**Attachment H - Scope of Work**

**RFP # 19-037**

1. **Introduction**

The Department of Administration (IDOA), the Indiana Department of Child Services (DCS), the Auditor of State (AOS) and the Indiana Public Retirement System (INPRS) request responses from vendors interested in providing the Indiana Stored Value Card ("SVC" or “Card”) services (“the SVC Program”).[[1]](#footnote-1) Through this RFP, the State of Indiana is accepting proposals for Card services and processing in support of the following programs: Child Support Program (CSB), employee payroll (Payroll), and Retirement/benefit payments (INPRS). These SVC services may also be utilized by future Contract users who wish to join the SVC Program. As used herein, the term “Agency” or “State Agency” refers to DCS, AOS or INPRS. The term “State” refers to the government of the State of Indiana and includes the Agencies.

1. **SOW Overview**

The goal of this RFP is to maintain, at a minimum, the current SVC services for CSB and Payroll (See Section 3.1.1 and 3.1.2) in addition to providing that functionality for INPRS Retirement/benefit payments (See Section 3.1.3).

The SVC services Contract that results from this RFP will contain the Card-specific elements listed below (Sections 3 - 21). This SVC services Contract will be a Quantity Purchase Agreement (QPA) which will be held by the Department of Administration. The QPA may be used by any other governmental body or State Agency which may join this Contract at any time under the same fee structure. There will not be any restrictions by the Contractor to serve additional entities under this Contract including, but not limited to, number of participants, number of transactions, and length of time on the Contract. The listed Agencies in this RFP, however, are the anticipated users at this time. The SVC services Contract has one common SOW for all programs and includes the requirements, responsibilities, and activities for the provision of all services to be performed by the Contractor. There are also instances where services or requirements apply only to a specific program. Those instances are specifically identified.

Section 22 of this SOW contains a description of a potential future ability for a contractor to provide a “Card Alternative” option for State Agencies and the users that participate in their programs. This section of the SOW will not be evaluated or scored, but it solicits optional responses using Attachment F2, should a Respondent wish to provide the State with this additional information.

By submitting a proposal, a Respondent warrants that it has read, understood and can perform each of the listed tasks and will provide all of the deliverables required by the Contract and detailed in Contractor’s proposal response.

1. **Background**

The State provides background on the programs and current solution below. For additional information, including historical volume statistics, please see the Bidders’ Library, Attachment J.

* 1. **Stored Value Card Program Overview**

The following are a historical description of current programs.

* + 1. **Child Support Program, DCS- Child Support Bureau**

***Current program description****:* Child support orders are legal obligations to provide financial support for a child or children and are established by a court of law. All child support obligations in Indiana are governed by the Indiana [*Child Support Rules and Guidelines*](http://www.in.gov/judiciary/rules/child_support/)[[2]](#footnote-2) issued by the Indiana Supreme Court. The guidelines employ a methodology designed to calculate child support as the share of each parent's income estimated to have been spent on the child if the parents and child were living in an intact household. For the non-custodial parent, the calculated amount establishes the amount of child support to be paid to the custodial party for the benefit of the child(ren).

***Location of program recipients and current usage****:* For State Fiscal Year 2018 (July 1, 2017 through June 30, 2018) 2,225,216 payments were sent by direct deposit, 3,726,969 were furnished via Card, and 213,827 were issued via paper warrant. As of the time of the drafting of this RFP, there were 116,898 open cases receiving payment via direct deposit, 236,706 receiving payment via Card, and 41,495 receiving payment via paper warrant.

***Current Cardholder enrollment process****:* Custodial parties may elect to receive their child support payments through a Card. After the State and current vendor create an account for the Cardholder, when child support payments are received the funds are directly deposited into the personal Card account, a Visa prepaid debit account. The Card can be used to withdraw funds from either ATMs or bank tellers, and can be used for purchases directly from merchants everywhere Visa debit cards are accepted. Note: If the custodial party does not elect either direct deposit or debit card, the participant will default to debit card enrollment.

* + 1. **Payroll, AOS**

***Current program description****:* This program is designed to allow State employees an alternative to receiving pay via direct deposit into their checking account or warrant (check).

***Current usage****:* In the fiscal year 2018, 36,030 State employees received their pay as a direct deposit, and 711 by Card.

***Current Cardholder enrollment process****:* If a new employee does not enroll in direct deposit, or if an existing employee stops their direct deposit, a single paper check is issued, triggering the SVC vendor to issue the employee a Card for payments. If the employee does not enroll in direct deposit before the next payroll issuance, the payment will go on the SVC.

If the Cardholder does not enroll in direct deposit, they are automatically pre-enrolled in the Card program. The funds are then deposited by Payroll into the Cardholder’s account to be used wherever Visa debit cards are accepted. The Card can be used to withdraw funds from either ATMs or bank tellers, and can be used for purchases directly from merchants everywhere Visa debit cards are accepted.

* + 1. **Indiana Public Retirement System (INPRS)**

***Current program description****:* With approximately $34.2 billion in assets under management at fiscal year-end 2018, the Indiana Public Retirement System (INPRS) is among the largest 100 pension funds in the United States. The system serves the needs of approximately 467,000 members and retirees representing more than 1,300 employers including public universities, school corporations, municipalities and State agencies.

INPRS currently issues benefits via ACH (direct deposit) or paper warrant, if granted a waiver. Legislation was recently passed that directed INPRS to replace paper warrants with an SVC. Once the SVC Program is implemented, INPRS members will be given the option of choosing ACH or SVC as their payment method. Additionally, INPRS will convert existing paper warrant recipients to the SVC.

***Location of program recipients and current usage****:* INPRS makes approximately 155,000 payments monthly totaling $190,648,350 to retirees. Payments range from less than $1 to $10,648 per month. Members may receive multiple payments or could receive one-time retro payments totaling more than $100,000. The average retiree payment is $1,115 per month, to 155,000 members.

Of the 155,000 payments sent each month 93.9% or 145,514 are sent by direct deposit, with the remaining 6.1% or 9,486 receiving a paper warrant. 18,500 payments are sent by direct deposit or paper warrant to recipients residing in other states. 50 payments are sent by direct deposit or paper warrant to recipients residing in 22 different foreign countries.

***Current Cardholder enrollment process****:* INPRS does not currently offer an opportunity for members to receive their funds by SVC. Those members that choose not to use direct deposit for their monthly benefits receive a paper warrant. Enrollment for an SVC will be elective, however, all paper warrant recipients and members not electing direct deposit will be signed up for a Card.

* + 1. **Low Income Home Energy Assistance Program, IHCDA**

LIHEAP provides energy assistance to low income Hoosiers. Historically, this assistance was paid directly to utilities on behalf of the program’s participants. Recently, the program has identified additional qualified recipients whose utility payments bundled with their rent. For these individuals, a check was issued directly to the recipient in an amount commensurate with what the utility company would have received.

In 2018, 12,000 checks were issued directly to recipients. IHCDA is currently considering utilizing the Contract to offer recipients currently receiving a check a Card option.

