RFP 19-088, EBT and T&A System(s) RFP

Attachment D - Detailed Scope of Work

# **Introduction**

The Indiana Family and Social Services Administration’s (FSSA) Division of Family Resources (DFR) and Office of Early Childhood and Out-of-School Learning (OECOSL) and the Indiana State Department of Health (ISDH) requests responses from vendors experienced in providing Electronic Benefit Transfer (EBT) services and Time and Attendance (T&A) services. Through this RFP, the State of Indiana is accepting proposals for card services and processing in support of the State’s provision of Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Child Care programs, including services under the Child Care and Development Fund (CCDF).

# **SOW Overview**

This RFP is divided into one common scope (Scope A) and three program-specific scopes: SNAP/TANF (Scope B), WIC (Scope C), and Child Care (Scope D). Vendors may propose to provide services for an individual program-specific scope or any combination of program-specific scopes. Currently, each program is administered independently, and each uses a separate and distinct mag-stripe card.

The requirements, responsibilities, and activities included in Scope A shall apply equally to the provision of all individual, program-specific scopes. If a vendor chooses to respond to a single program-specific scope, the vendor shall submit a single proposal addressing both the common content of Scope A and specific content of the applicable program-specific scope. Regardless of which program(s) vendors propose to fulfill, all vendors must respond to Scope A.

Please note that each program-specific scope shall be under the governance of that specific program’s State leadership. Scope B (SNAP/TANF EBT) services shall be administered by the Division of Family Resources (DFR) within FSSA and decision-making authority shall reside with the Director of DFR and his or her designee(s). Scope C (WIC EBT) services shall be administered by the State WIC Program within ISDH, and decision-making authority shall reside with the State WIC Director and his or her designee(s). Scope D (Child Care T&A) services shall be administered by OECOSL within FSSA, and decision-making authority shall reside with the Director of OECOSL and his or her designee(s).

“State,” when used in a program-specific scope section (Sections 5, 6, and 7) shall therefore refer to the applicable State program and/or its leadership. Duties associated with Scope A shall similarly be administered on a program-by-program basis (e.g. OECOSL shall monitor and address performance issues for Scope A services as they relate to the delivery of Child Care’s T&A system).

# **Program Background & Current Solution**

The State has provided backgrounds on the programs and current solutions for each of the three program-specific scopes below. For additional information, including historical volume statistics, please see the Bidders’ Library.

* 1. **SNAP/TANF Current Program Overview**

The Supplemental Nutrition Assistance Program (SNAP) is a food assistance program administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). Temporary Assistance for Needy Families (TANF) is a cash assistance program that replaced Aid to Families with Dependent Children (AFDC). SNAP is administered by FNS but operated by the State. TANF is administered by Health and Human Services, Office of Family Assistance, but operated by the state.

The State of Indiana has been delivering SNAP and TANF benefits via EBT since 2002. The current combined SNAP and TANF EBT card is known as the “Hoosier Works” card. Through the card, clients may access SNAP benefits for the purchase of eligible food items in authorized food retail locations. Except in locations limited by Indiana law IC 12-13-14-4.5, TANF benefits may be accessed at Automated Teller Machines (ATMs) and Point-of-Sale (POS) devices, subject to retailer policies.

The following statistics are provided to give potential respondents a greater understanding of historical volume for planning purposes; however, the number may fluctuate and the volume is not guaranteed:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Month | SNAP Only Cases | TANF Only Cases | SNAP & TANF Combined Cases | Replacement Cards Issued | ATM Transactions | Customer Service Calls |
| Nov-17 | 277,231 | 2,018 | 4,842 | 9,631 | 6,557 | 13,102 |
| Dec-17 | 275,112 | 1,959 | 4,927 | 9,110 | 6,296 | 12,664 |
| Jan-18 | 273,192 | 1,937 | 4,830 | 10,249 | 6,376 | 13,669 |
| Feb-18 | 271,946 | 1,954 | 4,823 | 8,599 | 5,984 | 11,696 |
| Mar-18 | 270,902 | 1,932 | 4,667 | 8,959 | 5,935 | 11,673 |
| Apr-18 | 267,916 | 1,924 | 4,459 | 9,169 | 5,877 | 11,420 |
| May-18 | 265,721 | 1,860 | 4,302 | 9,613 | 5,671 | 12,059 |
| Jun-18 | 263,198 | 1,821 | 4,218 | 9,553 | 5,660 | 12,334 |
| Jul-18 | 264,276 | 1,829 | 4,256 | 10,331 | 4,757 | 13,733 |
| Aug-18 | 266,767 | 1,820 | 4,261 | 10,839 | 4,759 | 15,319 |
| Sep-18 | 265,329 | 1,815 | 4,220 | 9,639 | 4,510 | 13,076 |
| Oct-18 | 264,081 | 1,811 | 4,223 | 10,548 | 4,717 | 14,785 |

The State performs a wire transfer each day to reimburse the EBT contractor for the previous day’s cash (TANF) disbursement; wire transfers for weekend cash activity are performed on the first business of the following week. The EBT processor performs a daily “draw-down” via Account Management Agent/Automated Standard Application for Payments (AMA/ASAP) for SNAP reimbursement.

The Indiana Client Eligibility System (ICES) is the current system used to determine client eligibility and to issue benefits for SNAP and TANF. The EBT system interfaces with the State eligibility determination system to receive and transmit account and benefit information.

DFR is in process of replacing ICES with a new eligibility system: the Indiana Eligibility Determination Services System (IEDSS). The current schedule calls for piloting IEDSS in April, 2019. From April through December 31, 2019, ICES will remain operational while IEDSS is rolled out in waves throughout the State. The ICES platform will then be decommissioned shortly thereafter, assuming a successful and complete IEDSS implementation. As this timeline demonstrates, the Contractor shall support any interface requirements for the old and new systems and work with the State, as applicable during the IEDSS transition interval as it relates to EBT. For more information about the interface requirements, please see Scope B, Section 5.3.

State eligibility workers, including State contractors may be authorized to view real-time EBT information via a web-based Administrative Terminal provided by the EBT Contractor. Read only functions are granted to 300 State staff and contractors. Full update, testing, and security administration access is available to 3 State staff members located at DFR Executive Office.

The State has the ability to issue disaster SNAP benefits (D-SNAP) when a disaster is declared and when authorized by FNS. Under the current system, the EBT contractor provides active, unfunded D-SNAP cards for State over-the-counter issuance. State and local workers enter applicant information into the eligibility system via a web-based portal. The eligibility system sends all D-SNAP client account and benefit information to the EBT system for immediate use.

If the eligibility system and/or the interface is not available, accounts and/or benefits are sent to the EBT processor directly (by-passing the eligibility system) through the EBT system’s admin terminal, but are “held” by the EBT processor until corresponding information is sent by the eligibility system. These benefits become available as soon as they are posted to the account. There are no disaster benefits for TANF.

Clients may view their EBT information via a client web site or contact the EBT contractor’s customer service, which is provided 24x7x365 via a combination of Interactive Voice Response (IVR) and live Customer Service Representatives (CSR).

The most recent FNS Guidance for a SNAP EBT system is available at: <https://www.fns.usda.gov/ebt/general-electronic-benefit-transfer-ebt-information>

* 1. **WIC Current Program Overview**

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides nutritious foods to eligible pregnant, postpartum and breastfeeding mothers, infants and children to five years of age at or below 185% of the Federal Poverty Level who are at nutritional risk. The USDA Food and Nutrition Services (FNS) provides grants to the Indiana State Department of Health (ISDH), which enters into agreements with local agencies to provide eligibility determination, nutrition counseling, and related administrative services to WIC participants.

The Indiana WIC Program currently serves approximately 157,099 enrollees, for whom cards are issued, per month in 39 local agencies and 127 clinics.

The State manages and authorizes WIC benefits for eligible clients through the WIC Management Information System (MIS), which is supported by an MIS contractor. Through an interface with the WIC MIS, the current EBT contractor’s WIC EBT system (known as eWIC) receives accurate, updated client and retailer information and benefits. WIC clients apply their specific benefits toward approved products via EBT at authorized grocery retailers (“WIC-vendors”). The following statistics are provided to give potential respondents a greater understanding of historical volume for planning purposes; however, the number may fluctuate and the volume is not guaranteed:

* 20 State Office level users
* Approximately 616 local agency/clinic level users
* Approximately 400 concurrent system users on the average day
* 39 local WIC agencies and 127 individual WIC clinics
* Approximately 597 active authorized WIC vendor locations through approximately 119 different owners
* Average monthly enrollment (card issuance) of 157,099 individuals and participation (card use) by 174,016 individuals representing approximately 80,526 households.

The majority of IN WIC clinics operate in the Eastern Standard Time (EST) zone, although there are 26 clinics that operate in the Central Standard Time (CST) zone. All areas observe Daylight Saving Time.

Core hours for clinic operations are from 8:00 am EST to 5:30 Local Time, during which time the majority of calls will be received. State policy requires that each local WIC agency have at least one clinic that has evening hours to provide additional access. All clinics are closed by 8:00 pm Local Time. Monday, Tuesday, and Wednesday are the most common days for evening hours. On Fridays, all clinics are closed by 5:30 pm Local Time. One site is open on Saturday 9am-2pm EST. For more information about local clinics, please see the Bidders’ Library (Att. J – C.2) for the WIC Clinics Public Roster or visit the interactive map located on the WIC website at <https://www.in.gov/isdh/20424.htm>.

Federal guidelines and materials for WIC EBT are available at [https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance.](https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance)

* 1. **Child Care Current Program Overview**

The Office of Early Childhood and Out-of-School Learning (OECOSL) within the Family and Social Services Administration (FSSA) oversees early child care, education, and out-of-school-time programs. The vision of the OECOSL is that every Indiana community will have a strong network of Early Care and Education (ECE) and Out-of-School Time (OST) programs that support the child, the family, and local schools.

