_\_ (Affiant), being first duly sworn under oath, and representing  
\_\_\_\_\_ (hereafter "Vendor"), hereby deposes and says that:

1. I am an attorney licensed to practice in the State of \_\_\_\_\_, representing the Vendor referenced in this matter, and have full authority from the Vendor to submit this affidavit and accept the responsibilities stated herein.

2. I am aware that the Vendor is submitting a proposal to the Alabama Department of Human Resources for RFP # \_\_\_\_\_. Public agencies in Alabama are required by Alabama law to permit the public to examine documents that are kept or maintained by the public agencies, other than those legitimately meeting the provisions of the Alabama Trade Secrets Act, Alabama Code Section 8-27-1, and that the Department is required to review claims of trade secret confidentiality.

3. I have read and am familiar with the provisions of the Alabama Trade Secrets Act, am familiar with the case law interpreting it, and understand that all information received in response to this RFP will be available for public examination except for:

- (a) trade secrets meeting the requirements of the Act; and
- (b) information requested by the Department to establish vendor responsibility unless prior written consent has been given by the vendor.

4. I am aware that in order for the Vendor to claim confidential material, this affidavit must be fully completed and submitted to the Department, and the following conditions must be met by the Vendor:

- (a) information to be withheld under a claim of confidentiality must be clearly marked and separated from the rest of the proposal;
- (b) the proposal may not contain trade secret matter in the cost or price; and
- (c) the Vendor's explanation of the validity of this trade secret claim is attached to this affidavit.

5. I and the Vendor accept that, should the Department determine that the explanation is incomplete, inadequate or invalid, the submitted materials will be treated as any other document in the

department's possession, insofar as its examination as a public record is concerned. I and the Vendor are solely responsible for the adequacy and sufficiency of the explanation. Once a proposal is opened, its contents cannot be returned to the Vendor if the Vendor disagrees with the Department's determination of the issue of trade secret confidentiality.

6. I, on behalf of the Vendor, warrant that the Vendor will be solely responsible for all legal costs and fees associated with any defense by the Department of the Vendor's claim for trade secret protection in the event of an open records request from another party which the Vendor chooses to oppose. The Vendor will either totally assume all responsibility for the opposition of the request, and all liability and costs of any such defense, thereby defending, protecting, indemnifying and saving harmless the Department, or the Vendor will immediately withdraw its opposition to the open records request and permit the Department to release the documents for examination. The Department will inform the Vendor in writing of any open records request that is made, and the Vendor will have five working days from receipt of the notice to notify the Department in writing whether the Vendor opposes the request or not. Failure to provide that notice in writing will waive the claim of trade secret confidentiality, and allow the Department to treat the documents as a public record.

Documents that, in the opinion of the Department, do not meet all the requirements of the above will be available for public inspection, including any copyrighted materials.

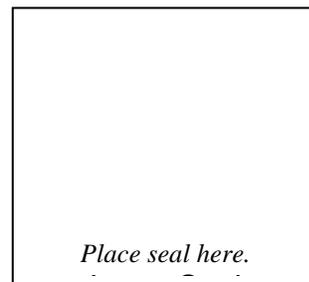
\_\_\_\_\_  
Affiant's Signature

Signed and sworn to before me on \_\_\_\_\_ (date) by \_\_\_\_\_  
\_\_\_\_\_  
(Affiant's name).

Name of Notary Public: \_\_\_\_\_ for the

Department of: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



**APPENDIX D: CERTIFICATE OF COMPLIANCE**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ )

**CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535, as amended by Act 2012-491)**

DATE: \_\_\_\_\_

**RE Contract/Grant/Incentive (describe by number or subject):**

\_\_\_\_\_ by and between  
\_\_\_\_\_ (Contractor/Grantee) and  
\_\_\_\_\_ (State Agency, Department or Public Entity)

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of \_\_\_\_\_ with the Contractor/Grantee named above, and is authorized to provide representations set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".
2. Using the following definitions from Section 3 of the Act, select and initial either (a) or (b), below, to describe the Contractor/Grantee's business structure.

**BUSINESS ENTITY.** Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license, and any business entity that is operating unlawfully without a business license.

**EMPLOYER.** Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

\_\_\_\_(a)The Contractor/Grantee is a business entity or employer as those terms are defined in Section 3 of the Act.

\_\_\_\_(b)The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama;
4. Contractor/Grantee is enrolled in E-Verify unless it is not eligible to enroll because of the rules of that program or other factors beyond its control.