***Current Cardholder enrollment process****:*IHCDA does not currently offer a Card option.

1. **Mandatory Card Contractor Requirements**
   1. The Contractor must be a Federal Depository Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation (FSLIC), or National Credit Union Share Insurance Fund (NCUSIF) bank with at least one branch in the State of Indiana or the Contractor must subcontract with such a commercial bank.
   2. The Contractor meets the Payment Card Industry Data Security Standard ([PCI DSS](https://www.pcisecuritystandards.org/documents/PCI%20SSC%20Quick%20Reference%20Guide.pdf)) and is authorized by the appropriate associations, networks, and other necessary organizations to provide Financial Services for debit cards (on-line and off-line).
   3. The Contractor (or subcontractor) must be a member of Visa or Mastercard Card Associations and be an authorized issuer of cards for the purposes detailed in this RFP.
   4. The Contractor must agree to provide all services in accordance with all regulations, laws, and codes. This includes, but is not limited to, the Electronic Fund Transfer Act (Regulation E).
   5. The Contractor must agree to adhere to the Contract’s Change Management Protocol as detailed in the attachment included in the Bidders’ Library, Attachment J.
2. **Card Requirements**
   1. By definition, the Card provided in accordance with the SVC Program is a prepaid debit card that assesses a value balance account. The Cards do not connect in any way to any other checking or savings accounts. Each Card is a stored value Visa or Mastercard-branded prepaid debit card and shall offer all of the payment functionalities and capabilities of a check or debit card.
   2. Minimum Card and Account Features:
3. There shall be no line of credit for the Cardholder.
4. The account tied to a Card shall be FDIC insured up to $250,000.
5. There shall be no interest added to the Cardholder’s account.
6. The Card shall not affect the Cardholder’s credit history.
7. The Card shall be issued without a credit check and to any individual determined, by the State, to be a recipient.
8. Cardholder cannot make deposits or add value to the Card.
   1. **Card Design**
9. The State reserves the right to approve the name, design, and graphics of the Card. The State shall have fourteen (14) days to approve Card design, Card carrier, marketing materials, and Cardholder terms and conditions subject to Visa or Mastercard's approval.
10. At a minimum the Card should have the following components:
    1. The globally recognized brand mark hologram with “DEBIT” clearly indicated
    2. Co-branded with State of Indiana and vendor branding
    3. A “valid thru” date to indicate month and year before the expiration
    4. An encoded magnetic strip on the back of the Card
    5. A statement that clearly states, “Do Not Write PIN on Card.”
    6. A tamper-evident signature panel on the back of the card for the Cardholder to sign their name
    7. Ultra-violet inks to deter fraudulent reproductions
    8. Indent printing of the last four digits of the account number and card verification code on the Card back as a security feature
    9. EMV Chip equipped
    10. A listing of the required toll-free number
    11. **Card and Account Enrollment**
11. The State determines who participates in what programs and the person determines, actively or passively, if they will receive a Card as the method of payment. Thereafter, the State tells the Contractor who is the recipient of a Card (*i.e.*, enrolling in the SVC Program).
12. The Contractor shall provide one Card per recipient that shall accept payments from all participating State agencies or in the case of child support payments, including from the Allen, Marion, or Vanderburgh County Clerk’s offices.
13. In the event that one Cardholder simultaneously receives funds from multiple Agencies that are participating in the SVC Program, the Contractor shall load payments to one Card based on the Cardholder’s social security number (if an SSN is available). The funds shall be co-mingled into a single account. The Contractor shall not reject matching new account requests from Agencies based on an existing account with another participating Agency (i.e., rejecting requests on the basis that they are sent as “new” rather than as an update).
14. In the event the Contractor cannot match recipients participating in multiple programs based on a social security number (*e.g.* the recipient does not have an SSN), one Card for each program shall be provided. There shall not be any charges to State or Cardholder if multiple Cards are required for this purpose.
15. In the event that a Cardholder had, in the past, received funds from any program on a Card and that Card has since expired, the Contractor shall issue that Cardholder a new Card in the event that the Cardholder has enrolled in the same or a different program to receive funds via Card.
16. Contractor must be able to mail Cards outside of the United States or provide an alternative funding method where necessary.
    1. **Card Issuance**
17. Within two (2) days of communication of a Cardholder’s enrollment by the State (see also Section 9.1), Contractor shall send the Cardholder the Card and Instructional Materials (as defined below):
    1. The State shall approve the content and form of the Instructional Materials in advance of Contractor’s use of these materials
    2. The State’s approval shall be required to modify these Instructional Materials
    3. The Instructional Materials shall include, at a minimum:
       1. A schedule of fees
       2. Any Terms and Conditions for the Card and Account
       3. Card Activation Instructions
       4. Customer Service contact information
       5. Safety tips
       6. Information on where and how to use the Card, including how to locate an in-Network ATM
       7. A description of how to enroll in paperless statements and communications, if applicable (the default being the mailing of paper statements)
18. Cardholder activates the Card by dialing the Contractor’s toll-free customer service number, online, or mobile application.
19. Cardholder activation is not required before loading payments to the corresponding account.
20. The Contractor shall process all Cardholders that have been received from the State and not deny Cards to anyone without the prior express written approval of the State.
21. Each Card shall expire every two years from the issuance date. Any Cards scheduled for reissue shall be mailed no later than the 15th of the month before the expiration month.
22. There is no cost to the State or the Cardholders for initial Card issuance or the replacement of expired Cards.
    1. **Card Replacement**
23. On an as-needed basis, the Contractor shall issue a replacement Card to a Cardholder upon notice that a Card has been lost, stolen or damaged.
24. A Cardholder may receive one (1) free replacement Card per year. This limit does not apply if a new Card is required because of suspected or confirmed fraudulent activity (which new Card will always be free to the Cardholder).
25. When a Cardholder requests two or more Cards within a 12-month period, replacement fees may apply. These fees are borne by the Cardholder and are set forth in the Fee Schedule.
26. Replacement Cards must be issued on the same timeframe as initially issued Cards (mailed to Cardholders within 2 days of communication requesting replacement). Contractor may offer expedited issuance and may elect to charge Cardholders for this expediting.
    1. **Cardholder Funds Access**
27. The Contractor shall receive funds, and said funds shall be made available to Cardholders, in accordance with this section:
    1. **Child Support Program:** The CSB continuously receives funds which it in turn sends to the Contractor. Funds received by the CSB will be sent, via Federal Wire, to the Contractor the next business day. Those funds must be available on the Card by 6:00 AM the day following the Contractor’s receipt of funds.
    2. **Payroll:** AOS shall send funds, via Federal Wire, biweekly. Funds are generally sent on Mondays, but the pay calendar sometimes dictates an accelerated schedule. Funds must be available on the Cards on the Wednesday pay date.
    3. **Indiana Public Retirement System**: Funds must be available to the Cardholder on their pay date, which is the 1st or 15th of a month (unless that day is a holiday, in which case the pay date is the previous business day). As INPRS is a new participant to this program it will work with the Contractor regarding the payment transfer timing (but expects that a fund transfer on the preceding day is sufficient).
    4. **Future Contract Users:** In the event that other State agencies choose to join this QPA in the future, the Contractor must be able to accommodate agencies’ funding requirements, including those that may be more or less frequent than the requirements listed in this section.
28. Each Cardholder shall have access to funds through the following methods: withdrawal from a bank teller, ATM withdrawal, cash back with a PIN-based purchase transaction from an authorized merchant, signature-based transactions at authorized Visa or Mastercard merchants, and phone and internet purchase transactions from authorized Visa or Mastercard merchants.
29. The Contractor must offer free transfer of funds from the Card to a Cardholder’s checking or savings account.
30. The ATM Network (as described in Section 6) shall be accessible to Cardholders and the technology used shall be active and available 24 hours per day, 7 days per week, 365 days per year.
31. No limits or restrictions (other than those required by law or the State) may be placed on Cardholders or Card use. Prior to placing any restrictions or limits in accordance with this section, the Contractor must first receive approval from each applicable Agency. Restrictions need not necessarily be uniform across all Agencies.
32. Cardholders shall be able to temporarily suspend their Card. During a suspension, no one should be able to withdraw or spend funds from the Card. Only the Cardholder should be authorized to end a suspension.
33. Cardholders shall be able to block specific merchants from charging a Card.
    1. **Usage and Availability**
34. ***Universally Accepted*** - The Cards may be used at any merchant who accepts Visa or Mastercard. To complete a transaction at a merchant site, a Cardholder receiving funds under the SVC Program may choose the debit option and use that Cardholder's PIN. Additionally, the Cards support cash back at the point-of-sale (POS) and withdrawals at ATMswhere Visa or Mastercard are accepted.
    1. **Secondary Card**
       1. An Agency may request that the Contractor offer Secondary Cards as described below. Presently, no Agency anticipates requiring this option, and in some instances, it would be forbidden for other programmatic reasons.
       2. If requested by a program using the Contract, the Cardholder has the option to request a secondary Card. The secondary Card may list the name of a person other than the Cardholder (*e.g.* a spouse), but the secondary Card will access the Cardholder’s account. The primary Cardholder is at all times liable and responsible for all transactions, fees, negative balances and all other activity concerning the secondary Card. The secondary Card may be used in the same manner as the Cardholder’s Card. The holder of a secondary Card may report the secondary Card as lost or stolen, but all other account maintenance can only be performed by the Cardholder. The secondary Card shall be governed by the terms and conditions of the Card.
       3. If the Cardholder desires to terminate the authority of the holder of the secondary Card to access the Cardholder’s account, the Cardholder must recover the secondary Card from that person, destroy the secondary Card, and call the Contractor to provide notice that there is no longer a secondary Card. The Cardholder will continue to be liable and responsible for all transactions, fees, and other activity resulting from continued use of the secondary Card unless the Cardholder requests the contractor to cancel all of the Cardholder’s Cards and issue a replacement Card. In addition, if the Cardholder notifies the Contractor that a secondary Card is terminated, the Contractor may elect to cancel all of the Cardholder’s Cards and to issue a replacement Card. If the Cardholder notifies the Contractor of the secondary Card termination and the Contractor elects to cancel all of the Cardholder’s Cards, the Primary Cardholder will not have access to the Cardholder’s account until the replacement Card is received by the Cardholder.
       4. If a Cardholder elects to set up a secondary Card the Cardholder shall do so by contacting the Contractor directly and not through the State.
       5. If a Cardholder requests a secondary Card and the corresponding Program did not expressly request that the Contractor make secondary Cards available for the Program, Contractor shall deny the request.
35. **ATM Network** 
    1. Within three (3) months of the Effective Contract Date, the Contractor shall provide a “Network” (in-Network) of Statewide ATMs and banking locations. All withdrawals from these in-Network ATMs shall be free (i.e., no fee), and one withdrawal for each deposit loaded on the Card shall be free at in-Network banking locations.

* 1. The Contractor shall ensure that no fewer than 400 ATMs/branches[[3]](#footnote-3) are available in the State and at least one ATM or branch per county remain in the Network throughout the term of the Contract.
  2. The Contractor will annually provide the State the Network description and location of regional bank branches and ATMs.
  3. **ATM Fee Restrictions**:

1. No fee or surcharge shall be charged for any ATM transactions within the Contractor’s ATM non-surcharging network.
2. Each Cardholder shall receive one free (*i.e.,* Contractor does not charge a fee) out-of-network (including international) withdrawal from an ATM for each deposit loaded onto the Card. If the free out-of-network withdrawal is unused, it will accumulate for future use. A maximum of ninety-nine (99) free out-of-network withdrawals may be accrued by a Cardholder. There shall be no expiration or time limit associated with free out-of-network withdrawals.
3. Out-of-network withdrawals for which there is not an accrued free out-of-network withdrawal may be charged in accordance with the Fee Schedule. However, if at any time the Contractor does not fulfill its Network adequacy requirements listed in Section 6, the Contractor shall not be allowed to charge any Cardholder ATM withdrawal fees during the calendar month in which it failed to maintain the ATM network required (nor will it deduct any accrued free withdrawals).
4. In no event shall the Contractor charge a Cardholder a fee to check their Card balance via an In-Network ATM.
5. **Contractor Fee Restrictions**
   1. The Contractor may only charge the Cardholder fees outlined in this Contract’s fee schedule.
   2. The Contractor shall not charge any Cardholder a monthly account fee.
   3. The Contractor shall allow each Cardholder two (2) free telephone calls requiring a live Customer Service Representative (CSR) per month plus one (1) additional call free per deposit, as well as an unlimited number of free calls handled via an Interactive Voice Response (IVR). With the exceptions outlined below (including, but not limited to calls to report lost cards, suspected fraud, etc.), calls with a live CSR may be the basis for the Contractor to charge the Cardholder a fee. However, as costs will be evaluated as part of this RFP, Respondents may elect to not charge for any telephone support.
   4. Web-based, mobile app-based or text-based balance inquiries shall be available without charge to the Cardholder, regardless of the volume of usage.
6. **Contractor System Requirements**
   1. **Effective Date**
      * 1. The Contractor shall be ready to issue Cards and perform all duties of this Contract in accordance with a mutually agreed upon timeline with the State. However, in no event shall that date be later than December 2019.
        2. This agreed timeline includes successful completion of a pilot process before the expiration of the 4-month period set forth below.
        3. The parties agree that they will meet and mutually agree on any necessary revisions to the Project Transition Plan (described in Section 14.2) within ten (10) days of the Effective Contract Date, and periodically as needed.
   2. **File Transmission and Format**
      * 1. The Contractor shall utilize a State-approved file format for transmitting account setup and payment information data. The Contractor acknowledges that multiple file formats may be required to meet the requirements of participating State agencies, and any potential State agencies that may choose to join the Contract in the future. The State will approve the format(s) prior to any Card issuance under this Contract. The State reserves the right to change its file formats during the pendency of the Contract and the Contractor warrants to work with the State to accommodate these changes at no expense and with diligence and speed. Please see the Bidders Library Attachment J for an example of the file formats presently used by Agencies.
        2. All file transmissions to and from the State must be secured at both sides of the file transmission. Some of the suggested file transmission protocols to meet this requirement are as follow:
           1. Connect Direct software
           2. Secure File Transfer Protocol (SFTP) server with public key authentication
           3. File Transfer Protocol (FTP) Secure Sockets Layer (SSL)/Transport Layers Security (TLS) server
           4. FTP client utilizing Virtual Private Network (VPN)
        3. The Contractor will accept the State’s transmission of account information on an hourly, daily or real-time basis, depending on the participating Agency’s preference. Each file transfer must be automated, requiring no manual intervention by the State or the Contractor. Contractor must acknowledge receipt of the transmissions as quickly as possible (and in no event shall acknowledgment be greater than two hours past the time of receipt).
        4. The Contractor shall accept transactions from the State in the National Automated Clearing House Association (NACHA) Preauthorized Payment and Deposit (PPD) format or file transmissions by Federal wire. The State shall pay no fees to the Contractor in connection with this process.
        5. The Contractor must send an Agency-approved e-mail notification to the designated contact at an Agency when the payments have been processed and deposited. In the case of CSB deposits, four separate daily files (State, Marion County, Allen County and Vanderburgh County) are sent.
        6. In addition to the e-mail notification, the Contractor will also send an acknowledgement handshake through the interface during the file transmission process once the file is successfully received or upon the occurrence of any error.
        7. The Contractor’s system must be able to send and receive Card details and Cardholder’s demographic information to and from Agencies in the Agency’s required format(s).
   3. **Identification and Remedy of Issues**
      * 1. The Contractor shall self-identify any failures, delays or slow processing of State transmitted files or data. Such identification must be conveyed to the State upon discovery and include a plan for timely remedy of the issue.
        2. The Contractor must furnish a point of contact for the State to communicate any issues it discovers. This knowledgeable contact (which need not be a single individual) must be available 24 hours a day, seven days a week. The contact must be able to respond to State inquiries or questions in fewer than 30 minutes, though such a response may necessarily be only an acknowledgement of receipt of the State’s issue. In the event that the contact’s response is a receipt and acknowledgement (but not answer or resolution), the Contractor shall endeavor to resolve the issue or provide an answer within two (2) hours if possible, and in any case with all deliberate speed. The contact should continue to provide periodic updates regarding the issue until it is remedied.
   4. **System Compatibility**
      * 1. The Contractor must ensure that any website, web portal, browser plug-ins, or provided software for all transactions and functions (*e.g.*, file transfers, reporting, status review, etc.) are compatible with Microsoft Windows 7 and greater, Internet Explorer 9 and greater, Safari, and the latest version of Google Chrome. However, if necessary, the State reserves the right to require use of older versions of software in order to be compatible with an Agency that uses an older version of the software.
        2. If the Contractor requires the State to have any third-party software including, but not limited to, Adobe Flash, Adobe Acrobat, Java, Microsoft .NET Framework, Microsoft Silverlight, etc., the State must be made aware of these requirements in the Contractor’s proposal and any minimum version of this software.
7. **Account Management** 
   1. **Account Creation**
8. Each Agency (DCS, AOS or INPRS) has the choice to set up a new account online through a platform furnished by the Contractor or to send an electronic file to the Contractor to establish a new account, or both at any time. Each Agency may send an electronic file as many times and as often as it requires. The Contractor must be able to accommodate changes in the file frequency and size throughout the life of the Contract.
9. The Contractor creates an account for any new Cardholders provided to the Contractor by the State. The State will provide the applicable information about each Cardholder, as determined by the State.
10. Each calendar day, the State shall send the Contractor one or multiple file(s) containing new accounts that are ready to be created and existing accounts that should receive an additional deposit. Associated funding shall be transmitted simultaneously with each file.
11. As frequently as each business day, the Contractor shall create a file for each participating Agency indicating the accounts that have been established that day and reissued account numbers, along with other information required to make payments. Simultaneously, the Contractor shall confirm the amount of funding allocated to each account. The Contractor shall confirm electronically the receipt of all files received from the State.
    1. The numbers printed on a Card shall be different numbers than the account numbers. For security purposes, the State shall not receive the Card numbers.
    2. In the event that the Agency communicates that the Contractor should open an account for an individual for whom an account already exists (for another Agency or for the same Agency) the Contractor shall communicate the existence of the account in lieu of the creation of the account and whether that previous account was for the same or a different Agency. The Agency may or may not be aware of a current or previous account; the Contractor shall not deny a file or request based on this. The Contractor shall be able to match up a “duplicate” request to a current or previously active account.
12. Within one (1) business day of receiving the new account file from the State, the Contractor shall establish the new account within their system, and within two business days from the receipt of the new account file the Contractor shall issue and mail a Card to each new Cardholder.
13. The Contractor shall not close an account without first receiving written consent from State. Prior to seeking to close an account Contractor must inform the applicable Agencies if the associated Card is linked to multiple programs and consent must be obtained from all applicable Agencies.
14. When a Card is returned by the United States Post Office as undeliverable, the Contractor shall notify the State within two business days of receiving the undeliverable Card. All undeliverable Cards shall be returned to the Contractor’s operations center.
15. If a Card is returned undeliverable, the Contractor must mail a new Card to the Cardholder when an updated address is provided to the Contractor by the State Agency or the Cardholder.
16. All system data and data submitted to the Contractor by or on behalf of the Agencies is the property of the State of Indiana.
    1. **Negative Balances**
17. To the extent allowed by the Visa or Mastercard processing rules, the Contractor operating network shall disallow any transaction that causes a Cardholder to exceed the amount available in his or her account.
    1. The State shall not be liable for any transaction or other associated costs that cause a Cardholder to exceed the amount available in his or her account.
18. If a negative balance occurs, Contractor must adhere to Section 9.3 in addressing it.
    1. **Settlement and Reconciliation**
19. The Contractor is responsible for the settlement and reconciliation review of accounts.
20. If the Contractor determines that an account has a negative balance, the Contractor may determine how and when the account will post from recurring deposits and identify liability for write-offs and referrals to the fraud division or criminal authorities, as applicable.
    1. Subject to Visa & Mastercard Rules, Cardholders and merchants will have 120 days to reconcile disputes or claims for services provided to the Cardholder. Accounts will remain in negative balance condition until one of these following conditions occur:
       1. Adjustments to disputes or merchant re-presentments are posted to the account;
       2. Return of funds from ATM over dispersing of funds, within 48 hours;
       3. New deposits are posted to the account to cover the negative condition;
       4. Unauthorized transactions have been identified, and the Contractor conducts a write-off under provisions of Regulation E (available here: <https://www.federalreserve.gov/bankinforeg/regecg.htm>) making the cardholder account whole;
       5. Criminal actions are taken against the Cardholder for fraudulent activities, misuse of the card and/or when the Cardholder has acted in bad faith; or
       6. Death, incapacity, or incarceration of a Cardholder and the account is closed because collections cannot be performed.
21. It is the Contractor’s responsibility to defer collections of negative balances with Cardholders in any cases where the Cardholder has acted in good faith, where adjustments to the account will be made whole with the closure of a dispute, where merchant error has caused the condition and where the timeframe for investigating a claim is elongated waiting on feedback from merchant paperwork or Visa/Mastercard arbitration.
22. The Contractor should have a method for the Agency to pull back funds that were sent in error to debit cards that have not been activated and activated cards for the following scenarios (at a minimum, but not limited to):
    1. Deceased Cardholder
    2. Incarcerated Cardholder
    3. Change of Custody in Child Support Case
    4. Fraud
    5. Funds deposited in error
    6. Dormant, unpinned Cards

Contractor shall notify the Agency immediately upon funds being returned to the Agency and include the detail of the funds.