As the lead agency for the administration of the Child Care Development Block Grant (CCDBG), OECOSL is responsible for the following:

* The administration of the Child Care Development Fund (CCDF) voucher program to support low income families with child care subsidies to aid with the cost of child care while parents are working, attending school, or participating in TANF IMPACT activities (Hoosier Works for Child Care);
* The implementation and monitoring of child care health and safety standards through the licensing, registration, and Provider Eligibility Standards (PES) process;
* The promotion of parental choice through the provision of a wide variety of quality child care programs;
* The provision of consumer education information that allows families to make informed child care choices;
* Building of high quality child care options, including before and after care programs for school age children through initiatives, such as Paths to QUALITY™, Indiana’s child care rating and improvement system, that are designed to enhance the quality of care offered.

This RFP addresses two separate but related responsibilities of fulfilling OECOSL’s mission:

* A CCDF voucher program, which requires the efficient collection of intervals of care provided to authorized families at authorized providers, and payments to providers for that care; and
* A separate, Pre-Kindergarten program in which attendance is captured at specified public, private, and charter schools and at specific providers, and for which payment is made at a state-specified flat rate.

Requirements for both of these programs are defined in Section 7. The State recognizes that there is a synergy between the requirements for both programs, and anticipates efficiencies resulting from both programs being implemented concurrently (i.e., to the extent possible, Pre-K will employ the functionality provided for the voucher program), in addition to the program’s own, unique requirements.

To this end, the State seeks a vendor that can efficiently and accurately capture real time attendance data for both Pre-K and CCDF children, provide payments to providers based on this attendance, and facilitate agency operation through software interfacing, communication, and reporting.

* + 1. **CCDF Voucher Program**

The CCDF voucher program provides child care assistance for TANF-IMPACT families as well as TANF families and low-income families who are employed or enrolled in an educational or training program. CCDF families are authorized for a specific number of child care hours per week. CCDF families must choose a CCDF eligible provider. CCDF providers are compensated for the care provided based on the current CCDF county reimbursement rate, family co-pay and the number of hours that the child attends the child care facility.

The Central Reimbursement Office (CRO), operated by the CRO Contractor, plays a critical role in the successful administration of the CCDF voucher program and Pre-K program by providing an automated, real time method for families to record the time that their children receive care and by making accurate, timely payments to providers for this care.

The CCDF voucher program supports approximately 35,000 children per month. This number can fluctuate and volume is not guaranteed.

The State of Indiana recognizes four types of providers which may become authorized:

* **Licensed child care centers:** nonresidential buildings in which at least one child receives care for regular compensation for more than four hours but less than twenty-four hours in each of ten consecutive business days;
* **Licensed child care homes**: residential structures in which not more than 16 children, depending on the type of Licensed Home, receive care for regular compensation within the same time parameters of licensed child care centers;
* **Unlicensed registered child care ministries**: child care operated by a church or other religious organization that is exempt from federal taxes;
* **Legally licensed exempt providers** (LLEP’s).
  1. Legally licensed exempt providers as well as Unlicensed Registered Child Care Ministries, must meet criteria defined in IC 12-17.2-2-8.

Each of these provider types is eligible to participate in the CCDF voucher program after they have passed an on-site inspection. There are approximately 5,000 unique providers participating in the CCDF program at any one time. This number fluctuates and volume is not guaranteed. See Bidders’ Library for the number of providers in each category, the number of POS terminals that have been deployed to each, and the maximum number of children each can accommodate at any given time (Att. J – D.1). Also available in the Bidder’s Library are copies of the CCDF policy and procedure manual (Att. J – D.2) and the CCDF Provider manual (Att. J – D.3).

* + 1. **Current Process**

The CCDF voucher program has automated business processes that segregate and separate eligibility and payment processing functions.

The CCDF voucher program has three major components:

1. CCDF Provider Eligibility

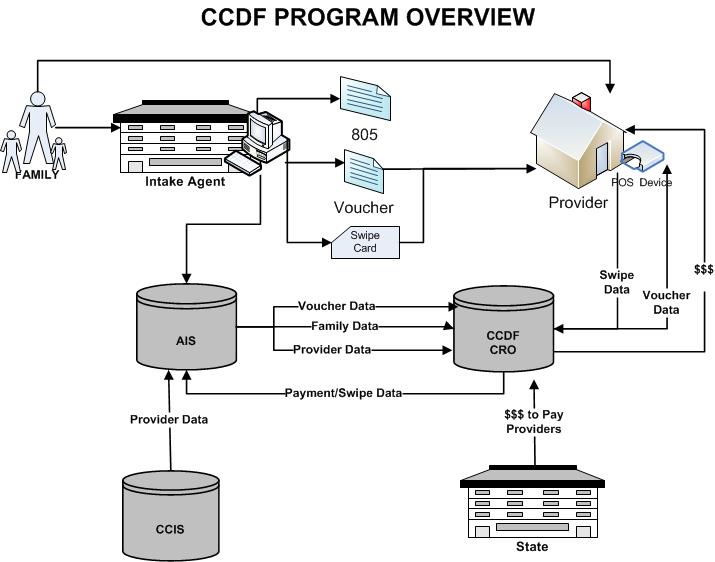
The State requires all child care providers to be either licensed by the State of Indiana or demonstrate compliance with CCDF Provider Eligibility Standards as defined in IC 12-17.2-3.5 to become an eligible child care provider. Once OECOSL determines a child care provider to be eligible, an eligible child care record is created and maintained in the Child Care Information System (CCIS). This information is interfaced with the Automated Intake System (AIS).

1. CCDF Applicant Intake

The State contracts with regional Intake Agents to provide eligibility determination services in each county. The Intake Agent will create an electronic voucher / authorization to expend funds for child care services delivered by a CCDF eligible child care provider. The information is interfaced with the Central Reimbursement Office (CRO).

1. CCDF Eligible Child Care Provider Payment

The CRO Contractor provides and maintains point of service (POS) devices which eligible families utilize to document the attendance of CCDF eligible children at their chosen CCDF eligible provider. The CRO Contractor tracks and processes attendance data to determine appropriate payment utilizing CCDF business rules, provides electronic billing information to the State and makes direct deposit payments to appropriate child care providers. The CRO Contractor maintains all payment detail as required by the State.

Please see the diagram below for additional details on the current process. 

**Overview of Current Provider Payment Process**

1. Family goes to Intake Agent to determine eligibility for CCDF program. Each county has at least one intake agency location.
2. Intake Agent completes an Application (Form 805) in the Automated Intake System (AIS) for each family upon enrollment and reauthorizing for the CCDF program. Applicant provides required backup documentation to verify eligibility.
3. If determined eligible, client selects a CCDF eligible provider; the Intake Agent issues a voucher and Hoosier Works (EBT-swipe) card(s) to all authorized users.
4. Updated voucher, family and provider data is sent to CCDF CRO database multiple times a day.
5. Authorized users drop off children at provider, swipe child in using Hoosier Works swipe card on the POS device. Authorized user picks up child at provider and swipes child out.
6. Eligible CCDF providers that have children assigned to their facility have POS machines. POS machines are assigned to the specific location. Only CCDF children that have been assigned to that location have the ability to swipe in at that POS machine. Providers receive training from CRO Contractor when issued a POS device.
7. POS machines communicate with CRO Contractor to verify that the authorized user swiping in or out has a valid voucher for the selected timeframe at that location.

The CRO collects real time swipe data from POS devices. Families may enter back-swipes for up to thirteen (13) calendar days after each two-week service period. The CRO Contractor applies payment rules and calculates payment for each CCDF provider every two weeks. Providers may also void a transaction and enter “Late Attendance” through the online Provider Portal for days the provider was not paid for within a given forty-two (42) day period. A parent must further verify and approve any Late Attendance through the Parent Portal.

1. State of Indiana deposits funds into the CRO Contractor’s account to pay CCDF providers based on report from the CRO Contractor.
2. The CRO Contractor pays providers via direct bank deposit (ACH).
3. The CRO Contractor sends payment data to AIS.
   * 1. **Pre-Kindergarten (Pre-K) Program**

Indiana FSSA administers a pilot pre-Kindergarten program (“On My Way Pre-K”), in which services are delivered by public schools, including charter schools, eligible child care providers, and accredited private schools. Children may be full-time or part-time, must be 4 years old by August 1 of the school year and must be under 127% of the Federal Poverty Level.

The goal for the Pre-K Program is to capture and pay providers for Pre-K child care that is separate from child care under the CCDF program defined above. By utilizing the current CCDF’s time and attendance system and its infrastructure, the CRO Contractor has added functionality for tracking Pre-K vouchers, attendance, and payments to providers who furnish Pre-K services. The payment processes for CCDF and Pre-K use the exact same business rules, with the exception that Pre-K does not utilize the rules for Daily and Hourly voucher rate type calculations, as those rate types do not exist for vouchers with a Pre-K fund code.

# **Scope A – Common Scope Across Programs**

* 1. **Overview**

While Respondents have the option to submit a proposal for any individual program or a combination of programs under this RFP, the State requires that the resulting Contractor(s) provide the following common services and adhere to the same base requirements across each program, as described in this common “Scope A.”

Please see the individual program scopes (Sections 5, 6, and 7) for program-specific responsibilities and requirements, which the Contractor(s) supporting those programs must comply with in addition to those included in Scope A.

* 1. **Project Management**
     1. **Project Deliverable Expectations**

The Contractor shall provide project deliverables and documentation for review and approval by the State. Electronic copies of draft and final documentation and deliverables must be supplied to the State through the use of a secure electronic document depository. Electronic copies shall be provided in MS Office format, unless otherwise specified or approved by the State. Workplans must be submitted in MS Project and .PDF formats.

State comments will be provided to the Contractor within ten (10) business days of the receipt of the draft. Within five (5) business days of receipt of State comments, and after incorporating such comments, the final draft of the documentation shall be delivered to the State.

The Contractor shall be required to update and maintain project deliverables and documentation for the duration of the contract. The approved deliverables and documentation shall be updated to reflect changes in system design or operations or as requested by the State. Updates to the deliverables and documentation shall be completed within one month of any system change.