Certified this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Name of Contractor/Grantee/Recipient  
By: \_\_\_\_\_  
Its \_\_\_\_\_

The above Certification was signed in my presence by the person whose name appears above, on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

WITNESS: \_\_\_\_\_

\_\_\_\_\_  
Printed Name of Witness

**APPENDIX E: EBT/EFT STATISTICAL DATA**

<b>DESCRIPTION</b>	<b>FOOD ASSISTANCE</b>	<b>FAMILY ASSISTANCE</b>	<b>MEDICAID</b>	<b>ADOL</b>	<b>CHILD SUPPORT</b>	<b>E&amp;T JOBS</b>
Active Cases/Claimants	418,029	16,855	51,340	13,546	228,746	2,460,529
Monthly Growth Percentage for Cases/Claimants	-0.16%	-1.14%	.0141%	-.99%	-0.19%	-1.83% -1.53%
Benefits/Amounts Issued	\$109,353,840	\$3,205,774	\$687,987	\$5,363,928	\$27,545,404	\$38,100,244,210
Active SNAP Only Accounts	402,122	N/A	N/A	N/A	N/A	N/A
Active SNAP/Cash (Combined) Accounts	13,479	*	N/A	N/A	N/A	N/A
Active Cash Only Accounts	N/A	3,191	NA	N/A	148,420	N/A
SIVR Calls	1,297,674	*	*	641,694	***	N/A
CSR Calls	42,475	*	*	9,770	***	N/A
Active EBT Cards	504,190	*	*	N/A	N/A	N/A
EBT Cards Replaced	14,059	*	*	N/A	N/A	N/A
EBT Card Replacement Rate	3.09%	*	*	N/A	N/A	N/A
Active CS Debit Cards	N/A	N/A	N/A	N/A	143,073	N/A
CS Debit Cards Replaced	N/A	N/A	N/A	N/A	1,656	N/A
CS Debit Card Replacement Rate	N/A	N/A	N/A	N/A	1.16%	N/A
Active AL Vantage Cards	N/A	N/A	N/A	109,477	N/A	N/A
AL Vantage Cards Replaced	N/A	N/A	N/A	482	N/A	N/A
AL Vantage Card Replacement Rate	N/A	N/A	N/A	.5%	N/A	N/A
Administrative Terminal Users at State Office	97	*	22	N/A	N/A	N/A
Administrative	934	*	10	N/A	N/A	N/A

Terminal Users in County Offices						
Retailers With EBT-Only Equipment	2,700	N/A	N/A	N/A	N/A	N/A
Non-Traditional Retailers (Retailers w/o POS equipment)	200	N/A	N/A	N/A	N/A	N/A
Verifone V*510 LE Terminals Deployed	2,500	N/A	N/A	N/A	N/A	N/A
Phone Lines Provided to Retailers	1	N/A	N/A	N/A	N/A	N/A
Total Number of Retailers in AL Authorized by FNS to Accept SNAP EBT	5,309	N/A	N/A	N/A	N/A	N/A
Meal Services Authorized by FNS to Accept SNAP EBT	0	N/A	N/A	N/A	N/A	N/A
Retailer Vouchers Added	1,187	*	*	N/A	N/A	N/A
Retailer Vouchers Cleared	1,154	*	*	N/A	N/A	N/A
Retailer Vouchers Expired	99	*	*	N/A	N/A	N/A
Cash Withdrawal From ATM	N/A	\$16,499	**	\$2,567,504	\$7,527,581	N/A
Cash Withdrawal From POS	N/A	\$74,477	**	\$2,446,605	\$17,271,771	N/A
SNAP Voice Authorizations	1,187	N/A	N/A	N/A	N/A	N/A
SNAP POS Transactions	4,642,426	N/A	N/A	N/A	N/A	N/A
Cash POS Transactions	N/A	194,599	**	127,706	N/A	N/A
ATM Transactions	N/A	20,724	**	54,080	N/A	N/A

Note: All information provided is as of May 2014. The active EBT cards for Food Assistance also includes the authorized representative's (AR) cards and the 49,994 disaster cards that must be maintained on the processor's system. An active account is one that had a deposit for the month. The number of retailers with EBT-Only

equipment will decrease drastically as a result of changes to Federal regulation at 7 CFR 274.3(b).

**N/A** – Not Applicable (usually because paper checks/warrants are being issued or it is not a program responsibility or service offered); **NA** – Not Available; **Asterisk (\*)** – Included in the Food Assistance Total; **Double Asterisk (\*\*)** – Included in Family Assistance Total; **Triple Asterisk (\*\*\*)** – Included in Alabama Department of Labor call Totals.

## APPENDIX F: EBT/EFT FILE FORMATS

### EBT FILE FORMATS

**BATCH MAINTENANCE FORMATS:** The EBT File Formats are primarily the same for both DHR and Medicaid with the exception of the field length within a few of the records. Medicaid also has some additional records specific to Vendor Payments. Medicaid’s information is listed to the right of the slash (/) if it is slightly different from DHR’s information or is in a separate table if it is significantly different.

#### 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 <sup>1</sup>	Comments
Record Type	02	X	Constant of “HC”
State Unique Data	15	X	Agency discretionary data
Agency Code	06	X	Required ALDHRF = SNAP ALDHRA = FA ALMED = Medicaid
Maintenance Type	16	X	Required “CASE/CLIENT” or “DISASTER” for disaster type
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.