1. The Contractor must take aggressive actions for fraud, misuse of a Card by a Cardholder and where fraudulent actions have been identified either by a Cardholder, merchant or collusion between the two parties.
   1. In such cases, if a bank notifies the Contractor bank’s fraud department to initiate collections, the Contractor shall support the investigative request for account documentation and transaction history, interact with referrals to law enforcement and coordinate the information for subpoenas.
   2. The collection may occur through volunteer payments made by the Cardholder, wage garnishment or capture of financial assets. In cases of criminal restitution, the courts may define the collection process.
   3. The Contractor will notify the State when fraud cases are identified and document the activities of ongoing investigations at the case level. (See Section 10 for additional detail.)
2. The Contractor assumes the liability of any write-offs.
   1. **Rejected ACH Transactions**
3. ACH transactions that are rejected due to inaccurate account information or closed accounts shall be researched by the Contractor and, when possible, corrected and re-sent to the issuing Agency. The Contractor must return to the Agency, via that Agency’s bank as applicable, any funds that could not be settled to the issuing State Agency within 90 calendar days of the initial ACH.
4. At a minimum, the Contractor shall provide the following information for each unsettled payment returned to the State: transfer type, total amount, attempted settlement date(s), and bank account number (including the ABA bank routing transit number).
5. Upon notification, the Contractor will initiate retrieval actions from those ACH transactions which the State has deemed to be erroneous.
6. **Security and Detection of Fraud and Abuse**
   1. The Contractor must advise, assist and appropriately act to aid the State in detection and investigations of abuses by stores, Cardholders or personnel (State, Contractor or a third party), including but not limited to, reporting unusual activity.
   2. This may entail cooperation with various authorities of the State and Federal agencies responsible for compliance with laws and regulations surrounding the programs.
   3. The Contractor shall not receive compensation or cost reimbursement from the State under this Contract, including for Security and Detection of Fraud and Abuse activities.
   4. The State must cooperate with Federal agencies to create cases and provide Cards and information for the investigation. The State and Contractor will determine an orderly process for these responsibilities to be conveyed to any merchant, when appropriate. Access to information concerning these matters will be restricted both at the State and the merchant so that the investigations are not compromised. Minimally, the following are necessary:
7. Creation of cases and Cards to be used by investigators;
8. Posting benefit amounts to the investigative cases, possibly on an irregular basis as needed by the investigators;
9. The maintenance of records for ten (10) years to match certain State requirements;
10. Accessing call logs when the associated Card has been linked to suspected fraudulent activity;
11. Receipt and response to subpoenas requesting Card activity within two (2) business days;
12. Training, Card issuance, and PIN selection for investigators using the cases;
13. Providing reports on the investigative cases showing the amounts funded to the cases and the transaction histories of the funds on a monthly basis;
14. Providing information from the system within 24 hours, as needed, for evidence;
15. Providing extract files, starting at implementation, of transaction history on a regular basis to the Agencies.
    1. **Security Document**
16. The Security Document shall describe the administrative, physical, technical, and systems controls to be implemented for the SVC Program. It shall be finalized, with State approval, within 30 calendar days of the Contract’s Effective Date.
17. The Contractor must include a description of its security procedures and policies regarding control of cardstock (secure storage, limited access by personnel, bulk inventory control records, subsequent control records to the point of issuance, and periodic review of inventory controls), and must maintain and provide an audit log reflecting access and Card activity upon the State’s request.
18. The Document must identify any perceived or real risks to the Contractor’s system. The analysis of the Contractor’s SVC Program must include:
    1. Vulnerability to:
       1. theft and unauthorized use;
       2. unauthorized creation or altering of household accounts;
       3. unauthorized posting of issuance;
       4. the tampering of information on ACH transmission or settlement network.
    2. Completeness and timeliness of the reconciliation system;
    3. Availability of a complete audit trail of all transaction activity.
19. A complete audit trail must be part of the security process, to provide, at a minimum, a complete transaction history of each activity that affects any account balance.
20. The Contractor may not sell to a third party or use any Cardholder account information, including but not limited to names, addresses, social security numbers, and email addresses for such purposes other than those agreed upon in writing between the State and the Contractor.
21. If any Cardholder account information is compromised or a Contractor/subcontractor system containing Cardholder account information is compromised, the Contractor is required to notify the State immediately and is responsible for any security breach of such Cardholder account information. The Contractor must adhere to all applicable State and Federal privacy and security breach notification laws.
    1. The Contractor shall update the State Agency at least weekly following a compromise on the status of the investigation and of any law enforcement or forensic data security investigation findings relating to the incident involving State Cardholder data.
22. **Financial Liability**
    1. The Contractor, in the performance of its duties under the Contract, will be entrusted with the transfer and administration of a significant amount of money. The Contractor’s errors or omissions in the performance of these duties may directly or indirectly cause damages to the State, Cardholder or a third party. The Contractor will bear all liability, under the law or equity, for these damages and any associated costs (*e.g.* legal costs). Accordingly, the Contractor understands that it is assuming liability for the following non-exhaustive list of potential damages incurred as a result of the Contractor’s actions:
23. Losses resulting from errors or omissions by the Contractor;
24. Any duplicate or erroneous postings to a Cardholder account;
25. Any losses from funds drawn from an account after the Cardholder notified the Contractor that a Card had been lost or stolen;
26. Any losses from transactions performed with Cards used but not activated by the Cardholder;
27. Any damages or losses suffered by a State agency due to negligence on the part of the Contractor;
28. Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or subcontractors;
29. The vendor must be willing to float funds until reimbursed by the Agency. Transactions are processed nightly, and generally reimbursement by the Agency occurs within 24 hours, but can take longer in extreme circumstances.
30. **Customer Service, Help Desk**
    1. The Contractor shall provide a customer service support center in Indiana. The Contractor shall staff customer service agents at the customer service support center from Monday through Friday between the hours of 8 a.m. to 6 p.m. Eastern Time. The Contract shall designate locations outside of Indiana for the overflow of calls. This overflow facility will handle calls from 6 p.m. to 8 a.m. and 24/7 on State holidays and weekends.
    2. **Call Center**
31. The Contractor shall establish a single toll-free customer support number. The Contractor shall provide TTY capabilities and provide services in English and Spanish. This single number will have both live answer and automated capabilities, as described herein.
32. The services of the customer service support call center can be provided through a combination of IVR systems and live CSRs.
    1. The CSR must be quickly and easily accessible through the IVR, if the Cardholder so desires to speak to a CSR. The Cardholder should be made aware on the IVR of any potential fees for accessing a CSR. The State must approve the IVR script flow chart. Feedback from all Agencies must be reasonably included. Below is a list of the requirements provided by each service.
    2. In the event that the Contractor charges a fee to access a CSR, that fee must be disclosed to the Cardholder over the phone prior to it being incurred. Such disclosure should also include instructions on how to access the same information online or through the IVR at no charge, as applicable.
    3. A caller cannot be charged a fee for accessing a CSR if they terminate (i.e. hang up) the call prior to being connected with a CSR.
    4. No fee shall be assessed for accessing a CSR if the Contractor’s website or IVR solution are down or not functioning properly
33. IVR Requirements:
    1. Available 24 hours a day, seven days a week, 365 days a year;
    2. A short message that may be changed providing information during conversation or other special issues/events;
    3. PIN selection or change;
    4. Balance Inquiry/last deposit amount;
    5. Last ten (10) transactions inquiry;
    6. Card activation; and
    7. Deposit phone notification set up/change.
34. CSR Requirements:
    1. General assistance with SVC Program questions including how to use IVR and PIN selection
    2. Reporting lost cards - compromised PIN and requesting Card replacement (**no fee shall ever be charged for CSR calls to report a lost/stolen cards or compromised PIN**) This service shall be available 24 hours a day, 365 days a year;
    3. Providing printed mailed statements
    4. Disputed transaction **(no fee shall ever be charged for CSR calls regarding disputed transactions**)
    5. Services related to lost/stolen cards and PINs or account activation must be available 24 hours per day, seven days a week, 365 days a year
    6. Other services (general assistance, mailing statements, disputed transactions) should be available during the retail bank’s (who is either the Contractor or a subcontractor) normal business hours. Timely notification should be provided to Agencies any time services are unavailable
    7. CSRs should be knowledgeable and be able to properly speak to the Programs and requirements of the Contract as they apply to Cardholders
    8. CSRs should have a way to escalate issues to management for complex or irregular situations
    9. **Online and Mobile Banking**
35. The Contractor shall have a secure Cardholder website and mobile application where Cardholders can, at a minimum, find their account balance, locate in-Network ATMs, request printed materials, check deposits and their source, view account history, and learn other relevant information.
36. This website and the mobile application shall be available 24 hours a day, seven days a week, 365 days a year.
37. The website should be equally accessible through computer and phone browsers.
    1. **Other Automated Functions**
38. The Contractor shall create automated mechanisms, by text, phone and/or email, to alert Cardholders their Card has been funded. Once enrolled in the SVC Program, each Cardholder shall receive such notification within two (2) business hours of his or her Card being funded. The Cardholder shall not be charged a fee for this service.
    1. **Protection of Personal or Private Information**
39. The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected information. The Contractor covenants that data, materials, and information gathered, based upon or disclosed to the Contractor for the purposes of this Contract will not be disclosed to or discussed with third parties without the prior consent of the State.
40. The parties acknowledge that the services to be performed by Contractor for the State under this Contract may require or allow access to data, materials, and information containing Social Security numbers maintained by the State in its computer system or other records. The Contractor agrees to abide by all relevant Federal laws, restrictions on access, use, and disclosure, and security requirements for the Social Security Administration. In addition to the covenant made above in this Section and pursuant to 10 IAC 5-3-1(4), the Contractor and the State agree to comply with the provisions of IC §4-1-10 and IC §4-1-11. If any Social Security number(s) is/are disclosed by Contractor, the Contractor agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this Contract.
41. **Project Documentation**
    1. **Escheatment Plan**

The Contractor is responsible for escheating all unclaimed funds to the State and shall provide to the State a written escheatment plan within 90 days of the Effective Date of the Contract, for State approval. The Contractor shall base its written plan on, and follow closely, Indiana's Unclaimed Property Act (IND. CODE § 32-34-1, which can be found at https://indianaunclaimed.gov/app/ucp-law). All terms used in this Section 13.1 shall have the meaning set forth in Indiana’s Unclaimed Property Act.

1. Each applicable Agency shall review and approve any form escheatment letter (*i.e.* holder to owner) prior to its use by Contractor.
2. Each Agency may request a roster of dormant accounts (regardless of whether they have been activated or “pinned”) with sufficient information to perform its own outreach prior to the Contractor’s submission of said accounts’ values in the Contractor’s annual unclaimed property filings.
3. Funds related to unpinned accounts established through INPRS should be returned to INPRS.
   1. **Quality Assurance and Risk Management Plan**

The Contractor shall provide a Quality Assurance and Risk Management Plan. At a minimum, the Plan must define quality assurance and risk management procedures covering such topics as the identification, analysis, planning, tracking, control, and communications of risks. A proposed plan is solicited with the Respondent’s Technical Proposal (Attachment F2). A finalized plan is due not later than 60 days from Effective Contract Date for State review and approval. During the course of the Contract the State may require, and the Contractor shall make, adjustments to this plan.

The Contractor shall work with the State Contract Manager to develop a Savings Model that reflects the actual savings over the life of the Contract. The Contractor shall report on the Savings Model at each Quarterly Business Review and at the State’s request.

* 1. **Business Continuation and Disaster Plan**

1. A proposed Business Continuation and Disaster Plan is solicited with the Respondent’s Technical Proposal (Attachment F2). Within 60 days of the Effective Contract Date, the Contractor must finalize a Business Continuity and Disaster Recovery Plan. A copy of this plan should be provided to the State, including, but not limited to equipment, personnel, facilities, and transportation, to continue services as specified under these specifications in the event of a disaster. The State shall review and approve the plan. During the course of the Contract the State may require, and the Contractor shall make, adjustments to this plan.
2. The Business Continuity and Disaster Recovery Plan must identify:
3. Critical Contractor staff that have a skill set necessary for the resumption of key business operations;
4. Critical business functions and supporting tasks;
5. Processes for reporting system disruption/failure;
6. Transitions from failure to system re-start;
7. Alternate processing sites;
8. Timeframes for updates to the plan; and
9. How the Contractor will add additional staff to cover increased call volumes.
   1. **Data Breach**

Contractor shall be solely liable for any unauthorized acquisition or disclosure of data retained on, or any malicious act or attempt to gain unauthorized access to, disrupt or misuse, Contractor’s servers or data storage facilities, including subcontractors’ servers or data storage facilities (“Adverse Incident”). Contractor agrees to notify the Agencies, within four (4) hours or as soon as legally and practically possible, upon the discovery of any Adverse Incident that has or could compromise the confidentiality, integrity or availability of Agencies’ data.

To the extent permitted by law, Agencies shall be notified within a reasonable time of any Adverse Incident impacting the Contractor’s or a subcontractor’s system or process used for processing of Agency data, whether or not any Agency data has been impacted, if:

1. Notice of the Adverse Incident is required to be provided to any government body, self-regulatory agency or any other supervisory body; or
2. Contractor has a reasonable belief that the Adverse Incident will be reported publicly; or
3. The Adverse Incident has a reasonable likelihood of materially harming any material part of the normal operations of Contractor.

If it is concluded that an Adverse Incident occurred involving Agency data, the Agencies shall be the primary point of contact in any communications with its Cardholders, unless otherwise mutually agreed by the parties. To the extent that Contractor itself is required to send any notice or communications to Cardholders, any notice or communication to affected Cardholders regarding the breach will be subject to approval by the Agencies, which will not be unreasonably withheld.  The Contractor will provide the necessary incident response report in a timely manner to determine the characteristics and severity of the Adverse Incident and perform a root-cause analysis, including forensic review, if applicable, of the Adverse Incident.

To the extent necessary, Agencies’ data shall be maintained by Contractor and subcontractors in storage facilities located within the continental United States.