A high-level list of deliverables, along with associated due dates, is provided in each program-specific scope. Please see Sections 5.1.1, 6.1.1, and 7.1.1.

* + 1. **Project Staffing**

For the delivery of services for each program-specific scope, the State shall require Key Personnel be included on the Contractor’s team(s). The minimum Contractor roles and qualifications for each project are listed in the program-specific scopes (see Section 5.1.2, 6.1.2, and 7.1.2). In addition to the Key Personnel, the Contractor shall be fully staffed to meet the State’s service level needs, as described in this solicitation and each program scope.

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.

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. 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. 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.

With any Key Personnel change, the Contractor shall submit the resume and references for a proposed replacement no later than fifteen (15) business days from notification of a resignation or request for removal or within a time frame agreed upon by the State. The replacement shall be of equal or greater ability and qualifications. State approval must be received prior to placing the replacement staff member on the project team. The State may also request a meeting with the proposed replacement before providing approval.

The Contractor must provide and maintain a current staffing plan that identifies the personnel who will be used to fulfill the services described in this Solicitation. Staffing plans must address the following:

* Job title, qualifications, and descriptions for each staff position;
* Subcontractor staff and responsibilities, if necessary;
* Contractor performance evaluation and progressive disciplinary policies;
* Plans for the replacement of departing temporary and permanent staff;
* Updated organizational chart that shows the reporting structure and responsibilities of Contractor’s staff and any Subcontractor staff.
  + 1. **Project Management Plan**

The Contractor shall provide services in alignment with a proposed and approved Project Management Plan (PMP), which outlines the project management approach that will be used for each program’s project. A preliminary plan, for each program-specific scope for which the Respondent proposes to fulfill, must be submitted as part of the technical proposal. The final Plan delivery date shall be included in the Project Schedule and subject to State approval. The plan must detail the proposed levels of staffing, including technical staff, to ensure all implementation and on-going operational tasks and responsibilities are completed in a timely and accurate manner. The PMP shall also describe the Contractor’s approach to schedule management, budget management, quality management, requirements management, process improvement, resource management, risk management and mitigation, issue identification and resolution, tracking of service level related metrics, and preparation of status reports.

* + 1. **Project Plan and Schedule**

The Contractor shall propose a process, frequency, and format for providing and updating a Project Plan, which must include the following components:

* Detailed project schedule including tasks, assigned resources, and associated levels of effort required for any modification and/or implementation of the Contractor’s system.
* Work Breakdown Structure (WBS) providing a graphic depiction that defines the tasks for the entire scope of the project.
* Project staffing that describes the overall staffing approach for the project during implementation and on-going operations. This is to include the percentage of time key personnel will be dedicated to this project.
* Project tasks, milestones, and deliverables that describe what is required to accomplish the work detailed in the WBS.

All project deliverables included in individual program scopes (see Sections 5.1.1, 6.1.1, and 7.1.1) as well as any activities required by State or Federal guidelines must be included. The project schedule must identify all critical path and dependency tasks and milestones, as well as delineate the responsibilities of the Contractor, its subcontractors, the State, and other involved entities.

Any material changes to the Project Plan, including but not limited to changes to the scope, Deliverables, milestones, and timeframes, must be approved by the State. The Plan should be updated with actual completion dates when key deliverables are accepted by the State and in conjunction with status reports. For each program-specific scope for which the Respondent proposes to fulfill, a preliminary Plan shall be submitted in the technical proposal, with a final Plan due no more than thirty (30) days from contract execution for State review and approval.

After State approval, the revised Project Plan and schedule will become the Contractor’s baseline to fulfill the Contract. Once established, the baseline will only be modified with the written approval of the State, and will typically include processing through the change management process before such approval is granted. The approved baseline will be used for all Project metrics reported on a regular status reporting schedule.

* + 1. **Kick-Off Meeting**

For each awarded project scope, the Contractor shall conduct a kick-off meeting with appropriate State staff to be held at the applicable program’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. At a minimum Key Personnel must attend the kick-off meeting in person. Any other Contractor staff who may be critical to the Project Initiation Phase should also be in attendance.

* + 1. **Ongoing Status Reports**

During each project phase, the Contractor must meet with the State program team and provide written status reports weekly or as otherwise negotiated. Written status reports are due to the State two (2) business days prior to the status update meetings, and must provide status information on all planned, ongoing, and completed Project activities. The Contractor’s proposed format and level of detail for the status report is subject to State approval.

At a minimum status reports must include:

1. Minutes from the previous status meeting;
2. Updated Project Plan;
3. Status reports of current tasks/deliverables, including any notification of schedule slippage;
4. Anticipated tasks to be completed during the next reporting period;
5. Risk tracking log with risk mitigation strategies;
6. Problem Tracking Report, with outstanding problems, issues, and changes;
7. Test results, when applicable;
8. Identification of Contractor project staff assigned to specific activities;
   1. Planned absence of Key Personnel and their anticipated return date; and
   2. Modification of any known key staffing changes.
9. Action items to be completed by the Contractor, and by the State
10. Responsibilities or role of Federal partners, as applicable.
    * 1. **Change Management Plan**

Within thirty (30) days of Contract execution, the Contractor must work with the State to develop a Change Management Plan, in alignment with the State’s Change Order Process (Section 4.3.5.e), to establish the change management roles and responsibilities, policies, guidelines, processes, and procedures necessary for controlling and managing the changes during the life of the Project. The Change Management Plan must include the use of a change management tool for changes made to the existing production system during project implementation, thus ensuring the system incorporates all applicable changes at the time of deployment. The Change Management Plan must

include the following components:

1. **Change Control Process**

The Change Control Process should be clearly identified in the contractor’s Change Management Plan. The process must include formally identifying the impact of any change or correction that modifies scope, deliverables, timeframes, or resource allocations. It also determines the disposition of the requested change or correction. The Change Control Process could be initiated by events such as legislative changes in State or federal legislation, State changes in business processes or policies, new business requirements, or project modifications.

The Contractor must follow a State-approved Change Control Process that:

* 1. Spans the entire project life cycle;
  2. Provides a clear scope of what is included and excluded from each change order request;
  3. Delineates the system downtime required to implement any change(s), when applicable;
  4. Requires the successful completion of regression testing before the implementation of the change;
  5. Incorporates multiple levels of priority for change orders (e.g., critical, must-have, desired, etc.);
  6. Supports the Change Control Process by estimating impacts, investigating solutions, identifying alternatives, updating information in Project tracking tools, participating in decisions-, and implementing the agreed upon solution.

1. **Configuration Control Plan**

As part of its Change Management Plan, the Contractor must develop a Configuration Control Plan that addresses the proposed methodology and tools for managing configuration control throughout the project. At a minimum, the methodology must include:

1. Decision and communication processes required before configuration changes can be made;
2. Technical and security architecture, including:
3. Server - physical and logical hardware, environments, capacities, and performance specifications;
   1. Networking equipment and schema;
   2. Software, including system/operational/utility/diagnostic, and application; and
   3. Database.
4. Version/release numbers of all proposed software and schedules for the implementation of all architecture components.

The Contractor must execute the Configuration Control Plan throughout the project. Any deviation from this plan must be approved in writing by the State prior to the change.

**Note:** each individual project scope shall include 2,500 work hours of system modifications and/or changes over the life of the Contract at no additional cost to the State. The Change Control Process must be used to define and track effort applicable to the 2,500 hours. Effort exceeding the 2,500 hours will be negotiated as part of a Change Order process.

* + 1. **Communication Plan**

The Contractor must develop a Communication Plan that ensures timely and appropriate generation, collection, and dissemination of Project information under the direction of each applicable State program. The Plan should account for all stakeholders involved in the project, including the State, other related State contractors, the Contractor and its subcontractors, authorized vendors or providers, and local and Federal partners as applicable. The Communications Plan shall detail how communications among and between stakeholders will be delivered and managed. A draft program-specific Plan is due no later than sixty (60) days from contract execution for State review and approval. The final Plan delivery date shall be included in the Project Schedule and subject to State approval. At a minimum, it must include the following:

1. Project team roles and responsibilities;
2. Escalation contacts and process;
3. Communication channels (diagram format);
4. Communication protocols and procedures for reporting project issues to State stakeholders;
5. Any communication deliverables; and
6. Process for coordinating, scheduling, and running remote and in-person meetings.
   * 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 draft Plan is due not later than sixty (60) days from contract execution for State review and approval. The final Plan delivery date shall be included in the Project Schedule and subject to State approval.

* 1. **Project Phases**

For each program-specific project, the work performed by the Contractor under the Contract *may* contain phases where a new system is implemented to replace the current system (the “Design,” “Development,” and “Transition-In” phases). All projects shall contain a phase of ongoing operations (the “Operations” phase) and end of contract duties (“End of Contract” phase).

The duties related to “Design,” “Development,” and “Transition-In” phases are required of the Contractor if the Contractor is implementing a new system than the one historically in place with the State for that program (*i.e.* the Contractor is not the historical incumbent).

Each Project shall be divided into the following phases, with “Design and Development” and “Transition-In” applicable only to the introduction of new systems:

1. Project Initiation
2. Design
3. Development
4. Transition-In
5. Operations
6. End of Contract

The Contractor shall conduct regularly scheduled meetings with the State during each phase.

* + 1. **Project Initiation Phase**

During the Project Initiation phase, the Contractor shall begin work on each program-specific scope, which they were awarded. For each applicable program, the Contractor shall be responsible for the following, during this phase:

1. **Project Management**

The Contractor shall initiate all project management activities described above in Section 4.2 “Project Management.”

1. **Requirements Validation**

The Contractor must thoroughly review, validate, and refine all requirements specified in this RFP as necessary, regardless of whether the Contractor is proposing the use of any existing program system as there may be changes contemplated by the State in this solicitation. The Contractor must work with the State staff to fully understand the scope, purpose, and implications of each requirement.