<sup>1</sup> Type of X is alphanumeric, type of 9 is numeric.

**CASE/CLIENT MAINTENANCE DETAIL RECORD**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
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	10/12	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 SNAP only AF = SNAP only alternate AC = Cash only alternate AB = Alternate for both SNAP and cash benefits
Case Worker ID	09	X	Required
Local/District 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	20/19	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	04/02	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	10/12	X	Required – New case number assigned by the eligibility system
Old Case Number	10/12	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	171/167	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**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
Refresh Action	01	X	Required N = Add or O = Modify/Change case worker ID and Local Office Code
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 SNAP only AF = SNAP only alternate AC = Cash only alternate AB = Alternate for both SNAP 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 TRANSFER RECORD**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
Refresh Action	1	X	Enumeration Values: “T” = Transfer
OLD EBT ACCOUNT	12	X	
NEW EBT ACCOUNT	12	X	

CASE NUMBER	10	X	
Create Date	08	9	Required CCYYMMDD
Create Time	04	9	Required – Format of HHMM
Filler	173	X	SPACES

Record Length = 220 bytes

This record format is used to transfer a case between EBT Account Numbers. The EBT Account the case is being transferred to must have a Primary client type and must be set up in a separate batch prior to the transfer request, or the transfer request is rejected. When the transfer transaction occurs, all clients and cards linked to this case under the old EBT Account are not part of the transfer. The linkages are removed.

On the new EBT Account the case is linked to clients with a client type that gives them access to the type of case being transferred. There must be a Primary client on the new EBT Account, or the transfer request is rejected.

For refresh action “T” (Transfer), any alternates (AF) on the case that is being transferred should be added to the new EBT account number the case is being transferred to. The system must get the alternate contact information from the DB (e.g. the alternate contact information is not contained in the transfer file).

**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**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
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.

**CASE/CLIENT MAINTENANCE TRAILER RECORD FOR MEDICAID**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
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
Filler	27	9	Required – Zero fill
Number of Client Type Changes	09	9	Required – The number of client type changes
Number of Deactivate Client Records	09	9	Required – The number of deactivate client records
Filler	09	9	Required – Zero fill
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	125	X	Field should be set to spaces.

Record Length = 220 bytes

**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 = SNAP ALDHRA = FA ALMED = Medicaid
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 FA DAILY FA MONTHLY MED DAILY
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	Required – 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 DETAIL RECORD FOR MEDICAID**

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	Required – EBT account number assigned by the State from list provided by Contractor.
Case Number	12	X	Required – Case number assigned by eligibility system
Benefit Type	06	X	Required – Unique identifier for benefit

Authorization Number	10	X	Required
Authorization Amount	07	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.
District 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	02	X	Fields should be set to spaces.

Record Length = 80 bytes

**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 = SNAP ALDHRA = FA

			ALMED = Medicaid
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	10/12	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 – SNAP Conversion (currently obsolete) 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/District Office Code	03	X	Required
Terminal ID	10	X	Optional – POS Terminal ID
FNS Number	07	9	Optional – FNS Retailer Number
Store Name	20	X	Optional
State Abbreviation for Store	02	X	Optional
Filler	17/15	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 SNAP transactions.

**EXTRACT DAILY HISTORY TRAILER RECORD**

Description	Length	Type	Comments
Record Type	02	X	Constant of “ET”
Agency Code	06	X	ALDHRF = SNAP ALDHRA = FA ALMED = Medicaid
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.

**EXTRACT DAILY HISTORY PROGRAM SUMMARY FOR SNAP**

Description	Length	Type	Comments
Record Type	02	X	Constant of “ES”
Benefit Type	06	X	Required – Unique identifier for benefit FS FSDIST FSEVAC
Begin Balance	13	S9v99	Beginning balance amount. Format of field is S9(11)v99.

Ending Balance	13	S9v99	Ending balance amount. Format of field is S9(11)v99.
Authorized Amount	13	S9v99	Authorized amount. Format of field is s9(11)v99.
Cancel Amount	13	S9v99	Cancel amount. Format of field is s9(11)v99.
Transaction Amount	13	S9v99	Transaction amount. Format of field is s9(11)v99.
Create Date	08	9	Required CCYYMMDD
Create Time	04	9	Required – Format of HHMM
Filler	65	X	Fields should be set to spaces

Record Length = 150 bytes

**EXTRACT DAILY HISTORY PROGRAM SUMMARY FOR MEDICAID**

Description	Length	Type	Comments
Record Type	02	X	Constant of “ES”
Benefit Type	06	X	NET
Beginning Balance	13	s9v99	Balance at beginning of day
Ending Balance	13	s9v99	Balance at end of day
Accumulated Authorization Amount	13	s9v99	Authorizations across a certain span of time to date
Accumulated Cancels Amount	13	s9v99	Cancels across a certain span of time to date
Accumulated Transaction Amount	13	s9v99	Transactions across a certain span of time to date
File Create Date	08	9	Required – Format of CCYYMMDD
File Create Time	04	9	Required – Format of HHMM
Filler	65	X	Fields should be set to spaces.