1. **Transition-In Phase & Tasks (If-applicable)**
   1. **Kick-Off Meeting**

The Contractor shall conduct a kick-off meeting with appropriate State staff from each participating State Agency to be held at the State’s office in Indianapolis, IN. During the kick-off meeting, the Contractor shall elaborate on the general approach, plan, and methods for implementing their solution(s) in Indiana. This meeting should occur within 15 days of the Effective Contract Date. During this meeting, the Contractor shall present, among other things, its proposed Project Transition Plan (Section 14.2) for State review.

* 1. **Project Transition Plan**

The Contractor must prepare a Transition Plan detailing its assumption of the work detailed in this Contract from the vendor currently providing these services to the State (if applicable) and for the commencement of SVC services for INPRS (which is a new program). The Transition Plan must include detailed steps and procedures necessary to prepare for, transition, and provide all services required for the SVC Program in this Contract with minimal disruption to Agencies, State, Cardholders, and other stakeholders. This Plan must include details on how the Contractor plans to interface with the current vendor to transfer data and responsibilities during the transition. The State shall approve the final plan and may require changes to the plan.

The contract with the incumbent vendor for SVC services expires on December 31, 2019. To the extent that the State selects a Contractor that is not the incumbent, the Contractor shall propose a Transition Plan that supports a fully tested transition of services prior to the expiration of the current contract and ideally with sufficient buffer should there be unforeseen circumstances related to the Transition.

The plan must provide a detailed timeline for coordination and completion of the system conversion, testing, and services transition including:

1. A description of the overall approach;
2. The order in which transition activities will occur;
3. Tasks to be performed;
4. Parties responsible for the completion of each task;
5. A backup plan if any or all of the transition activities are delayed;
6. Training of State staff;
7. Customer service;
8. The timeframe for the conversion of Cardholder accounts to the Contractor’s system, including a backup date;
9. Testing procedures, verification, and validation of the migration process;
10. Quality assurance checkpoints and critical paths.
    1. **Transition-In Phase**
11. The Contractor shall perform Transition-In duties in alignment with the Transition Plan.
12. During the transition, it is critical that Cardholders are not negatively impacted in their ability to obtain their benefits. Any system outage required to accommodate the transition must occur during a timeframe when impacts to the Cardholder community are minimized.
13. During the transition from the current SVC system to the Contractor’s system, Cardholder inability to access benefits must not exceed twelve (12) hours. Additionally, there must be no loss or corruption of data. During the transition, the Contractor must complete the following activities:
    * + - 1. Convert Cardholder accounts from the current system to the Contractor’s system. For Cardholders, this conversion must be seamless and include a reconciliation of current balances and transfer of balances to the Contractor system;
          2. Transfer historical data from the current system to the Contractor’s system;
          3. Educate Cardholders before the transition.
14. **Cardholder Account Conversion**: The Contractor must complete the following activities to accomplish Cardholder account conversion:
15. Accept all online and offline transaction history transferred from the current SVC system;
16. Provide for the conversion of at least three (3) years of online transaction history into the Contractor’s system. An additional two years of history must be stored offline and be available by ad hoc report;
17. Build checkpoints and reconciliation procedures into the conversion process to ensure that conversion is being completed promptly and that no benefits or records are dropped;
18. Issue new Cards to replace all Cards in circulation (which will be cancelled), including unpinned Cards; and
19. Have a contingency plan in case the conversion cannot be completed as scheduled due to problems.
20. **End of Contract**
    1. At the expiration of resulting Contract, or if at any time prior the State should terminate the resulting Contract, the Contractor must cooperate with any subsequent vendor who might assume operations of the SVC Program. The Contractor must coordinate the transition of all SVC Program components to the subsequent vendor or back to the State upon notice of Contract termination.
    2. If a subsequent vendor is unable to assume operations on the planned date for transfer, the Contractor must be able to continue to perform the operations on a month to month basis for up to six months beyond the planned transfer date under prevailing Contract terms and fee structure.
    3. At the end of the term of this Contract, the Contractor must provide the following transition services:
21. Work with the State and any other organization(s) designated by the State to facilitate an orderly transition of services;
22. Continue to issue new Cards, and re-issue lost/stolen/damaged Cards based on the Cardholders’ request until the mutually agreed upon ending transition date;
23. Work professionally with the State’s subsequent vendor to execute a smooth and timely transition at the end of the Contract;
24. Coordinate with the subsequent vendor on the migration of customer service functions during database conversion. This may require the development of special IVR messages approved by the State for use during Cardholder information database conversion;
25. Maintain proper levels of staffing throughout the phase out to ensure all requirements are met and no lapses in service occur;
26. Maintain all systems, software, and support to ensure all requirements are met and no lapses in service occur;
27. Transfer ownership to the State of all toll-free numbers used in conjunction with customer service functions;
28. Provide the State the right to serve as a mediator between the Contractor and the subsequent vendor, subcontractors, providers/vendors, and Cardholders;
29. Allow for fallback in case of Account conversion failure;
30. Provide remaining audit reports on their due dates as required for the Contract period; and
31. Fully comply with all applicable laws, regulations, rules, guidelines, or policies.
32. **Marketing**
    1. The Contractor shall provide, at its expense, marketing, including marketing related to a change in SVC contractors (if applicable) as well as marketing in support of the INPRS roll-out of a new SVC Program for their members.
    2. Any marketing materials must be expressly approved in writing in advance by the State prior to distribution to SVC Program participants. Except as otherwise agreed by State in writing in advance, the Contractor, its subcontractor, any marketing services or advertising vendor, and any other party privy to information related to marketing shall make no commercial use of any individual contact information obtained in the performance of duties contemplated by this section.
33. **System Testing and Demonstration**
    1. **System Testing**

System and integration testing must be performed and validated on all components and functional areas of the Contractor’s systems before delivery.

* 1. **Functional Demonstration**

The Functional Demonstration provides State representatives the opportunity to observe and analyze system operations. The Contractor must prepare a report of the demonstration results, including any system modifications that were identified. The Functional Demonstration must occur as early as possible, but no later than six (6) weeks prior to the System Acceptance Test to ensure the design is proceeding according to the requirements of this Contract.

* 1. **Interface Testing**

Interface Tests must be conducted between Agencies and the Contractor’s system to ensure that all files transmitted are properly formatted, transmitted, received, edited, accepted, confirmed, and processed according to design. This includes an interface test with CSB’s system ISETS, a test to confirm AOS’s use of SFTP, an appropriate test of INPRS transmissions, and any other required tests to accommodate agencies which may elect to use the Contract as needed.

* 1. **Network Performance Testing**

A network performance test must be conducted on the Contractor’s system communication networks to ensure the network is capable of handling projected transaction volumes within the required response times and error thresholds. Additionally, the test must validate the secure transmission of data files, reporting and user access to the Contractor’s system environment.

* 1. **Interactive Voice Response (IVR) Testing**

The Contractor’s IVR system must be tested to ensure that the system properly accepts, processes, and transfers calls per requirements. The test must be conducted in the production environment.

* 1. **Cardholder Account Conversion Test**
     + 1. If Cardholder account conversion is required, the Contractor must complete the conversion process from the current system to the new system in accordance with a Cardholder Account Conversion Plan and all Federal and State requirements. The Cardholder Account Conversion Test validates the conversion results, and the ability to perform test transactions against the Contractor’s system.
       2. The Cardholder Account Conversion Test must include at least two (2) mock conversions of production data. Additionally, the data conversion test is used to obtain timings for conversion and validation of an operational conversion checklist.
       3. This test is to assure the converted database can perform all transactions before conversion.
  2. **Test Results Reports**

1. The Contractor must provide a report describing the results of each test performed, as well as all additional retesting required. The test reports must describe the intended scope and results from the tests, any necessary system modifications and a timeframe for these modifications.
2. The Contractor must submit test reports no later than two (2) weeks following the completion of each test’s performance. Upon the completion and acceptance of all tests, the test results must be incorporated into the approved test plan.
3. The Contractor must revise any system documentation to reflect any system modifications identified and made as a result of testing. If revisions are required, the Contractor must submit updated documents no later than fourteen (14) calendar days following the completion of the modification. All updates to the Contractor’s system will be completed at no additional cost to the State.
4. **Key Personnel and Staff**
   1. The State shall require the Key Personnel listed below. These positions, their descriptions, and requirements provide the State’s perspective on minimum Roles and qualifications necessary to support this project but is not intended to define specific required individuals.

| **Role** | **Description** | **Required Skills** |
| --- | --- | --- |
| Project/Program Manager | * Dedicated resource responsible for coordinating the overall project tasks. * Serves as the single point of contact between the Contractor and the State for all communications on all system related issues, such as implementation, development, testing, escheatment, regulations etc. The State shall also have a point of contact to escalate issues above this Project/Program Manager. * Ensures service level agreements are sustained, and deliverables are submitted on a timely basis. * Have the authority to negotiate the Contract between the State and the Contractor. * Have the authority to implement State-required changes and have knowledge on various regulations, requirements, and be able to bring proper personnel when required * Able to help with daily inquiries such as missing files, server issues, etc. * Ensure that the services under this Contract are actively marketed to other State programs and applicable Government entities (including local schools under the K-12 Indiana program) * Shall work with the State on the Savings Model contemplated by Section 13.2 * Available throughout the life of the Contract. | * At least three (3) years of experience on public sector projects. At least one (1) year of experience with a Stored Value Card system. * At least two (2) years of experience with system implementation, maintenance, and operations. * Strong written and oral communication skills. |
| Operations Manager | * Responsible for the day-to-day operations of the SVC Program. * Available, at a minimum, from Transition-In Phase to the end of the Contract. | * At least five (5) years of experience managing the maintenance and operations of systems similar in size and complexity to Indiana’s SVC system. * Project management experience. * Strong written and oral communication skills. |
| Customer Service Liaison | * Responsible for handling the State’s needs and questions (also known as an Account Manager). * Serves as a point of contact for all ad hoc requests. * Serves as point person for fraud investigations, subpoenas, account freezes, etc. | * At least two (2) years’ experience managing a similar program for a similar client. |
| IT Resource | * A point of contact for State IT related questions or problems. * Works in conjunction, and at the direction of, the Project/Program Manager and Operations Manager. | * At least two (2) years’ experience providing similar services for a similar program for a similar client |

* 1. Key Personnel are subject to approval by the State. The Contractor may not make any temporary or permanent changes to Key Personnel without at least three (3) weeks prior notice to the State and the State’s prior written approval. The replacement shall be of equal or greater ability and qualifications. The State may also request a meeting with the proposed replacement before providing approval.
  2. The Contractor must provide and maintain a current staffing plan that identifies the person who will be used to fulfill the services described in this Contract. Staffing plans must address the following:

1. Job title, qualifications, and descriptions for each staff position;
2. Subcontractor staff and responsibilities, if necessary;
3. Contractor performance evaluation and progressive disciplinary policies;
4. Plans for the replacement of departing temporary and permanent staff, including plans to ensure all staff are adequately trained and knowledgeable on the programs which use this Contract;
5. The updated organizational chart that shows the reporting structure and responsibilities of Contractor’s staff and any Subcontractor staff; and
6. The Contractor will ensure that all personnel required to have a background check have this check performed in accordance with State requirements. These required background checks may include, but are not limited to: fingerprinting, completing the USCIS Form I-9/E-Verify, or reporting all local law enforcement agencies where the subject has lived, worked, and/or attended school within the last 5 years.
   1. During the course of the Contract, the State reserves the right to require replacement of any Contractor employee or subcontractor employee found unacceptable to the State.
      1. Reasons for unacceptability include, but are not limited to, the inability of the individual to carry out work assignments or unsatisfactory job performance as determined by the State.
      2. The individual must be removed within two (2) weeks of the request for removal, or sooner if requested by the State, and be replaced within thirty (30) calendar days after the position is vacant unless a longer period is approved by the State.
      3. In the event that a removed person is a Key Personnel required by Section 18.1, an immediate temporary replacement shall be identified pending the Contractor’s identifying a permanent replacement.
7. **State Responsibilities**
   1. Each participating State Agency shall designate a primary contact for the Contractor to serve as the recipient of any reports and the first point of communication on issues arising under the Contract.
8. **Reporting**
   1. All reports furnished by the Contractor should be made available to Agencies in Excel, CSV, or an agreed upon, sortable format.
   2. **Daily Reports**
      1. Daily summary report
         1. New Cards added
         2. Name and address changes made by the Contractor
         3. Daily account balance summary report
         4. Rejected Transaction Detail Report
      2. Account activity reports
         1. Batch and online – reconciliation and rejection reports for ACH transactions
         2. Card returned and undeliverable report
         3. Weekly reports to the State’s Vendor Management team summarizing any program changes, current events, or occurrences of note
   3. **Monthly Reports**
      1. Each Agency will receive monthly reports from the Contractor’s website or transmitted directly to the Agency.
      2. Financial activity reports
         1. Summary of the total number of loads and amounts;
         2. Summary of the total number of ATM withdrawals and amounts, separately identifying fees incurred by Cardholders;
         3. Summary of the total number and dollar amount of PIN-based transactions;
         4. Signature-based transactions and POS with cash-back combination transactions;
         5. Aggregate account balance at the end of the month.
      3. Cardholder activity reports
         1. Summary and detailed reports of activated, unpinned, active, inactive, closed, and escheated accounts;
         2. An escheatment report detailing the amount, date and state of escheatment;
         3. Summary of Cards issued (initial or replacement), activated, unpinned, canceled or hot carded;
         4. Out-of-State activity report;
         5. Child Support Account Inactivity >12 months.
      4. Customer service activity reports
         1. Summary of the live calls accepted, answered, abandoned, abandoned < fifteen (15) seconds, the average speed of answer, and average talk time per call;
         2. Summary of the number of IVR calls accepted and the total time for accepted calls;
         3. Summary of website usage (number of visitors, number of logins, etc.).
      5. Contractor and service standards report
         * 1. Monthly summary of standards as outlined in Section 21.4
   4. **Quarterly Reviews and Annual Reports**
      1. Quarterly reviews will be up to the State to be held in person or a conference call.
      2. The Contractor will supply annual reports per Agency tracking financial activity to include:
9. Summary of the total number of loads and amounts;
10. Summary of the total number of ATM withdrawals and amounts, separately identifying ATM fees paid by Cardholders to the Contractor;
11. Summary of the total number and dollar amount of PIN-based transactions, signature-based transactions and POS with cash-back combination transactions;
12. Aggregate account balance at the end of the month;
13. Summary of activated, active, inactive, closed, and escheated accounts;
14. Summary of Cards issued (initial or replacement), activated, not activated, canceled or under fraud investigation;
15. Savings;
16. The number of cards in circulation, by agency
17. Total amount of Card fees collected by Contractor, by fee type, the number of Cardholders who paid a fee or multiple fees, and the total number of “free” transactions for each

* + 1. The Contractor shall provide a quarterly summary of all transaction and fee data tied to Cardholders’ account numbers, stripped of any other Personally Identifiable Information (PII) (e.g. name, Card number).
    2. The Contractor shall provide a quarterly list of all new accounts. This list shall include only the account number, the applicable Agency, and the date created.
  1. **Other Reporting Requirements**
     1. ATM locations

On a quarterly basis, the Contractor shall provide a schematic with locations of all ATMs within the Network and all Contractor or Subcontractor bank branches inside the State of Indiana.

* + 1. Clearing Reports
       1. ACH Summary Report – one for each file sent
       2. Fed Wire detail Report – one for each file sent
    2. Turnover file

A file of active Cardholders for each program in an Excel file by the close of the fifteenth (15th) business day after the Contractor receives a written request from State to provide the report to the State. Information in the file includes Cardholder name, SSN, address, unique Cardholder identifier, mother’s maiden name (if any), and current Card status. This report must be securely transferred to the State.

* + 1. Other

The Contractor acknowledges that it shall provide State with any additional reports that may be required by State or Federal law or regulations throughout the term of the Contract and shall use commercially reasonable efforts to provide the State with additional reports as may be requested by the State from time to time throughout the Contract term. Such reports shall be created within two (2) weeks of the State’s request.

The Contractor shall provide, to the State, copies of laws, regulations, recommendations, industry standards, and information from similar clients and their solutions.

1. **Vendor Performance Management**
   1. **Overview**
      1. The State shall hold the Contractor accountable for performance under this Contract. In addition to all remedies available at law or in equity, the State specifically reserves the right to enforce the terms of this contract through Corrective Action Plans (CAP) contemplated by Section 21.2 and/or through the assessment of administrative fees as contemplated by Section 21.3 and 21.4.
      2. Reports provided by the Contractor must provide sufficient data to enable the State’s verification of the performance criteria and must provide sufficient detail to allow the State to investigate further the activity being reported. The State reserves the right to audit the Contractor’s data to verify the accuracy of any Contractor furnished report.
   2. **Corrective Action Plans**
      1. If the State requires a CAP (as described below) the CAP must, at a minimum, address the causes of the deficiency, the impacts, and the measures being taken and/or recommended to remedy the deficiency and indicate whether the solution is permanent or temporary. It must also include a schedule showing when the deficiency will be remedied, and when the permanent solution will be implemented, if appropriate (as determined by the State).
      2. The CAP must be submitted under the signature of the Contractor’s Project Manager and must be approved by the State. If the recommendations in the CAP are not acceptable to the State, the State may provide suggestions and direction to bring the Contractor into compliance.
   3. **Contractor and Service Standards**
2. While the State does not directly pay the Contractor for its services under this Contract, the State nonetheless dedicates its resources to the management and success of the programs enabled by this Contract. Accordingly, if the Contractor provides diminished services under this Contract the State must direct additional resources to the management thereof. In an effort to recompense the State for these resources, the Contractor and the State agree to the administrative fees outlined in this section.
3. The Contractor’s performance is more critical in some areas than others. Accordingly, the Contractor and State agree that certain performance lapses on the part of the Contractor cause more impact to the State than other lapses. These performance areas are divided below into “Important” and “Critical” performance areas, and the parties agree to this classification.
4. The State requires the Contractor to timely remedy its performance lapses. If the Contractor’s performance lapses are not timely corrected the State shall incur additional fees until lapses are remedied. Accordingly, the parties agree that, as detailed below, the administrative fees contemplated below shall continue to accrue as detailed until the underlying performance lapse is remedied.
5. The Contractor and the State recognize that there may be extenuating circumstances or failures on the part of third parties, or the part of the State, which may contribute to the Contractor’s performance lapse. In the event that the Contractor wishes to attribute a missed standard to circumstances outside of its control, it may do so in writing to the State within five (5) business days of the close of the measured period. The State in its sole discretion will decide whether or not to waive the Contractor's missed Performance Standard.
6. Verification of Contractor’s success or failure to achieve Performance Standards may be performed by the State or a designated State contractor.
7. Within the first five (5) days of each calendar month, the Contractor shall issue a check payable to the State for the total amount of administrative fees incurred in the previous month (to the extent that any accrue).
   1. **Performance Standards and Associated Administrative Fees**

**Standard 1 – Conversion**[[4]](#footnote-4) **Card Issuance**

Standard Importance Level: Critical

Performance Standard: The Contractor must issue new Cards to 100% of the active Cardholders no later than 15 calendar days before the conversion date to ensure no disruption to benefit access and services.

For the purpose of this metric, a Card will be considered issued when it is mailed to the Cardholder at their address on record.

Performance Lapse Defined: A failure to issue the new Cards to 100% of the active Cardholders by the date specified above.

Administrative Fee: $10,000 each calendar day until the Performance Standard is met.

**Standard 2 – Account Conversion**[[5]](#footnote-5)

Standard Importance Level: Critical

Performance Standard: Once the conversion date(s) are established and approved by the State as part of the Transition Plan, the Contractor must complete the Cardholder account conversion by the specified date.

Conversion will be considered complete when all accounts have been converted with an accuracy rate of 99.99% or greater.

Performance Lapse Defined: A failure to complete account conversion by the specified date.

Administrative Fee: $10,000 each calendar day until the Performance Standard is met.

**Standard 3 – Program Readiness Upon Conversion**[[6]](#footnote-6)

Standard Importance Level: Critical

Performance Standard: At Contractor’s go-live and assumption of duties under this Contract, all network, communicaitons and SVC features must be ready.

The Transition Plan shall include all items to be verified prior to program go-live.

Performance Lapse Defined: A failure to demonstrate go-live readiness in accordance with the standards and final go-live date in the Transition Plan.

Administrative Fee: $10,000 each calendar day until the Performance Standard is met.

**Standard 4 – Acceptance of File Transmission**

Standard Importance Level: Critical

Performance Standard: The Contractor’s system must accept all file transmissions sent by the State in an agreed-upon format. If any files are not immediately accepted, the Contractor must resolve the transmission issue within 6 hours.

Performance Lapse Defined: Failure to resolve a file transmission issue within 6 hours of the earlier of the State’s notification of a transmission issue or the Contractor’s discovery of the transmission issue.

Administrative Fee: $2,500 for each hour above 6 it takes the Contractor to resolve the file transmission issue.

For avoidance of doubt:

-This administrative fee can incur for multiple files simultaneously.