The Contractor must conduct Joint Application Design (JAD) sessions to finalize requirements and to ensure that responses to all RFP requirements are acceptable to the State program.

The Contractor must thoroughly review all applicable State and Federal regulations and policies. Additionally, the Contractor must ensure that the system adheres to all applicable State of Indiana, FSSA, ISDH, and Information Technology (IT) Policy and Security Standards.

Prior to each session, the Contractor shall provide session agendas and electronic copies of all materials to be distributed at the sessions. Subsequent to the sessions, the Contractor shall deliver a technical memorandum documenting all agreements, understandings, and contingencies arising from the sessions.

* + 1. **Design Phase**

The system design shall be based on the requirements specified in this RFP and agreed to in the kickoff/JAD meetings. During the Design Phase, the Contractor is responsible for the preparation of the project deliverables described below. A separate stand-alone document is required for each program-specific system. These deliverables are common across all project scopes; however, individual programs may have additional deliverables and additional requirements for the deliverables below, which the Contractor shall be responsible for providing as well.

1. **System Requirements Specification Document**

The Contractor must develop and maintain a System Requirements Specification Document (SRSD). This document must include system functional and non-functional requirements (such as quality attributes, legal and regulatory requirements, standards, performance requirements and design constraints). The requirements covered in the RFP are the base requirements which must be further refined to arrive at the detailed design. SRSD requirements must be tracked throughout the system development life cycle. Detailed requirements must be traceable back to the requirements specified in this RFP.

The specification for each requirement should include a means of measuring to demonstrate that the requirement has been satisfied. Additionally, the SRSD must include:

1. A cross-walk or map of each RFP requirement;
2. A listing of any open change orders;
3. Any requirements subsequently identified in JAD sessions related to all functions and processes; and
4. Identification of all internal and external interfaces.
5. **System Interface Document**

The System Interface Document must describe all internal and external interfaces and define the business rules for the data exchange between the State and Contractor, telecommunications and security for exchanging data, transmission schedules, file formats and data content, and data transmission for card issuance.

1. **Requirements Traceability Matrix (RTM)**

The Contractor must develop a traceability matrix to track all requirements specified in the Detailed System Design Document. Requirements must be tracked through each stage of the development life cycle from specification through production deployment. Requirements must be stored in a requirements management repository, which must report each specific requirement based on its type or attribute. A detailed listing of all requirements must also be included. The matrix and repository must be contained in one tracking tool. The matrix and the repository will be used throughout the program project to assure that the design, development, test, and final production system meet the specified requirements.

1. **Functional Design Document**

The Functional System Design Document must provide a general description of the system design components required to address the system’s functional requirements. This document must have a high-level description of the Contractor’s systems and services.

1. **Detailed System Design Document**

The Detailed System Design Document provides detailed descriptions of the total system configuration including: hardware, functionality, data elements, file layouts, process flows, interfaces, reporting, transaction processing, administrative system/access, settlement and reconciliation, customer service, client and vendor/provider account maintenance, card/PIN issuance (if applicable to the Contractor’s solution(s)), and complete system security.

1. **System Test Plans**

System Test Plans are to be developed to define the test purpose, test scripts, methodology, and test environment. The Contractor must develop test plans for a Functional Demonstration, Interface Test, User Acceptance Test, Performance (Stress) Test, Network Performance Test, Regression Test, Transition Test, and Interactive Voice Response (IVR) Test. The Test Plans must also include a Life Cycle Testing component to ensure that proper testing is conducted prior to changes being introduced into an interoperable production environment over the life of the Contract.

The Test Plan must include problem resolution and escalation procedures that define how State users will report system and operational problems to the Contractor in acceptance testing and on-going operations, how these problems are resolved, and how resolution is reported to the State. The procedures must include a priority scheme for identifying the relevant severity of the problem and the anticipated timeframe for resolution.

The State may require quality assurance (QA) and regression testing be performed on any and all changes made to coding and programs during acceptance testing and throughout the Operations Phase. The Contractor must ensure that changes are thoroughly tested end-to-end for impact on other system components, applications, and functionality prior to deployment. The test environment shall operate under the same system requirements as the production system. The test plan must address the nature and extent of integration testing that is to occur to ensure that all systems properly interface with each other and operate as designed. QA and regression test results must be provided to the State for approval prior to deployment.

Each program project shall dictate the specific components to be included in the System Test Plan. Please see Sections 5.2.1.a, 6.2.1.b, and 7.2.2.a for more details.

1. **Data Conversion Plan**

If a data conversion is required to migrate data to a new system as part of this project, the Contractor must create a conversion plan that establishes the conversion environment and outlines strategies for the automated conversion of data. At a minimum, the data conversion plan must:

1. Identify how the conversion requirements will be confirmed and refined;
2. Map the data elements in the current system;
3. Identify the Contractor’s approach for data conversion;
4. Create a schedule for conversion activities;
5. Keep the data conversion consistent with the implementation schedule, and
6. Describe the process for data protection, integrity and confidentiality throughout the conversion process.

The Contractor shall not be permitted to take or transmit any real data off-site for testing, cleansing, or any other processing.

1. **Transition Plan**

The Contractor must prepare a Transition Plan detailing its assumption of the work detailed in this SOW (if applicable). The draft Transition Plan must include detailed steps and procedures necessary to prepare for, transition, and provide all services required for the program in this RFP with minimal disruption to clients, vendors/providers, State users, and other stakeholders. This Plan must include details on how the Contractor plans to interface with the current contractor to transfer data and responsibilities during the transition. The plan must provide a detailed time line 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;
7. Customer service;
8. Equipment delivery and installation;
9. Timeframe for database conversion, including a backup date;
10. Testing procedures, verification, and validation of the migration process;
11. Quality assurance checkpoints and critical paths;

Please see individual program scopes for project-specific Transition Plan requirements (Sections 5.2.1.c, 6.2.2.a, and 7.2.2.b)

* + 1. **Development Phase**

During the Development Phase, the Contractor must configure and test the system according the system and services specifications defined in this RFP and the JAD sessions. The Contractor and the applicable State program will agree on the extent, format, and contents to be included in each test and deliverable prior in the System Test Plan as defined above in 4.3.2.f. At a minimum, following types of testing must be provided during the Design and Development phase:

1. **Unit Testing**

The Contractor must test all components as stand-alone entities. Unit testing ensures that a single component is resilient and will function correctly on a stand-alone basis (e.g. the modified component can take inputs and produce expected outputs).

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 and Federal representatives (if applicable) 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 RFP.

1. **Interface Testing**

Interface Tests must be conducted between all State and Federal interfaces (as applicable) and the Contractor’s system to ensure that all files transmitted are properly formatted, transmitted, received, edited, accepted, confirmed, and processed according to design.

1. **User Acceptance Testing (UAT)**

The User Acceptance Test provides both State and Federal representatives (if applicable) the opportunity to test system functionality and ensure compliance with system design requirements. During the User Acceptance Test, testing participants must follow detailed test scripts developed by the Contractor and reviewed and approved by the State and FNS, if applicable.

The tests and test scripts must cover all facets of the system's operations and test all of the system processing options and environmental conditions. For more detailed descriptions of what needs to be included for each project, please see the specific program scopes (Sections 5.2.1.l.ii, 6.2.1.b, and 7.2.2.g.i).

An ad hoc or "what if" portion of the UAT test shall provide the State and Federal representatives (if applicable) the opportunity to include various transaction sets and sequences that were not included in the test scripts and to challenge the system's operations and design.

The test environment, to the extent practical, must begin with a clean test database.

1. **Regression Testing**

Any changes to the application architecture/code as a result of defect fixes, enhancements, or requirements changes must trigger Regression tests at the Unit as well as Integration/System levels. This must include running existing tests as well as writing and running new tests as required. The Contractor must work with State staff to make sure the testing is adequate but not excessive in order to avoid a negative impact on the project’s schedules, time lines, or budgets.

1. **Performance/Stress Testing**

This test must ensure that there is sufficient capacity within the Contractor’s system to accommodate the projected transaction volumes. Test results from the stress test must be used by the Contractor to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration.

The Performance Test may be included as part of the User Acceptance Test.

As an option, the Contractor may use current production data to develop a system capacity model for the anticipated transaction volumes. Any data modeling must be approved by State. The Contractor must provide a detailed description of data to be used, how the modeling will be performed, a comparison of the modeling method to be used with live production data, and how test results will be documented and reported to the State if it anticipates the use of this option.

This test must be completed before or at the same time as User Acceptance Testing.

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 for the Help Desk 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. **Data Conversion Test**

If data conversion is required, the Contractor must complete the conversion process from the current system to the new system in accordance with the Data Conversion Plan and all federal and State requirements. The Data Conversion Test validates the conversion results, and the ability to perform test transactions against the converted database.

The 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.

This test is to assure the converted database can perform all transactions prior to conversion.

1. **Test Results Reports**

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.

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.

The Contractor must revise any system documentation (Detailed System Design Document, Functional Design Document, etc.) 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 Detailed System Design will be completed at no additional cost to the State.

* + 1. **Transition-In Phase**

A Transition-In phase shall facilitate the Contractor’s assumption of the work detailed in this Contract. The Transition-In Phase consists of the activities required to convert Indiana’s current program systems to the Contractor’s systems.

The activities taking place during the Transition-In phase must follow the process defined in the approved Transition Plan and Data Conversion Plan submitted during the Design Phase. It is anticipated that some of the conversion activities must begin prior to the end of the Development Phase; however, the database conversion activities must not occur until all development activities, specifically the Transition Testing, have been completed and written acceptance of the process has been received from the State.

Please see program-specific scopes for detailed transition activities and requirements (Sections 5.2.2, 6.2.2, and 7.2.3).

* + 1. **Operations Phase**

During the Operations Phase, the Contractor must maintain system operations, which include: updates; patches and repairs; defect resolution; software upgrades; enhancements; and technical support during the term of the contract. Additionally, the Contractor must update all documentation within three business days after the implementation of any new releases of the system.