Record Length = 150 bytes

**BENEFIT EXPUNGEMENT (FORMERLY 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 EXPUNGEMENT (FORMERLY AGING) HEADER RECORD**

Description	Length	Type	Comments
Record Type	02	X	Constant of “AH”

Agency Code	06	X	ALDHRF = SNAP ALDHRA = FA ALMED = Medicaid
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 EXPUNGEMENT (FORMERLY 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	12	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	09	X	Fields should be set to spaces.

Record Length = 80 bytes

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

**BENEFIT EXPUNGEMENT (FORMERLY AGING) TRAILER RECORD**

Description	Length	Type	Comments
Record Type	02	X	Constant of "AT"
Agency Code	06	X	ALDHRF = SNAP

			ALDHRA = FA
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"
Description	20	X	Constant = "EBT ACCOUNTS EXTRACT"
Agency	06	X	ALDHRF = SNAP ALDHRA = FA ALMED = Medicaid
File create date	08	9	Required CCYYMMDD
File Create Time	04	9	Required HHMM
Filler	40	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 = SNAP ALDHRA = FA
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
Case Number	10	X	Required
Filler	04	X	Fields should be set to spaces.
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.

**VENDOR PAYMENTS**

Vendor Payment (payments to transport companies) will allow the Medicaid Agency to directly deposit a client’s cash benefit to a “Vendor” account. Vendor Payment functionality is a different method of paying benefits to a client. Instead of the client obtaining their funds through debit card technology, the client’s funds are moved through the ACH to an established Vendor’s bank account at a financial institution. The bank account can be either a checking or a savings account. The new Contractor will format the entries into an ACH file and send it out with the normal daily ACH transmission. Benefits will have an availability date of two (2) days out from transmission. A direct deposit addenda record will be included to provide the transport provider the client’s name and payment amount for tracking payments.

**VENDOR MAINTENANCE HEADER**

Description	Length	Type	Comments
Record Type	02	X	Constant of "TC"
Agency Unique	15	X	Area for agency discretionary data.
Agency Code	06	X	Constant "ALMED" = Medicaid Agency
Maintenance Type	16	X	Valid values are: "VENDOR"
File Create Date	08	9	Required CCYYMMDD
File Create Time	04	9	Required HHMM
Filler	152	X	Fields should be set to spaces.

Record Length = 203 bytes

**VENDOR MAINTENANCE DETAIL**

Description	Length	Type	Comments
Refresh Action	01	X	Describes action required on this update:
Transporter Number	15	X	Required
Account Type	02	X	Required:
ABA Routing Number	11	X	Required

Bank Account Number	28	X	Required
Transporter Name	50	X	Required
Transporter Street Address 1	30	X	Required
Transporter Street Address 2	30	X	Optional
Transporter City	20	X	Required
Transporter State	02	X	Required
Transporter Zip	09	X	Required
Transporter Type	05	X	Required: MEDTR = Medicaid Transporter

Record Length = 203 bytes

**VENDOR MAINTENANCE TRAILER**

Description	Length	Type	Comments
Record Type	02	X	Constant of "TV"
Total Detail Records	09	9	Required, total number of detail records
Number of Adds	09	9	Required, count of add records
Number of Changes	09	9	Required, count of change records
Filler	174	X	Fields should be set to spaces.

Record length = 203 bytes

**VENDOR BENEFIT BATCH HEADER**

Description	Length	Type	Comments
Record Type	02	X	Constant of "BH"
Agency Unique	15	X	Area for agency discretionary data.
Agency Code	06	X	Constant "ALMED" = Medicaid Agency
Maintenance Type	16	X	Valid values are: "VENDOR PAYMENT"
File create date	08	9	Required CCYYMMDD
File create time	04	9	Required HHMM
Filler	69	X	Fields should be set to spaces.

Record Length = 120 bytes

**VENDOR BENEFIT BATCH DETAIL**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
Refresh Action	01	X	Describes action required on this update
Account Number	12	X	Required
Case Number	12	X	Required
Benefit Type	06	X	Required (NET)
Auth Num.	10	X	Required
Auth Amount	09	9 v99	Required
Benefit Available Date	08	9	Required CCYYMMDD
Benefit Available Time	04	9	Required HHMM
District Office Code	03	X	ALMED District Office Code
Transporter Number	15	X	Required
Transporter Client ID	20	X	Optional: Clients account number assigned by the transporter.
File Create Date	08	9	Required CCYYMMDD (must match header)
File Create time	04	9	Required HHMM (must match header)
Benefit Status	01	X	A = Active (default to Active)
Filler	07	X	Fields should be set to spaces.