-This administrative fee incurs the first minute past hour six and again the first minute of each additional hour until the issue is resolved. By way of example, if Contractor takes 8 hours and 12 minutes to resolve a single file’s transmission issue, $7,500 of administrative fees shall be assessed (*i.e.* this fee is incurred three times).

-This administrative fee shall incur regardless of whether or not the hours transpiring are during the Contractor’s normal business hours, during a weekend, or a holiday.

**Standard 5 – Daily Reporting**

Standard Importance Level: Important

Performance Standard: The Contractor is required to provide daily business reporting no later than one business day after the day of the activity’s reporting period, as detailed in Section 20.2.

Performance Lapse Defined: Failure to provide any daily report on the day that it is due.

Administrative Fee: $200 for each calendar day until the daily report is delivered.

For avoidance of doubt:

-This administrative fee can incur for multiple daily reports simultaneously.

-This administrative fee shall incur regardless of whether or not the days transpiring are business days, weekends or holidays.

-This administrative fee shall incur for each iteration of the missed report. By way of example: Contractor must produce Daily Report X, on Tuesday Contractor fails to produce Report X for the reporting period, on Wednesday Contractor both fails to produce the report due Tuesday and the report due Wednesday, on Thursday Contractor produces the Tuesday, Wednesday and Thursday reports. Contractor shall be assessed $600. This figure accounts for the two-day delay for the report due on Tuesday, and a one-day delay for the report due on Wednesday.

**Standard 6 – Monthly Reporting**

Standard Importance Level: Important

Performance Standard: The Contractor is required to provide monthly reports at a due date agreed upon between the State and Contractor, as detailed in Section 20.3.

Performance Lapse Defined: Failure to provide the monthly report on the day that it is due.

Administrative Fee: $200 for each calendar day until the monthly report is delivered.

For avoidance of doubt:

-This administrative fee can incur for multiple monthly reports simultaneously.

-This administrative fee shall incur regardless of whether or not the days transpiring are business days, weekends or holidays.

-This administrative fee shall incur for each iteration of the missed report. By way of example: Contractor must produce Monthly Report Y and Z on the 5th of the month. Contractor furnishes Monthly Report Y on the 7th and Monthly Report Z on the 8th. Contractor shall be assessed $1,000. This figure accounts for the two-day delay for Report Y and the three-day delay for Report Z.

**Standard 7 – Annual Reporting**

Standard Importance Level: Important

Performance Standard: The Contractor is required to provide the annual reports at a due date agreed upon between the State and Contractor, as detailed in Section 20.4.

Performance Lapse Defined: Failure to provide an annual report on the day that it is due.

Administrative Fee: $200 for each calendar day until the annual report is delivered.

For avoidance of doubt:

-This administrative fee can incur for multiple annual reports simultaneously.

-This administrative fee shall incur regardless of whether or not the days transpiring are business days, weekends or holidays.

-This administrative fee shall incur for each iteration of the missed report. By way of example: Contractor must produce Annual Report E and F on the 5th of the month. Contractor furnishes Monthly Report E on the 7th and Monthly Report F on the 8th. Contractor shall be assessed $1,000. This figure accounts for the two-day delay for Report E and the three-day delay for Report F.

**Standard 8 – Other Reporting**

Standard Importance Level: Important

Performance Standard: The Contractor is required to provide the “other” reports at a due date agreed upon between the State and Contractor, as detailed in Section 20.5.

Performance Lapse Defined: Failure to provide a report on the day that it is due.

Administrative Fee: $200 for each calendar day until the report is delivered.

For avoidance of doubt:

-This administrative fee can incur for multiple “other” reports simultaneously.

-This administrative fee shall incur regardless of whether or not the days transpiring are business days, weekends or holidays.

**Standard 9 – Timeliness of Deposit Availability – Child Support Program**

Standard Importance Level: Critical

Performance Standard: Funds that are transferred to the Contractor from CSB must be available to the Cardholders by 6:00 AM the day following the Contractor’s receipt of funds.

Performance Lapse Defined: Availability of funds after 6:00 AM the day following the Contractor’s receipt of funds.

Administrative Fee: $1,000 for each hour past 6:00AM the funding becomes available.

For avoidance of doubt:

-This administrative fee incurs at 6:01AM the day following the Contractor’s receipt of funds and again each hour thereafter. By way of example, if Contractor makes the funds available at 8:23 AM, the Contractor shall be assessed $3,000.

-This administrative fee shall incur regardless of whether or not the hours transpiring are during the Contractor’s normal business hours, during a weekend, or a holiday.

**Standard 10 – Timeliness of Deposit Availability - Payroll**

Standard Importance Level: Critical

Performance Standard: Funds that are transferred to the Contractor from AOS must be available to the Cardholders on the Wednesday pay date. In the event that the Wednesday pay date is a holiday, the pay date is the previous business day.

Performance Lapse Defined: Availability of funds after the Wednesday pay date.

Administrative Fee: $1,000 each hour past Wednesday the funding becomes available.

-This administrative fee incurs at 12:01 AM the Thursday following the paydate. By way of example, if Contractor makes the funds available at 8:23 AM on the Thursday following the pay date, the Contractor shall be assessed $9,000.

-This administrative fee shall incur regardless of whether or not the hours transpiring are during the Contractor’s normal business hours, during a weekend, or a holiday.

**Standard 11 – Timeliness of Deposit Availability – INPRS**

Standard Importance Level: Critical

Performance Standard: Funds that are transferred to the Contractor from INPRS must be available to the Cardholder on their pay date, which is either the 1st or 15th of a month.

In the event that the 1st or 15th is a holiday, the pay date is the previous business day.

Performance Lapse Defined: Availability of funds after the pay date.

Administrative Fee: $1,000 each hour past the pay date the funding becomes available.

-This administrative fee incurs at 12:01 AM the day following the pay date. By way of example, if Contractor makes the funds available at 12:23 AM on the day following the pay date, the Contractor shall be assessed $1,000.

-This administrative fee shall incur regardless of whether or not the hours transpiring are during the Contractor’s normal business hours, during a weekend, or a holiday, not withstanding the holiday exception noted above.

**Standard 12 – Host Response Time for SVC Administrative System**

Standard Importance Level: Important

Performance Standard: SVC Administrative System transactions that originate at the SVC Administrative System located in the State are subject to a two-second response time.

This response time shall be measured on a monthly basis, by the Contractor, and that information shall be relayed to the State by the 15th of each month.

Performance Lapse Defined: Failure to meet an average response time of 2 or fewer seconds.

Administrative Fee: In the first month the Contractor fails to meet this standard, an administrative fee of $500 shall be assessed. For each consecutive month where the Contractor fails to meet this standard the amount of administrative fee increases by $500. Once the Contractor meets the performance standard in a given month all compounding resets.

By way of example: Contractor misses the standard in May and pays an administrative fee of $500. Contractor misses the standard in June and pays $1,000. Contractor meets the standard in July and no fee is assessed. Contractor misses the standard in August and pays an administrative fee of $500.

**Standard 13 – Inaccurate Transactions**

Standard Importance Level: Critical

Performance Standard: The SVC must only permit no more than two (2) inaccurate transactions per every 10,000 SVC transactions processed.

This accuracy standard shall be measured on a monthly basis by the Contractor, and that information shall be relayed to the State by the 15th of each month.

Performance Lapse Defined: Failure to meet a transaction accuracy standard of fewer than two (2) inaccurate transactions per every 10,000 SVC transactions processed.

Administrative Fee: In the first month the Contractor fails to meet this standard, an administrative fee of $2,500 shall be assessed. For each consecutive month where the Contractor fails to meet this standard the amount of administrative fee increases by $2,500. Once the Contractor meets the performance standard in a given month all compounding resets.

By way of example: Contractor misses the standard in May and pays an administrative fee of $2,500. Contractor misses the standard in June and pays $5,000. Contractor meets the standard in July and no fee is assessed. Contractor misses the standard in August and pays an administrative fee of $2,500.

**Standard 14 – IVR Answering and Responsiveness**

Standard Importance Level: Important

Performance Standard: 99% of all calls which should be answered by the IVR sytstem must be answered within two (2) seconds of the first ring, and 100% of IVR menu selections must respond with the correct option within two (2) seconds.

These answering and responsiveness standards shall be measured on a monthly basis by the Contractor, and that information shall be relayed to the State by the 15th of each month.

Performance Lapse Defined: Failure to meet either the answering or responsivenenss standards. Missing one or both standards has the same outcome.

Administrative Fee: In the first month the Contractor fails to meet this standard, an administrative fee of $500 shall be assessed. For each consecutive month where the Contractor fails to meet this standard the amount of administrative fees increases by $500. Once the Contractor meets the performance standard in a given month all compounding resets.

By way of example: Contractor misses the standard in May and pays an administrative fee of $500. Contractor misses the standard in June and pays $1,000. Contractor meets the standard in July and no fee is assessed. Contractor misses the standard in August and pays an administrative fee of $500.

**Standard 15 – Calls to CSRs**

Standard Importance Level: Important

Performance Standard: 98% of all calls which have been directed, by a Cardholder’s selection, to a CSR must be answered within five (5) minutes from the IVR selection directing the call to a CSR.

This answering standard shall be measured on a monthly basis by the Contractor, and that information shall be relayed to the State by the 15th of each month.

Performance Lapse Defined: Failing to meet the standard that 98% of calls directed to CSRs are answered within five (5) minutes of the directing selection.

Administrative Fee: In the first month the Contractor fails to meet this standard, an administrative fee of $500 shall be assessed. For each consecutive month where the Contractor fails to meet this standard the amount of administrative fees increases by $500. Once the Contractor meets the performance standard in a given month all compounding resets.

By way of example: Contractor misses the standard in May and pays an administrative fee of $500. Contractor misses the standard in June and pays $1,000. Contractor meets the standard in July and no fee is assessed. Contractor misses the standard in August and pays an administrative fee of $500.

**Standard 16 – Card Issuance**

Standard Importance Level: Important

Performance Standard: 98% of Card issuance requests must be fulfilled on a timely basis. Timeliness is defined as follows:

-For requests received after 11:15 AM, the next business day

-For requests received at or before 11:15 AM, the same business day

This timeliness standard shall be measured on a monthly basis by the Contractor, and that information shall be relayed to the State by the 15th of each month.

Performance Lapse Defined: A failure to timely fulfill at least 98% of card issuance requests as defined above.

Administrative Fee: In the first month the Contractor fails to meet this standard, an administrative fee of $500 shall be assessed. For each consecutive month where the Contractor fails to meet this standard the amount of administrative fee increases by $500. Once the Contractor meets the performance standard in a given month all compounding resets.

By way of example: Contractor misses the standard in May and pays an administrative fee of $500. Contractor misses the standard in June and pays $1,000. Contractor meets the standard in July and no fee is assessed. Contractor misses the standard in August and pays an administrative fee of $500.