The Contractor shall continue to meet all of the requirements outlined in this RFP and the resulting contract. The Contractor’s program-specific operations manager shall manage ongoing communications with the State on all operations within the program scope and must immediately notify the State of any issues or problems.

Required on-going communications includes periodic status reports and status meetings with the Contractor’s operations manager, other project staff as needed, and the State. Other reports and meetings shall be requested by the State as needed. Of particular importance is the advance notification from the Contractor of scheduled system downtime to State.

The Contractor shall continue to work with the State to ensure operational integrity throughout the length of the contract.

1. **Ongoing Maintenance**

The Contractor must update, patch, and repair all related hardware and software in appropriate Contractor environments and package software changes for promotion to production. All updates, patches, and repairs must be fully and successfully tested including regression testing before migration to production. The Contractor must work with the State to coordinate implementation, release, and regularly scheduled maintenance of updates, patches, and repairs.

The Contractor must correct system defects such as malfunctions or functional deviations from approved system requirements within three (3) business days unless otherwise approved by the State. Additionally, the Contractor must correct system performance issues identified by vendors/providers, customers, and State staff within three (3) business days unless otherwise approved by the State.

The Contractor must take corrective action and ensure that the system performs as designed and required by the State and resulting contract.

The Contractor must notify the State and fix all system defects and system performance issues. All system defect and performance issue repairs must be fully and successfully tested, through regression testing and other types of testing as deemed necessary by the State, before migration to production. For implementation of system repairs the Contractor must work with the State to coordinate the release of the repairs.

The Contractor must notify the State upon correction of the problem and submit a written report of the defect or performance issue analysis and resolution implemented within five (5) business days unless an extension is granted by the State.

The Contractor and the State will jointly develop a classification plan for identified system problems or defects. An integral element of the action ratings must be an agreed-upon timeframe for resolution. If the State and the Contractor disagree over a severity or action rating, the State will prevail.

1. **Software Upgrades**

The Contractor shall present the State with an overview of available software upgrades twice a year. Upgrades may include, but are not limited to, platform upgrades, new software versions, and enhanced features and functionality. The Contractor shall be responsible for identifying and presenting Contractor-developed upgrades as well as upgrades implemented in peer states similar to Indiana, regardless of whether the Contractor is currently providing services in those states. The Operations Manager must coordinate with the Contractor’s national product leaders or any other multi-state workgroups where such features may be discussed and bring them to the state for consideration.

The presentation must describe each potential upgrade’s impact on current system configurations and any successful implementations in other states. During the presentation, the Contractor shall also provide the State with information on ad hoc reports and queries developed for other state accounts. At the State’s request, any such report shall be available as a standard query for the State of Indiana at no additional cost. In the event that the Contractor is awarded multiple program-specific scopes, the Contractor shall further make reports and query forms from one program available to all other Indiana programs for which the Contractor is responsible.

The State must approve all software upgrades, and in the event that the State does not approve the software upgrade, the Contractor must fully support the system and its functionality as is.

All upgrades must be fully and successfully tested, through regression testing and other types of testing as deemed necessary by the State, before migration to production. For the implementation of approved software upgrades, the Contractor must work with the State to assess system impacts, mitigate risks, minimize downtime, and coordinate the release of the upgrades with regularly scheduled maintenance.

1. **System Enhancements**

The Contractor shall be responsible for application enhancements approved by the State. These enhancements may be caused by changes in State or federal regulatory requirements or by requests from the State.

All enhancements that are required due to changes in federal regulations or policies must be implemented at no additional cost to the State. The Contractor shall provide system enhancements in response to and as required by official Federal findings and corrective action plans, at no additional cost to the State. If new Federal laws are introduced which are accompanied with additional funds for State use, the State shall work with the Contractor to determine how and if resulting system changes shall be billable. The Contractor shall further offer and coordinate cost sharing of federally-mandated and other common changes among the State and peer states where the Contractor operates the same system(s) or versions of the same affected system(s).

All enhancements must be fully and successfully tested before migration to production. For the implementation of enhancements, the Contractor must work with the State to coordinate the release of the enhancements with regularly scheduled maintenance.

Enhancements that do not stem from State or Federal requirements may be covered under the pool of 2500 hours for changes. Please see Section 4.2.7 for details on the Change Control Process and the use of the change pool.

1. **Warranty**

The Contractor shall provide a 90-day warranty period for new release rollouts, including initial system implementation, releases, enhancements, and software upgrades. During the 90-day warranty period, the Contractor shall fix any post-production defects or bugs at no additional cost to the State. The hours required for the fixes will not count against the pool of 2500 hours for system changers per program. Action may be taken to address consistently poor performance.

1. **System Change Order Process**

For enhancements and system modifications, the Contractor shall deliver services in alignment with the approved Change Management Plan (see Section 4.2.7). The State’s current Change Order process is as follows:

* Change requests (CR) are primarily initiated by the State and submitted in writing to the Contractor. The CR will be a high-level description of the desired change.
* The Contractor will review the request, request clarifications when needed, and then prepare a System Modification Request (SMR) for State review and approval within 15 days of receipt of the CR. The SMR will include the Contractor’s understanding of the original CR with a higher level of detail than provided in the original CR.
* The State will review and approve the SMR as appropriate and notify the Contractor. The Contractor will then prepare a detailed system design document and cost estimate, which must provide a breakdown of hours per position needed for the requested change at the hourly rates established in the Contract, within 30 days of receipt of the State approval of the SMR.
* The State will review the estimate and notify the Contractor within 30 days that it is approved, requires revision, on hold, or not approved. Approved estimates will be signed by the State and returned to the Contractor. The Contractor will then sign and return to the State. Please note that larger SMRs/estimates may require federal approval, which may extend the approval timeline.
* The State and the Contractor will mutually agree upon an implementation schedule for the change once it is approved that takes in to account the urgency of the change and the need to meet Federal implementation deadlines as appropriate. Approved changes of less than 100 hours should be implemented within 90 days of State (and Federal, if applicable) approval while approved changes of 100 hours or more should be implemented within 120 days of State (or Federal) approval. Generally, the State expects there to be at least one (1) release per quarter that would include non-critical defect fixes and other approved change requests/SMRs.
* All software changes shall be reflected in updates to appropriate system documentation, such as training materials, reports and operations manuals, System Interface Document, and the Business Requirements Document (BRD), within fourteen (14) business days of software changes.

The Contractor shall maintain a process to log and track the status of pending changes. At a minimum, the Contractor’s process must include the following for each change:

* A Contractor-assigned sequence number based on the fiscal year, e.g.., request number 1 for FY 2019 could be number SMR IN19-01;
* A short description of the requested change;
* Whether the change is a table change, software change, or other;
* The date of the original CR from the State;
* The date the SMR was sent to the State;
* The date the SMR was approved/not approved by the State;
* The date the detailed design/cost estimate was submitted to the State;
* The date the State approved/not approved/put on hold the detailed design;
* The cost of the change;
* The proposed implementation date;
* Comments section

1. **Non-Billable Changes**

Changes to reference tables shall not be billable changes but are considered to be normal system maintenance activities covered by the Contractor’s monthly fixed fee. Reference table changes will still be initiated by a CR from the State and a corresponding SMR from the Contractor but will not require the detailed system design document. The Contractor shall be responsible for making all table changes upon State approval.

As part of ongoing operations and maintenance, corrections to all system defects and performance issues and software upgrades are not billable. Infrastructure and equipment upgrades are not billable. Changes and additions to Federally-required reporting forms and queries shall be considered non-billable changes.

Corrections/defect fixes to correct deficiencies based on the most recently updated published system design documentation (or implemented SMRs/estimates where documentation has not yet been updated) are not subject to the change order process and are not billable. Please see Section 4.3.5.d Warranty for other requirements related to fixing post-production defects or bugs.

1. **Billable Changes**

Changes to the system that are above and beyond the project scope as defined in the RFP and the Contractor’s proposal will be considered billable and will go through the full change order process as described above.

* + 1. **End of Contract Phase**

At the expiration of resulting Contract(s), or if at any time prior the State should terminate the resulting Contract(s), the Contractor must cooperate with any subsequent vendor who might assume operations of the Contractor’s system. The Contractor shall not submit invoices for the final three payments of the Contract term until all activities, tasks, and deliverables included on the Contractor’s Transition Plan are complete and any necessary Federal Reserve reconciliation(s) has occurred. The Contractor must coordinate the transition of all program components to the subsequent vendor or back to the State upon notice of contract termination.

In the event that 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, under the prevailing contract terms and pricing as of the final day of the Contract or Contract termination date, for up to six months beyond the planned transfer date.

At the end of the Contractor’s contract term, the Contractor must provide the following transition services:

1. Work with the State and any other organization(s) designated by the State to facilitate an orderly transition of services;
2. 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;
3. Work in a professional manner with the State’s subsequent vendor to execute a smooth and timely transition at the end of the Contract;
4. Coordinate with the subsequent vendor on migration of customer service functions during database conversion. This may require the development of special IVR messages approved by the State for use during database conversion;
5. Transfer ownership to the state of all toll-free numbers used in conjunction with customer service functions;
6. Provide the State the right to serve as mediator between the Contractor and the subsequent vendor, subcontractors, providers/vendors, and clients;
7. Allow for fallback in case of database conversion failure;
8. Provide remaining audit reports on their due dates as required for the contract period; and
9. Fully comply with all applicable laws, regulations, rules, guidelines, or policies.
   1. **Performance Management**

The State shall hold the Contractor accountable for performance under the resulting Contract(s). This includes, but is not limited to, performance in accordance with the table of Performance Measures in each applicable program scope (see Sections 5.13, 6.20, and 7.15). 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) and payment withholding as detailed below.

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 further investigate the activity being reported.