Record Length = 120 bytes

**VENDOR BENEFIT BATCH TRAILER**

<b>Description</b>	<b>Length</b>	<b>Type</b>	<b>Comments</b>
Record Type	02	X	Constant of “TB”
Total Detail Records	09	9	Required – Total number of detail records
Number of Adds	09	9	Required, count of add records
Number of Cancels	09	9	Required, count of cancel records
Amount of adds	11	9 v99	Value of add records in the batch
Filler	80	X	Fields should be set to spaces.

Record length = 120 bytes

**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**

<b>Field</b>	<b>Length/Type</b>	<b>Value/Description</b>
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.)

<b>Field</b>	<b>Length/Type</b>	<b>Value/Description</b>
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.)

<b>Field</b>	<b>Length/Type</b>	<b>Value/Description</b>
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.)

<b>Field</b>	<b>Length/Type</b>	<b>Value/Description</b>
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**

<b>Field</b>	<b>Length/Type</b>	<b>Value/Description</b>
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 \*\*\*\*\*

```
FHXXXXXXXXX00000010000229003710
PH1235000109NNNNNNN0080YYYY9S6008
PDED20000228
PDPBIS00000000255055
PDED20000229
PDPBIS00000003006507
PT1235000109NNNNNNN0080YYYY9S6008 00000003261562000006
FTXXXXXXXXX00000010000229003710000008
```

\*\*\*\*\*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 SNAP benefit redemptions performed for a respective EBT State project (i.e., EBT SNAP 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

## **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 SNAP 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

<b>R/O</b>	<b>Description</b>	<b>Type</b>	<b>Length</b>	<b>Sort</b>	<b>C/W</b>	<b>Validation/Processing Requirement</b>
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 <sup>2</sup>	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	9(4)V99, Numeric,

<sup>2</sup> 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 <sup>2</sup>	C/W	Validation/Processing Requirement
					C	Must be > 0 if Transaction Type (NN) = (10, 20) and Response Code = "000"
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

<b>R/O</b>	<b>Description</b>	<b>Type</b>	<b>Length</b>	<b>Sort</b>	<b>C/W</b>	<b>Validation/Processing Requirement</b>
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**

<b>Response Code</b>	<b>ISO Code<sup>3</sup> (blt 039)</b>	<b>Response Description</b>
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
86	Invalid Security Code	
190	90	Processor Not Logged On
	91	Authorizer Not Available
	96	System Malfunction

<sup>3</sup> From the “EBT ISO Processor Interface Technical Specifications Manual”

## **ELECTRONIC PAYMENT CARD FILE FORMATS**

All of the information that is presented in this section is provided by our current Contractor in the State's Requirements Document and all text and other contents are stated and presented verbatim (except the Contractor's name in the text on this page). The State's current Contractor has developed a batch file processing specification to support various client needs as it pertains to batch issuance of pre-paid accounts and the disbursement of funds. This section incorporates the batch interface requirements that are required for account setup and maintenance and value (benefit) loads.

The records that will be coming from Alabama to the Contractor are:

1. #10 File Header
2. #90 File Trailer
3. #20 Batch Header
4. #80 Batch Trailer
5. #30 Issue Record: Required Cardholder Data
6. #51 Optional Issue Record: SSN/Name Update

The records that will be going to Alabama from the Contractor are:

1. #99 File Failure Record
2. Log files (same record numbers as above)

The layouts below describe the expected content of a batch file. All files must contain a beginning record (header type) indicating file origin and creation date. The last record (trailer type) will indicate the total number of records in the file. The batch header and trailer records may be used to submit multiple client/sub-program/packages in the same file. Field values must comply with the format and length attributes of the layout. Text fields should be left justified and padded with spaces where necessary. Numeric fields, with some exceptions noted below, should be right justified and padded with zeroes where necessary.

**FILE HEADER**

<b>Field Name</b>	<b>Description</b>	<b>Format</b>	<b>Position</b>	<b>Req</b>
Record Type	Designates beginning of the file. Value always equals '10'	9(2)	1-2	Yes
File Date	Date file was created	9(8) CCYYMMDD	3-10	Yes
File Time	Time that file was created. Military clock	9(6) HHMMSS	11-16	Yes
Company Id	Identifier of company providing the file. Level 1 Client ID on the eFunds System. eFunds Prepaid Solutions will issue the identifier.	9(6)	17-22	Yes
Version	Format version number. 01 – version 1. Value always equals '01'.	9(2)	23-24	Yes
Log File Indicator	Indicator to have all or rejected records in log file (all headers and trailers will be returned regardless):  0 – all records 1 – error records including headers and trailers 2 – all records, but omit account numbers	X(1)	25-25	Yes
Test/Prod Indicator	Possible values:  T – indicates test only; file will be pre-processed only with no updates made to the eFunds database  P – indicates full production processing required	X(1)	26-26	Yes
Processing Indicator	Reserved for future use; default to spaces.	X(8)	27-34	Yes
Process Date	Date the file began processing by eFunds Prepaid Solutions	9(8) CCYYMMDD	35-42	eFND
Process Time	Time the file began processing by eFunds Prepaid Solutions	9(6) HHMMSS	43-48	eFND
Filler	Filler	X(352)	49-400	Yes