**Standard 17 – Call Abandonment Rate**

Standard Importance Level: Important

Performance Standard: Incoming customer service calls to the service center shall not have an abandonment rate that exceeds 5% of calls.

This standard shall be measured on a monthly basis by the Contractor, and that information shall be relayed to the State by the 15th of each month.

Performance Lapse Defined: An abandonment rate greater than 5% on the monthly report.

Administrative Fee: In the first month the Contractor fails to meet this standard, an administrative fee of $500 shall be assessed. For each consecutive month where the Contractor fails to meet this standard the amount of administrative fee increases by $500. Once the Contractor meets the performance standard in a given month all compounding resets.

By way of example: Contractor misses the standard in May and pays an administrative fee of $500. Contractor misses the standard in June and pays $1,000. Contractor meets the standard in July and no fee is assessed. Contractor misses the standard in August and pays an administrative fee of $500.

**Standard 18 – Reconciliation Process**

Standard Importance Level: Important

Performance Standard: All reports necessary for the State to successfully perform daily reconciliation must be received by the State no later than 8:00 AM (eastern) the following business day after the cut-off.

Performance Lapse Defined: The provision of the discussed report after the stipulated due date/hour.

Administrative Fee: $200 for each hour the report is delivered late.

For avoidance of doubt:

-This administrative fee shall incur regardless of whether or not the days transpiring are business days, weekends or holidays.

- The first assessment of this administrative fee shall occur at 8:01 AM and hourly thereafter. Thus, if a report is provided at 11:25 AM, an administrative fee of $800 shall be assessed.

**Standard 19 – Critical Incident Notification**

Standard Importance Level: Critical

Performance Standard: The Contractor shall notify the designated State staff member within two (2) hours of the discovery of any unexpected system outage, cyber security breach, or natural disaster expected to adversely impact the Contractor’s operations.

Performance Lapse Defined: The provision of this notice by the Contractor to the designated State person in greater than 2 hours.

The State and Contactor shall agree on the form of notification (i.e. telephone call, email, in-person notification). Contractor cannot not satisfy this standard using a non-specified method.

Administrative Fee: $1,000 for each hour past 2 hours it takes the Contractor to provide notice to the designated State staff member.

For avoidance of doubt:

-This administrative fee shall incur regardless of whether or not the time transpiring is on a business day, weekend or holiday.

- The first assessment of this administrative fee shall occur one minute past the 2nd hour and then again each hour thereafter. By way of example, if the Contractor takes 3 hours and 11 minutes to notify the State staff member, an administrative fee of $2,000 shall be assessed.

**Standard 20 – ATM Network Sufficiency**

Standard Importance Level: Important

Performance Standard: At all times, the Contractor must maintain an ATM network in accordance with the requirements of Section 6 and 20.5.

In order for an ATM to count towards this network sufficiency requirement, it must be functioning and stocked with cash.

The State shall reserve the right to periodically request the Contractor verify ATM network sufficiency, including but not limited to the requirements of Section 6.3 and 20.5.

Performance Lapse Defined: Any failure to maintain the required ATM Network.

Administrative Fee: $500 each calendar day until the Contractor can demonstrate its ATM network meets the requirements of Section 6 and 20.5.

**Standard 21 – Website Availability**

Standard Importance Level: Important

Performance Standard: The Cardholder website contemplated by Section 12.3 shall be available 24 hours a day, 365 days a year.

Performance Lapse Defined: Any outage of more than five (5) minutes of any feature or page of the website.

This does not count planned and State-approved service outages.

The Contractor is required to notify the State of all service outages in excess of five (5) minutes and the length of time it took to remedy that outage.

Administrative Fee: $100 per minute for each minute in excess of five (5) minutes until the website is restored to full functionality.

**Standard 22 – CSR Availability to Report Lost or Stolen Cards / Compromised PINs**

Standard Importance Level: Important

Performance Standard: The Contractor must make CSRs available to report lost or stolen cards or compromised PINs 24 hours a day, 365 days a year in accordance with Section 12.2.

Performance Lapse Defined: Any outage of more than five (5) minutes for this service.

This does not count planned and State-approved service outages.

The Contractor is required to notify the State of all service outages in excess of five (5) minutes and the length of time it took to remedy that outage.

Administrative Fee: $100 per minute for each minute in excess of five (5) minutes until this particular CSR function is restored to full functionality.

**Note:** If a new program is added to the Contract, a new standard for Deposit Timeliness will also be added in accordance with that program's reasonable needs.

1. **Card Alternative**

This section, separate from the previous sections of the SOW, refers to a potential future ability for a contractor to provide a “Card Alternative” option for State agencies and the users that participate in their programs. In order to remain compliant with the Consumer Financial Protection Bureau’s (CFPB) Electronic Fund Transfer Act (Regulation E), it has been determined that the State cannot exclusively rely on Card-related solutions to provide program payments to their recipients. Although the Agencies currently listed in this RFP have found their own solutions to remain compliant with this requirement, other State agencies may find in the future that they need to solicit the help of a contractor in order to adhere to Regulation E. This section discusses the potential future need for Card Alternative services.

The Card Alternative solution is not a requirement of this RFP or a requirement of the Contractor that will be selected for the SVC services Contract. A Respondent may elect to not submit any information about a Card Alternative solution. However, to the extent that a Respondent offers a Card Alternative solution among its service offerings, this RFP seeks to learn about those offerings on a purely informational basis. If a Respondent wishes to present that information to the State, please submit an additional Technical Proposal via Attachment F2. Any information submitted via Attachment F2 will not be evaluated for award through this RFP, but will be reviewed by the State. Not responding to this section of the SOW by submitting Attachment F2 will in no way strengthen or weaken a Respondent’s proposal submitted for the SVC services of this RFP.

**Glossary of Terms**

|  |  |  |
| --- | --- | --- |
| **Glossary** | **Acronym** | **Definition** |
| **Auditor of State** | AOS | The department is responsible for accounting and reporting all of the State's funds, overseeing and disbursing funds to local units of governments, and paying all the State's bills. |
| **Automated Clearing House** | ACH | The electronic clearing and settlement system used for financial transactions by U.S. commercial banks and other institutions. |
| **Automatic Teller Machine** | ATM | A machine that dispenses cash or performs other banking services when an account holder inserts a bank card. |
| **Card** |  | This is the card that the Cardholder gets as a participant of the SVC Program. |
| **Card Associations** |  | A network of issuing banks and acquiring banks that process payment cards of a specific brand. |
| **Cardholder** |  | A person in possession of a Stored Value Card. |
| **Connect Direct Software** |  | A computer software product that transfers files between mainframe computers and/or midrange computers. |
| **Critical Incident** |  | Critical incidents may include any major disruptions in the system functionality which may include but not limited to weather or cybersecurity breach. |
| **Custodial Party** |  | The person who has primary care, custody, and control of the child(ren). |
| **Federal Deposit Insurance Corporation** | FDIC | A U.S. government corporation that preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least $250,000 by identifying, monitoring and addressing risks to the deposit insurance funds and by limiting the effect on the economy and the financial system when a bank or thrift institution fails. |
| **Federal Wire** |  | Fedwire is a real-time gross settlement funds transfer system operated by the United States Federal Reserve Banks that allows financial institutions to electronically transfer funds between its more than 9,289 participants. |
| **File Transfer Protocol** | FTP | A standard for the exchange of program and data files across a network |
| **Financial Services** |  | Professional services involving the investment, lending, and management of money and assets. |
| **Indiana Department of Administration** | IDOA | The department oversees the administrative areas of the state's bureaus and departments, including procurement, travel, maintenance of public buildings, and surplus. |
| **Indiana Department of Child Services** | DCS | The Department of Child Services protects children and strengthens families through services that focus on family support and preservation. The department administers child support, child protection, adoption and foster care throughout the State of Indiana. The mission of the department is to protect children from abuse and neglect by partnering with families and communities to provide safe, nurturing, and stable homes. |
| **Indiana Public Retirement System** | INPRS | INPRS is public pension fund that pays monthly benefits to members covered under 8 pension plans offered by the State of Indiana. |
| **Indiana Unclaimed Property Act** |  | This Unclaimed Property law requires businesses to review their records each year to determine whether they hold any funds, securities, or other property that has been unclaimed. |
| **Liquidity, Asset Quality, Capital and Earnings** | LACE | Ratings to measure the overall financial condition of a company and its ability to meet its credit obligations. |
| **National Automated Clearing House Association** | NACHA | A non-profit membership association charged with overseeing the Automated Clearing House (ACH) system, which operates one of the largest, safest and most reliable payment systems in the world. |
| **Payment Card Industry Data Security Standard** | PCI DSS | An information security standard for organizations that handle branded credit cards from the major card schemes. The standard was created to increase controls around Cardholder data to reduce credit card fraud. |
| **Personal Identification Number** | PIN | A number allocated to an individual and used to validate electronic transactions. |
| **Preauthorized Payment and Deposit** | PPD | An agreement between a bank and an account holder whereby the account holder gives the bank permission to automatically debit the account by a certain amount every month. |
| **Secure Sockets Layer** | SSL | A standard security technology for establishing an encrypted link between a server and a client—typically a web server (website) and a browser, or a mail server and a mail client (*e.g.*, Outlook). |
| **Stored Value Card** | SVC | A Stored Value Card is a payment card with a monetary value stored on the card itself, not in an external account maintained by a financial institution. Stored Value Cards differ from debit cards, where money is on deposit with the issuer, and credit cards which are subject to credit limits set by the issuer. |
| **Transport Layer Security** | TLS | A cryptographic protocol that provide communications security over a computer network. |
| **Virtual Private Network** | VPN | A method employing encryption to provide secure access to a remote computer over the Internet. |

1. As detailed in Section 3.1.4, another potential program is the Low Income Home Energy Assistance Program (LIHEAP) administered by the Indiana Housing and Community Development Authority (IHCDA). [↑](#footnote-ref-1)
2. The Guidelines are available here: <https://www.in.gov/judiciary/rules/child_support/> [↑](#footnote-ref-2)
3. A branch with an ATM, or a location with multiple ATMs, shall not count multiple times towards the 400. The 400 figure measures separate locations. [↑](#footnote-ref-3)
4. Note: this standard applies to conversion of the existing program to a new program. In the event the incumbent becomes the Contractor this standard may not apply. [↑](#footnote-ref-4)
5. Note: this standard applies to conversion of the existing program to a new program. In the event the incumbent becomes the Contractor this standard may not apply. [↑](#footnote-ref-5)
6. Note: this standard applies to conversion of the existing program to a new program. In the event the incumbent becomes the Contractor this standard may not apply. [↑](#footnote-ref-6)