* + 1. **Corrective Action Plans**

In the event that the Contractor fails to fulfill any of its contractual obligations, including but not limited to those outlined in the Performance Standards below, the State may request that the Contractor prepare a CAP. Such CAP will be due to the State within ten (10) business days of the request. If the State uncovers any deficiency, the State will provide written notice of non-compliance (and request for CAP, if appropriate) to the Contractor within fifteen (15) calendar days of the State’s discovery of such non-compliance.

At a minimum, the CAP must 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 for when the permanent solution will be implemented, if appropriate (as determined by the State).

The CAP must be submitted under the signature of the Contractor’s project executive and must be approved by FSSA or ISDH. 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.

* + 1. **Performance Withhold**

1. Each month, the Contractor shall invoice for 95% of the Contractor’s monthly charge (100% of the monthly charge minus the 5% amount) pending verification of the Contractor’s performance against the Performance Metrics for the previous month described in Sections 5.13, 6.20, and 7.15. The performance withholding shall be administered as further detailed below.
2. The withholding shall be as follows: 5% of the project’s monthly invoice amount, unless the Contractor fails to meet three (3) or more program-specific Performance Metrics in a single month, in which event the withholding percentage for subsequent months shall increase to 10% until resolution has been achieved as described in paragraphs 4 and 5 below.
3. Contractor shall submit detailed reports for the month prior to the month for which the invoice is being submitted (“measurement month”) that measure Contractor’s performance during the measurement month in relation to each performance standard. The reporting must be submitted to the State no later than the 15th calendar day of the month following the measurement month. The invoice shall include an attestation by Contractor that the reported data and information is accurate. Please note the invoices must contain pricing details (e.g. active cases by program type, POS devices deployed), including unit and extended prices to aupport 100% of the invoiced amount.
4. Following verification that Contractor successfully met the requirements for all program-specific Performance Metrics in a given month, the Contractor may invoice the State for the withheld funds described in paragraph 2 above with the subsequent month’s invoice (for example, if Contractor successfully meets the Performance Metrics requirements for January, and verification is completed in February, the portion of the January invoice that was withheld can be claimed with the February invoice).
5. If the Contractor fails to meet the requirements for one or more Performance Metrics (“missed Metric(s)”) in a given month, the Contractor must submit a Corrective Action Plan (CAP) to the State within fifteen (15) calendar days following the documentation of failure to meet the missed Metric(s). The State shall review and make reasonable efforts to approve the CAP within ten (10) calendar days of the CAP being received.
   1. The State will continue to withhold funds for the month in which the Contractor failed to meet the missed Metric(s) and all subsequent months, subject to the terms of Paragraphs 1 and 2 above until Contractor demonstrates that the CAP has been implemented and further successfully meets the missed Metrics for two consecutive months in the four month period immediately following the month in which the Contractor failed to meet the missed Metric(s) (for example, if Contractor fails to meet one Metric in April 2020, Contractor shall have until August 2020 to demonstrate successful achievement of that missed Metric for two consecutive months; see also Table 1 for further elaboration)
   2. Following verification that the missed Metric(s) have been met for two consecutive months as described in 5.a above, Contractor may invoice the State for release of all withheld funds.
   3. If the Contractor fails to demonstrate it has met the missed Metric(s) for two consecutive months during the four month corrective period as described in 5.a above, the State shall permanently retain the withheld funds for all months during the four month corrective period during which the Contractor failed to meet the missed Metric(s) (as a continuation of the example in 5.a above, if the Contractor meets the missed Metric in July 2020, but fails to meet it in May 2020, June 2020 and August 2020, withheld funds for April, May, June and August 2020 shall be permanently retained by the State; see also Table 1 for further elaboration). Withheld amounts permanently retained by the State under this provision are not penalties, but rather the payment of lower amounts for lower quality performance.

**Table 1: Performance Metric withholding example**

|  |  |  |  |
| --- | --- | --- | --- |
| Month | Metric Met (Y/N) | Contractual Outcome | Impact on Withheld Funds for the subject Month |
| April 2020 | N | CAP triggered | Permanently retained/Cannot be invoiced |
| May 2020 | N |  | Permanently retained/Cannot be invoiced |
| June 2020 | N |  | Permanently retained/Cannot be invoiced |
| July 2020 | Y |  | Released to Contractor/Can be invoiced |
| August 2020 | N | Failure to meet conditions in 5.c above | Permanently retained/Cannot be invoiced |

Verification of Contractor’s success or failure to achieve Performance Metrics may be performed by the State or a designated State contractor including but not limited to the State’s Operational Verification and Validation (OV&V) contractor.

# **Scope B – SNAP/TANF EBT**

* 1. **Scope-specific Project Management**
     1. **Project Deliverables**

The Contractor shall submit deliverables in alignment with the requirements outlined in Scope A, Section 4.2.1. A high-level list of program-specific deliverables, along with delivery date requirements, is provided below. The Contractor shall provide specific dates in the Project Plan and Schedule, subject to State approval. Due to the time-sensitive nature of the State’s review process, the Contractor shall space the submission of deliverables with similar delivery requirements as much as possible (e.g. for deliverables that must be submitted no more than 30 days after contract execution, the Contractor should plan to stagger the submission of deliverables leading up to that not to exceed date).

| **#** | **Deliverable** | **Delivery Date Requirements** |
| --- | --- | --- |
| **1** | Project Management Plan | With bid proposal; revised, final plan TBD |
| **2** | Project Plan and Schedule | With bid proposal; revised, final plan no more than 30 days after contract execution |
| **3** | Status Reports | Weekly unless otherwise approved by the State |
| **4** | Change Management Plan | No more than 30 days after contract execution |
| **5** | Communication Plan | No more than 60 days after contract execution |
| **6** | Customer Service Plan | No more than 90 days from contract execution |
| **7** | Quality Assurance and Risk Management Plan | No more than 60 days after contract execution |
| **8** | System Requirements Specification Document (SRSD) | TBD |
| **9** | System Interface Document | TBD |
| **10** | Requirements Traceability Matrix (RTM) | TBD |
| **11** | Functional Design Document | TBD |
| **12** | Detailed System Design Document | TBD |
| **13** | System Test Plan | TBD |
| **14** | Data Conversion Plan | TBD |
| **15** | Transition Plan | TBD |
| **16** | EBT Processor Interface Specifications | TBD |
| **17** | Retailer/Merchant Acquirers/TPP Conversion Management Plan | TBD |
| **18** | Disaster Recovery Plan | No more than 30 days from contract execution |
| **19** | Business Continuation and Recovery Plan | No more than 30 days from contract execution |
| **20** | Settlement Manual | No fewer than 30 days prior to UAT |
| **21** | Security Document | No more than 30 days from contract execution |
| **22** | Administrative Systems Manual | No fewer than 30 days prior to UAT |
| **23** | Training Manual | No fewer than 30 days prior to UAT |
| **24** | Training Materials | No fewer than 30 days prior to UAT |
| **25** | Reports Manual | No fewer than 30 days prior to UAT |

* + 1. **Project Personnel**

The Contractor shall provide personnel, both Key and non-key, according to the requirements outlined in Scope A, Section 4.2.2. The table below provides a listing of program-specific Key Personnel for the Contractor’s team. It outlines the State’s perspective on minimum Contractor Roles and qualifications necessary to support this project but is not intended to define specific Positions which will be required. Key Personnel shall be available onsite at the State’s Indiana Government Center offices as requested by the State in advance.

| **Role** | **Description** | **Required Skills** |
| --- | --- | --- |
| Project Manager | * Responsible for coordinating the overall project tasks, including project planning, scheduling, and staffing. * 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, etc. * Ensures service level agreements are sustained and deliverables are submitted on timely basis. * Available throughout the life of the contract * Manages the implementation process, if the Contractor’s solution requires a new EBT system. * Available on-site for 50% of the work week during the Transition phase, unless otherwise approved in writing by the State | * Current certification as a Project Management Professional (PMP) by the Project Management Institute (PMI) preferred and/or at least five (5) years of project management experience * At least three (3) years of experience on public sector projects. At least one (1) year of experience with a health and human services agency. * At least two (2) years of experience with system implementation, maintenance, and operations. * Strong written and communication skills. |
| Operations Manager | * Responsible for the day-to-day operations of the EBT 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 EBT system. * Project management experience. * Strong written and communication skills. |
| Transition Manager\* | * Responsible for schedules and all facets of system transfer | * Prior experience managing the transition or transfer of systems comparable in size and scope to Indiana’s EBT system. * Strong written and communication skills. |
| Retail Manager\* | * Responsible for overseeing and ensuring retailer readiness and POS deployment during transition | * Prior experience handling retailer readiness and/or relationships during at least two (2) SNAP EBT rollouts or transitions. |

\*Roles are only active for Transition, as applicable to the Contractor’s solution

* 1. **Scope-specific Project Phase Requirements and Deliverables**
     1. **Design and Development Phases**

In addition to all deliverables and requirements outlined in Scope A, Sections 4.3.2 and 4.3.3, the Contractor shall perform the following responsibilities and develop (or update at a minimum, should the Contractor’s solution utilize Indiana’s existing SNAP/TANF EBT system) the following deliverables as part of the Design and Development phases of this project:

1. **System Test Plan**

In the System Test Plan, initially described in Scope A, section 4.3.2.f., Contractor must also provide draft and final acceptance test plans with accompanying scripts for use in System Acceptance testing. State and Federal staff will complete System Acceptance testing prior to conversion to the new system. The plan must address all system components described in the Detailed System Design Document including:

1. POS transaction processing and equipment;
2. Interoperable transaction processing;
3. Interface file- editing and processing;
4. Account set-up and benefit posting;
5. Settlement and reconciliation;
6. IVR and Customer Service functionality for cardholders and retailer/merchants;
7. State Administrative System application and functionality; and
8. Reporting.
9. **Data Conversion Plan**

The Contractor shall develop a Data Conversion Plan according to requirements in Scope A, Section 4.3.2.g. In accordance with FNS guidelines a minimum of two (2) complete data conversion tests must be run prior to conversion.