**FILE TRAILER**

<b>Field Name</b>	<b>Description</b>	<b>Format</b>	<b>Position</b>	<b>Req</b>
Record Type	Designates end of the file. Value always equals '90'	9(2)	1-2	Yes
Total Records	Total records in file including headers and trailers in file.	9(10)	3-12	Yes
Batch Count	Number of batches contained in file.	9(6)	13-18	Yes
Detail Count	Number of detail records in file (issuance, disbursement, etc.), not including File header/trailer, Batch headers/trailers or Group Processing headers/trailers.	9(10)	19-28	Yes
Total Credit	The total amount from disbursement records with Action Types that indicate value being added to cards.	9(12, 2)	29-40	Yes
Total Debit	The total amount from disbursement records with Action Types that indicate value being deducted from cards.	9(12, 2)	41-52	Yes
Total Processed	Total processed records in file for all detail record types, not including headers and trailers.	9(10)	53-62	eFND
Total Rejected	Total rejected records in file for all detail record types, not including headers and trailers.	9(10)	63-72	eFND
Value Processed	The net value from processed disbursement records in file.	9(12, 2)	73-84	eFND
Value Rejected	The net value from rejected disbursement records in file.	9(12, 2)	85-96	eFND
Total Cashout	Total amount from successful cashout requests	9(12,2)	97-108	eFND
Filler	Filler	X(292)	109-400	Yes

**BATCH HEADER**

Field Name	Description	Format	Position	Req
Record Type	Designates beginning of the batch. Value always equals '20'	9(2)	1-2	Yes
Batch Sequence	Unique Identifier in the file for the batch. Number is incremented with first batch starting with '000001'	9(6)	3-8	Yes
Client ID	The eFunds client ID to be used for the cards within the batch; eFunds Prepaid Solutions will issue the identifier	9(6)	9-14	Yes
Sub Prog ID	The eFunds sub program ID to be used for the cards within the batch; eFunds Prepaid Solutions will issue the identifier	9(6)	15-20	Yes
Package ID	The eFunds package ID to be used for the cards within the batch; eFunds Prepaid Solutions will issue the identifier	9(6)	21-26	Opt
Company Code	Identifier provided by client	X(16)	27-42	Opt
Filler	Filler	X(146)	43-188	Yes
Filler	Filler	9(3)	189-191	Yes
Filler	Filler	X(26)	192-217	Yes
User only	Indicates that the following batch contains only user (record type 70) records. A value of one indicates that the batch contains only user records and the Sub Prog ID (field 4) of the batch header should be ignored. A value of zero or space indicates that the batch contains record types other than record type 70.	X(1)	218-218	Opt
Special Duplicate Processing	Indicates how duplicate Last Name and SSN will be processed. <b>0</b> - (or blank) - No special processing (all duplicates reject) <b>1</b> - allow duplicate issuances anywhere in the file <b>2</b> - allow duplicate issuances if not in the same batch	9(1)	219-219	Opt
Proxy Indicator Processing	<b>A</b> or Space - Card number processing <b>P</b> - Proxy number processing	X(1)	220-220	Opt
Special Processing Indicators	Various indicators to denote special processing (future use)	X(9)	221-229	Opt
Filler	Filler	9(10)	230-239	Opt
Filler	Filler	X(161)	240-400	Yes

**BATCH TRAILER**

<b>Field Name</b>	<b>Description</b>	<b>Format</b>	<b>Position</b>	<b>Req</b>
Record Type	Designates end of the batch. Value always equals '80'	9(2)	1-2	Yes
Batch Sequence	Batch sequence number matches the sequence number in batch header.	9(6)	3-8	Yes
Total Records	Total records in the batch not including header and trailer, but inclusive of Group Processing headers/trailers	9(10)	9-18	Yes
Total Credit	The total batch amount from disbursement records with Action Types that indicate value being added to cards.	9(12, 2)	19-30	Yes
Total Debit	The total batch amount from disbursement records with Action Types that indicate value being deducted from cards.	9(12, 2)	31-42	Yes
Total Processed	Total processed records in batch for all detail record types, not including headers and trailers.	9(10)	43-52	eFND
Total Rejected	Total rejected records in batch for all detail record types, not including headers and trailers.	9(10)	53-62	eFND
Value Processed	The net value from processed disbursement records in batch.	9(12, 2)	63-74	eFND
Value Rejected	The net value from rejected disbursement records in batch.	9(12, 2)	75-86	eFND
Total Cashout	Total amount from successful cashout requests	9(12,2)	87-98	eFND
Filler	Filler	X(302)	99-400	Yes