1. **Transition Plan**

In addition to the requirements listed in Scope A, Section 4.3.2.h, the Contractor’s Transition Plan must be approved by the State and FNS and must include, at a minimum:

1. A deployment strategy for POS terminals and exempt retailers in sufficient time to ensure the terminals will properly process SNAP and TANF transactions on the new EBT system at transition;
2. Support for client and retailer customer service. The Contractor must arrange for the transfer of the existing toll-free phone numbers, or obtain new numbers, at no additional cost to the State;
3. A plan of cooperation to be developed jointly with the existing Contractor for the timely and accurate exchange of data and files. This plan is an integral part of the transition;
4. Staff an operational Customer Service Unit with trained customer service representatives and an operational IVR prior to the transition;
5. Submit two separate ALERT files containing individual transaction data to FNS for the conversion month (one from the incumbent Contractor for transactions occurring before the conversion date and one from the new Contractor for transactions occurring after the date);
6. Ensure that 95 percent of all FNS certified retailers are able to complete EBT transactions either directly or through an acquirer/Third Party Processor (TPP) before the actual conversion takes place.
7. Detail how, along with a detailed time line for coordination and completion of the system conversion, testing, and services transition, the Contractor shall coordinate with the current vendor to transition the following, including:
   * EBT card and PIN replacement and reissuance, if appropriate;
   * State, client, and retailer training;
   * Client notification of database conversion outage, at State discretion;
   * Two retailer notifications of database conversion outage;
   * Retailer management, including retailer agreements, TPP certification, and equipment deployment;
   * Selection of an appropriate date and timeframe for database conversion, including an appropriate backup date; Migration information related to account aging information and expungement dates.
8. **EBT Processor Interface Specifications**

The Contractor must develop an EBT Processor Interface Specifications document to provide to the financial transaction exchange with EFT institutions, TPP Networks, and “exempt” retailers/merchants. The Contractor must certify all acquirer’s software and systems prior to processing transactions on their EBT Administrative System.

The State is interested in ensuring that clients have secure, convenient access to their own data, whether it is provided directly through the Contractor’s client website or through third-party applications. The Contractor must develop a plan to handle system demands from third party applications that “screen scrape” data from the Contractor's client website, as the Contractor is responsible for preventing a degradation in the performance of the system due to third-party app activities.

Should the State opt to develop (or have a contractor develop) a mobile app specifically for Indiana EBT client use, the Contractor shall work with the State/contractor to ensure that such State-approved app has the ability to access and display benefit balances and information, including a client’s unique benefit ID, benefit active dates, and any other information the State deems valuable from the EBT system. When the client launches any future State-approved app, at a minimum, the app must be able to search the EBT system on the client’s behalf via case number and EBT Card Number according to an entered date range. The State shall be responsible for ensuring that future State-approved apps are compliant with applicable security standards.

1. **Retailer/Merchant Acquirers/TPP Conversion Management Plan**

The Retailer/Merchant Acquirer/TPP Management Plan describes the Contractor’s methods for retailer/merchant recruitment and marketing, execution of required agreements by all parties, single-function POS deployment to exempt retailers, and ongoing support services. The document must adhere to the requirements of this SOW and include, at a minimum:

1. Retailer/Merchant marketing and recruitment activities;
2. Farmer’s market/roadside stands/food cooperatives marketing;
3. Materials and recruitment activities;
4. Retailer/Merchant conversion;
5. Retailer/Merchant and Acquirer/TPP agreements. At a minimum, the agreements must include information relating to:
   * equipment ownership;
   * handling and maintenance;
   * procedures and policies for participation and withdrawal from the EBT program;
   * compliance with all program requirements including treatment of SNAP clients;
   * delineation of liabilities during system downtime;
   * the responsibilities of each party using manual vouchers.
6. Acquirer/Third Party Processor (TPP) certification standards and process;
7. POS equipment that will be deployed when applicable;
8. On-site POS equipment testing;
9. A plan to send at least two retailer notices regarding the database conversion and outage;
10. Methods for retailer/merchant training and the training materials being used.
11. **Disaster Recovery and Business Continuity Plans**

The Contractor must develop a contingency plan in the event of a disaster striking all or part of the State. The plan must be developed after discussions with the State regarding the types and extent of disasters that need to be addressed. It must address the following requirements:

1. **Business Continuation and Short-Term Outage Recovery**

The Contractor must develop a Business Continuation and Recovery Plan that includes a State notification process as well as disaster declaration criteria and time-frames. Specific severity levels relating to disaster recovery activities by Contractor will be mutually agreed up as part of the plan approval

1. **Business Continuation**

DFR requires the Contractor to continue transaction processing and disbursement of benefits in the event of adverse situations related to systems and telecommunications failures and in natural disasters. Business continuation must be provided by the Contractor in accordance with the approved Business Continuation Plan.

In the event of an outage or disaster impacting the availability of the Contractor’s primary data processing site, the Contractor must have a fully redundant back-up site for host processing, telecommunications and network services. The Contractor must notify DFR immediately of any outages. If the outage is expected to exceed one hour in duration, and upon evaluation of the problem and the time required for resolution, transaction processing may be switched to the EBT host back-up system or site.

The Contractor must provide the following system configuration at the primary site with Mission Critical Servers or the Contractor may propose an alternative system configuration capable of achieving a similarly high degree of availability, security, and redundancy, subject to the State’s approval:

* + All mission-critical functions for EBT monitoring must be supported by a protectively redundant configuration. At the primary site, there must reside at least two physically separate systems, networked for high availability processing. Failure in one primary site system must not cause failure of the other system(s);
  + Fault Tolerance: As well as providing a fault tolerant transaction server environment, the Contractor’s other central system components, such as administrative servers, the storage solution, and network devices (routers, switches, firewalls, etc.) must also exhibit fault tolerance, such that the failure of a single device will not put a site out of service;
  + Failover: The remaining devices and system(s) must immediately assume the load in case of a failure in one device or system, without loss or corruption of any data and transactions received prior to the time of the failure;
  + Operations Procedure: Procedures for computer operations staff, especially regarding failure situations, must be straightforward. In addition to operator-prompted failover the EBT system must be able to recover from failures without operator intervention (“auto-failover”);
  + Secure Connections: Connections into any EBT component from a remote terminal must not occur without State approval. Any such capability must employ stringent security mechanisms. This would include remote monitoring or diagnosis of equipment or software. Connections to other remote systems and terminals must be protected at a minimum by firewalls and encryption. Routers must route traffic only to addresses defined as valid for this application. The acceptability of any such security approach will be subject to State approval;
  + Time-Synchronizing: Multiple systems in the configuration must have a time-synchronizing mechanism to ensure consistent time recording and reporting for events and transactions. Synchronization with an external time standard is required.

In the event of irreparable damages at the primary site, or of an unplanned, extended abandonment of the primary site, the Contractor must provide, at no additional cost, those servers, facilities, and other components necessary to resume operation under a two-site operational scenario.

The Contractor must provide two or more remote backup systems (separate from those referenced in above) that will take over for the primary site systems if necessary. Data transferred to and recorded at the remote site will always contain the most recent transactions, allowing a takeover.

The wide area network must have a routing independent of the primary site so that the backup site can be reached without the primary in place. EBT administrative functions must be available at the remote backup site and be available remotely by communications from the primary site.

The Contractor must demonstrate on a scheduled basis that the remote site is fully functional by operating in production from that site upon request of the State. It must have a Backup Mirror Configuration, meaning the remote backup systems have the same processing capacity and architecture as the primary site systems. These systems must also have the same secure connection specifications (see above) as the primary site systems.

The Contractor must provide an alternate means of authorization of EBT transactions during short-term outages when switching over to the back-up site is not considered appropriate. This requirement must include a methodology by which the Contractor must notify both DFR and the retailer community that an outage is occurring and provide an alternate means of obtaining authorizations.

The Contractor must advise DFR immediately upon recognition that a switch to the back-up site is required. If the Contractor is providing services to multiple States or other processing services, the disaster recovery plan must address the timing and order of recovery for Indiana’s system as compared to the other entities being processed. The recovery of Indiana’s system must not be delayed because the Contractor is recovering other customer’s systems.

The Business Continuation and Recovery Plan must identify:

* + Critical Contractor staff that have a skill set necessary for the resumption of key business operations;
  + Critical business functions and supporting tasks;
  + Processes for reporting system disruption/failure;
  + Transitions from failure to system re-start;
  + Alternate processing sites; Timeframes for updates to the plan; and
  + Customer Service Staffing Capacity Plan that identifies how the Contractor will add additional staff to cover increased call volumes.

All elements of the Business Continuation Plan (including communications routing systems) must be tested annually. The Contractor must provide DFR with copies of these test results within 30 days of testing completion.

1. **State Disaster Contingency**

In the event that DFR is unable to produce the IEDSS interface files, the State will provide this data in a mutually agreeable form and format.

For the State’s purposes, a “major” event is any event which prevents the processing of DFR’s normal business cycles for more than two (2) continuous hours. In this case, the process below will be followed:

* + The State will contact the Contractor’s disaster contact to inform them of the event and the anticipated duration;
  + The State will execute its disaster plan and no extraordinary action from the Contractor is required. The Contractor is not to extend benefits on the State’s behalf beyond those already on the account(s);
  + The State will notify the Contractor’s disaster contact to coordinate business resumption once issues have been resolved.