**ISSUE RECORD: REQUIRED CARDHOLDER DATA**

Field Name	Description	Format	Position	Req
Record Type	Designates a record containing cardholder personal and delivery information. Possible values: '30' = cardholder personal data	9(2)	1-2	Yes
Action Type	Action to take for this record. Possible values: <b>01</b> -new issuance <b>02</b> -update existing cardholder data, but not name or ssn	9(2)	3-4	Yes
First Name	First name of cardholder	X(50)	5-54	Yes
Middle Initial	Middle initial of cardholder	X(1)	55-55	Opt
Last Name	Last name of cardholder	X(50)	56-105	Yes
Suffix	Suffix of cardholder	X(3)	106-108	Opt
SSN	Social Security Number – Unique identifier for the cardholder	9(9)	109-117	Yes
Addr1	Current mailing address of cardholder (line1)	X(50)	118-167	Yes
Addr2	Current mailing address of cardholder (line2)	X(50)	168-217	Opt
City	Current city of cardholder	X(35)	218-252	Yes
State	Current state or province of cardholder (US address should use 2-character standard state abbreviation)	X(25)	253-277	Yes
Postal Code	Current postal code of cardholder	X(30)	278-307	Yes
Country Code	Country code of cardholder (ISO code; USA uses 840)	9(3)	308-310	Yes
Home Number	Home phone number of cardholder	9(23)	311-333	Yes
Delivery Method	Delivery Method Code to be used for Card ( <b>01</b> -first class, <b>02</b> -next day air)	9(2)	334-335	Yes
PAN/Proxy	Primary Account Number (card number) or Proxy Number - If not using Proxy Number, this field should be treated as a numeric format	9(19) or X(19)	336-354	Opt
Filler	Filler	X(3)	355-357	Yes
Card Record Status Code	The status of the record (01-sent, 02-processed, 03-09 = additional processing codes, 10-99 = error)	9(2)	358-359	Yes
Processing Message	Message describing cardnum created or any error that might have occurred during processing	X(41)	360-400	eFND

**OPTIONAL ISSUE RECORD: ADDITIONAL CARDHOLDER DATA**

Field Name	Description	Format	Position	Req
Record Type	Designates a record containing additional cardholder personal data. Possible values: '31' = additional cardholder personal data	9(2)	1-2	Yes
Action Type	Action to take for this record. Possible values: <b>01</b> -new issuance; this type of request <b>MUST</b> follow a new issuance request (record type '30') and cannot be submitted independently <b>02</b> -update existing cardholder data, but not name or ssn	9(2)	3-4	Yes
Last Name	Last name of cardholder	X(50)	5-54	Yes
SSN	Social Security Number – Unique identifier for the cardholder	9(9)	55-63	Yes
DOB	Date of birth of cardholder	9(8) CCYYMMDD	64-71	Yes
Mothers Maid	Mother's maiden name of cardholder	X(21)	72-92	Opt
Personal Status Code	Identifies status of cardholder (independent from status of account or card)	X(2)	93-94	Opt
E-mail Address	E-mail address of cardholder	X(80)	95-174	Opt
Additional Info 1	Additional information field 1	X(15)	175-189	Opt
Additional Info 2	Additional information field 2	X(15)	190-204	Opt
Preferences	Various flags used to denote cardholder preferences (See Appendix A)	X(20)	205-224	Opt
Marketing Code	Marketing promotional code	X(25)	225-249	Opt
Fourth Line	Fourth line on the embossed card	X(26)	250-275	Opt
Name on Card	Name as it should appear embossed on card	X(26)	276-301	Opt
PAN/Proxy	Primary Account Number (card number) or Proxy Number - If not using Proxy Number, this field should be treated as a numeric format	9(19) or X(19)	302-320	Opt
Filler	Filler	X(37)	321-357	Yes
Card Record Status Code	The status of the record (01-sent, 02-processed, 03-09 = additional processing codes, 10-99 = error)	9(2)	358-359	Yes
Processing	Message describing any error that might have occurred	X(41)	360-400	eFND
Message	during processing			

**OPTIONAL: SSN/NAME UPDATE RECORD**

Field Name	Description	Format	Position	Req
Record Type	This record is designed specifically for requesting updates to the ssn and/or name of a cardholder or related person. Possible values: '51' = ssn/name update record	9(2)	1-2	Yes
Action Type	Action to take for this record. Possible values: <b>01</b> - update ssn only <b>02</b> -update name only; this will automatically cause a card re-issue <b>03</b> -update ssn and name; this will automatically cause a card re-issue	9(2)	3-4	Yes
Original First Name	First name of person	X(50)	5-54	Opt
Original Middle Initial	Middle initial of person	X(1)	55-55	Opt
Original Last Name	Last name of accountholder	X(50)	56-105	Yes
Original Suffix	Suffix of accountholder	X(3)	106-108	Opt
Original SSN	Social Security Number – Unique identifier for the accountholder	9(9)	109-117	Yes
New First Name	First name of accountholder	X(50)	118-167	Cond
New Middle Initial	Middle initial of accountholder or a blank	X(1)	168-168	Cond
New Last Name	Last name of accountholder	X(50)	169-218	Cond
New Suffix	Suffix of accountholder	X(3)	219-221	Cond
New SSN	Social Security Number – Unique identifier for the accountholder	9(9)	222-230	Cond
Name on Card	Name as it should appear embossed on reissued card	X(26)	231-256	Opt
PAN/Proxy	Primary Account Number (card number) or Proxy Number - If not using Proxy Number, this field should be treated as a numeric format	9(19) or X(19)	257-275	Opt
Filler	Filler	9(82)	276-357	Yes
Card Record Status Code	The status of the record ( <b>01</b> -sent, <b>02</b> -processed, <b>03-09</b> = additional processing codes, <b>10-99</b> = error)	9(2)	358-359	Yes
Processing Message	Message describing any error that might have occurred during processing	X(41)	360-400	eFND

## FILE FAILURE RECORD

Field Name	Description	Format	Position	Req
Record Type	Designates a file error. Value always equals '99'	9(2)	1-2	Yes
Process Date	Date the file began processing by eFunds	9(8) CCYYMMDD	3-10	eFND
Process Time	Time the file began processing by eFunds	9(6) HHMMSS	11-16	eFND
Filler	Filler (spaces)	X(343)	17-359	Yes
Processing Message	Message including 3-digit error code and corresponding text message	X(41)	360-400	eFND

### Pre-Processing

Pre-process is needed to validate record lengths, headers/trailers, total records, and net value. If errors are found in the file formatting, namely record length, or the File Header/Trailer or Batch Header/Trailer, eFunds will discontinue processing and create a log file or return file, with the first record in the file a two digit Record Type of '99'. The date and time the file was processed and the corresponding error code and applicable text message will also be included. Additional records may be present (following the '99' Record Type) if possible, to assist the client with the researching the reason for failure.

### Field Formats

X(n) = Alphanumeric data (field length)

9(n[,n]) = Numeric data(field length, optional precision indicator for decimal values). Include the decimal in the field value when decimal precision is specified.

### Required Fields

Yes = Data always required to be provided for action being performed.

Opt = Data not required to be provided for action being performed. If numeric, data should be provided as all zeros (0)

Cond = Data may be required depending upon action being performed or other data being provided within record

eFND = Always space filled regardless of X(n) or 9(n[,n]) field format

## APPENDIX G: STATE HARDWARE/SOFTWARE CONFIGURATION

This section describes the current system hardware and software in place between the existing EBT/EFT processor, Xerox, and the State of Alabama. The State of Alabama Department of Human Resources is connected to Xerox 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 Xerox.

The 56KB line with a 32KBS CIR Building Entrance Termination (BET) with a Vanguard 6435 56KB router and DSU, which performs the primary and backup functions in case of a failure is located in the basement of the Folsom Administrative Building, Room 32. 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 Xerox and the ISD Mainframe, and for the online access of the Xerox EBT Microfiche application system. Sterling Commerce' CONNECT:Direct® file transfer software is used to support data file transmissions.

The Alabama Medicaid Agency currently uses both a mainframe and server based system for Non- Emergency Transportation transactions. Now and in the immediate future Medicaid's NET transactions shall be generated on, transferred from and sent to the State's IBM Z/800 mainframe that is housed in the State's Data Center and maintained by the Information Services Division of the State of Alabama Department of Finance. Medicaid's strategic plans are to move the NET application from the State's mainframe to the Medicaid network which is a Microsoft Windows Active Directory based environment with Microsoft SQL Server and Microsoft Share Point. The Contractor's interoperability plans must include in the outlines the Contractor's components (protocols, security, communications, etc...) that support interoperability for sharing and exchanging NET transactions in both environments.

The Alabama Medicaid Agency utilizes the same communication line used by DHR to batch transfer files between Xerox and the ISD Mainframe. Sterling Commerce's CONNECT:Direct® file transfer software is used to support data file transmissions.

The Child Support Program's current hardware includes PCs from various vendors and an IBM 2818-M05z114 zEnterprise Mainframe. Software consists of Windows 7, Microsoft Office 2010, Internet Explorer 8.0, and EXTRA X-Treme 9. Networks use TCP/IP protocol, the Mainframe is accessed via Attachmate Extra terminal emulation software running TN3270 sessions through HIS (Host Integration Server) interface, and printing is also by TCP/IP.

The Alabama Department of Labor will utilize the Contractor's secure website for transfer of data. ADOL transmits two files each day. The file to request establishment of new accounts is sent around 8 p.m. The second file is sent about 7 a.m. daily after the new card account numbers have been updated. In the future, ADOL anticipates the implementation of a secure FTP enterprise solution for these types of transfers. This solution will provide for multiple secure transfer protocols and data encryption. ADOL has recently requested bids for this FTP server solution.