1. **Settlement Manual**

The Contractor must provide a Settlement and Reconciliation Procedures Manual that offers guidance and specifies procedures for performing daily reconciliation of SNAP benefits, as defined within 7 CFR 274.4 and consistent with the “EBT Reconciliation Guidance for State Agencies,” revised 2017 (see Bidder’s Library Att. J – B.2), and for similar reconciliation of TANF benefits and activity. The manual must identify the specific EBT reports that are required and produced for settlement and reconciliation of the Contractor’s EBT system. At a minimum, reconciliation must include, for both the SNAP and TANF programs:

1. Accounting for all benefit issuances;
2. Reconciling account balances against daily account activity;
3. Reconciling transactions per POS and retailer total vs. total deposits;
4. Reconciling retailer credits against deposit information entered into ACH (automated clearinghouse network);
5. Reconciling funds entered into, exiting from, and remaining in the system each day;
6. Maintaining audit trails that document the full cycle (benefit allotment posting, State issuance, POS transaction, settlement of retailer credit).
7. **Security Document**

The Security Document shall describe the administrative, physical, technical, and systems controls to be implemented for the EBT system. The comprehensive security program must reflect the guidance of the most current USDA-FNS Handbook 901 and the FNS’ Electronic Benefits Transfer System Security Guidelines Handbook. In addition, the comprehensive security program must provide for the ongoing certification and examination of the Contractor’s operations and control system.

The Contractor must include a description of its security procedures and policies regarding control of EBT card stock (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 stock activity upon the State’s request. In addition to audit log access, the State reserves the right to conduct physical reviews of card stock security with prior notice to the Contractor.

The Document must identify any perceived or real risks to the EBT system. The analysis of the Contractor’s EBT system must include:

1. Vulnerability to:
   * theft and unauthorized use;
   * unauthorized creation or altering of household accounts;
   * unauthorized posting of issuance;
   * unauthorized manipulation of retailer/merchant’s accounts (e.g. creation of false transactions or intrusion by unauthorized computer users);
   * the tampering of information on ACH transmission or settlement network.
2. Completeness and timeliness of the reconciliation system;
3. Capability to monitor systematic abuses at POS terminals (e.g. debits for the complete allotment, excessive manual issuance, multiple manual transactions at the same time);
4. Capability of addressing system demands from third party applications that screen scrape data from the Contractor's client website
5. Availability of a complete audit trail of all transaction activity.

A complete audit trail must be part of the security process, to provide, at a minimum, a complete transaction history of each individual system activity that affects any account balance.

1. **Administrative Systems Manual**

The Contractor shall provide a separate Administrative System Operations Manual, including screen images, a full description of system functionality and complete instructions for use.

1. **Training Manual**

The Contractor must provide a Training Manual that encompasses complete system operational functionality. This manual must include the following information:

1. Administrative System functionality;
2. Accessing and using the on-line reports function;
3. Contractor’s EBT system security procedures and access control.

See Section 5.8 for a description of the Training requirements within the project scope, which the Training Manual must reflect.

1. **Reports Manual**

A Reports Manual describing the suite of system and activity reports being offered is required. The final number, type, and content will be agreed upon by the State and the Contractor during the JAD sessions. The Manual must also provide a description of the data files provided to DFR for internal report generation. See 5.12 for a listing of reports to be included in the Reports Manual.

1. **Testing**

In addition to the testing activities and requirements described in Scope A, Section 4.3.3, the Contractor shall perform the following duties:

1. Interface Testing – The Contractor’s interface testing shall include interfaces with Account Management Agent/Automated Standard Application for Payments (AMA/ASAP), Store Tracking and Redemption Subsystem (STARS), Anti-fraud Locator of EBT Retailer Transactions (ALERT), BizTalk (the State’s Enterprise Service Bus), and IEDSS.
2. User Acceptance Testing (UAT) – This testing must include: security, recovery, system controls, interoperability, interfaces, settlement (including multiple days), benefit aging processes, POS transaction processing, Administrative System functionality, reporting, account maintenance, and "what if" testing. In addition, as part of the System Acceptance Test, the Contractor must demonstrate the methods and processes for performing all daily reconciliation between DFR and Contractor.
3. Customer Service Interactive Voice Response (IVR) Test - The Contractor’s IVR must be tested to ensure the system properly accepts, processes, and transfers EBT retailer/merchant and cardholder calls per requirements. The test must be conducted in the production environment with the activation of test cards and PIN selection for test accounts. To perform these transactions successfully the Contractor must validate the readiness of the IVR to link and perform transaction exchange with the Contractor’s system transaction processing environment. Further tests will be performed with call transfers and live operator interaction.
4. Data Conversion Test - Test transactions performed against the converted database must include all cardholder transactions (e.g., POS and ATM) and Administrative System transactions (e.g. card replacement transactions). Additionally, the Contractor must fully cooperate with the current provider to successfully convert required data, including but not limited to three (3) years of on-line transaction history and account status information, from the current provider to the new EBT system.
   * 1. **Transition-In Phase**

The Contractor shall perform Transition-In duties in alignment with Scope A, Section 4.3.4. Additionally, all transition activities must be in accordance with the FNS guidance “Electronic Benefits Transfer (EBT) Systems Transition Guide,” Version 2.0.

During the transition it is critical that cardholders are not negatively impacted in their ability to redeem benefits, and the normal business operations of these retailers are not negatively impacted. Any system outage required to accommodate the transition must occur during a timeframe when impacts to the retailer and cardholder community are minimized.

DFR requires transition to occur at a time of the month when transaction processing is lowest and during non-peak hours. Transition dates and times must be approved by DFR.

During transition from the current EBT system to the new EBT system, cardholder inability to access benefits and retailer inability to process transactions must not exceed twelve (12) hours. Additionally, there must be no loss or corruption of data.

The Transition-In Phase requires the transfer of support of the TPP’s and the exempt retailers from the existing EBT system to the Contractor’s EBT system. Retailer/TPP Agreements must be executed, and new single-function POS equipment must be deployed and retailer personnel trained, as appropriate.

1. **Transition Activities**

During the transition, the Contractor must complete the following activities:

1. Convert from the current system to the new system. For cardholders this conversion must be seamless and include a reconciliation of current balances and transfer of balances to the new system;
2. Transfer historical data from the current system to the new system;
3. Reconcile and close out current EBT accounts prior to activating accounts in the new system;
4. Educate cardholder and retailer/merchants prior to transition.

The Contractor must complete the following activities to accomplish cardholder database conversion:

1. Accept all online and offline transaction history transferred from the current EBT system;
2. Provide for the conversion of at least three (3) years of on-line transaction history into the new system. An additional two years of history must be stored offline and be available by ad hoc report;
3. Build checkpoints and reconciliation procedures into the conversion process to ensure that conversion is being completed in a timely manner and that no benefits or records are dropped;
4. Have a contingency plan in case the conversion cannot be completed as scheduled due to problems.
5. **Cards in Circulation**

At this time, the State does not intend to reissue EBT cards should a transition be required. This could change, based on discussions and results of the JAD sessions. Should new cards be required, they must conform to all FNS regulations and Quest® Operating Rules.

At a minimum the cardholders name and the Primary Account Number (PAN) must be embossed on the front of the card. The back of the card must include a signature panel, the client customer service phone number, retailer assistance number, an address to which found cards may be returned, the USDA-approved abbreviated non-discrimination statement, and the Quest© logo.

* + 1. **End of Contract Phase**

The Contractor shall perform End of Contract duties in alignment with Scope A, Section 4.3.6. Additionally, the Contractor shall provide the following services:

1. Provide remaining audit reports, including the SSAE 16 Reports ~~and Payment Card Industry (PCI) Data Security Standards~~, on their due dates as required for the Contract period;
2. Continue to honor debits against the accounts until the mutually agreed upon ending transition date;
3. Fully comply with any applicable laws, regulations, rules, guidelines, or policies pertaining to refunds and returns of funds in EBT accounts, including any laws applicable to expungement.
   1. **Interface with State Eligibility System**

By the start date of this solicitation’s resulting contract, the Indiana Eligibility Determination Services System (IEDSS) shall be the system used by DFR to determine client eligibility for SNAP and/or TANF and to issue benefits. The current eligibility system (ICES) generates a 12-digit Recipient Identification Number (RID) for each cardholder as the unique account identifier. Twice each day, at approximately 11:15 AM and 11:59PM (ET), account and benefit files are transmitted via batch from ICES to the EBT host, which adds/updates the EBT databases accordingly, and returns, via batch, confirmation and exception files. The State anticipates that IEDSS will operate on the same schedule and manner as ICES.

Because of the effort and expense that would be required for the State to change interfaces, the Contractor will be required to use ICES (as needed during IEDSS Pilot) and IEDSS interface designs to the greatest extent possible. (See Bidder’s Library for more information on IEDSS interfacing). Other daily and monthly files and reports, including settlement reports, shall be transmitted overnight via batch to IEDSS.

When a disaster is declared by the State and when authorized by FNS, the State may issue disaster SNAP benefits (D-SNAP). In such cases, if the eligibility system and/or the interface is not available, accounts and/or benefits shall be sent to the EBT Contractor directly (by-passing the eligibility system) through the EBT system’s admin terminal, but shall be “held” by the EBT Contractor until corresponding information is sent by the eligibility system. These benefits must become available as soon as they are posted to the account. There are no disaster benefits for TANF.

* 1. **Compliance (see also Attachment G, paragraph 10)**

As a program with both federal and State requirements, the SNAP/TANF EBT system must be compliant with the most recent version of the following standards, specifications, and laws:

1. The American National Standards Institute (ANSI) X9.93 standards, from the time development is initiated and will follow the technical implementation guidance of the standard as defined by USDA-FNS
2. The Quest© Operating Rules
3. 7 CFR parts 272 and 274
4. 2014 Farm Bill
5. FSP-EBT Transition Guide
6. EBT Reconciliation “Guidance for State Agencies”
7. Indiana Code 12-13-14-4.5 (which regulates the location one can obtain TANF cash benefit)
8. The most recent FNS Guidance for a SNAP EBT system (which can be found at: <https://www.fns.usda.gov/ebt/general-electronic-benefit-transfer-ebt-information>)
9. [FNS Anti-Fraud Locator Using EBT Retailer Transactions (ALERT) version 2.0](https://www.usda.gov/sites/default/files/documents/FNS_Anti-Fraud_Locator_Using_EBT_RetailerTransactions_(ALERT)_PIA.doc)

If there is a conflict between the governing regulations and guidelines regarding a specific standard, the State will determine the applicable standard. In determining the appropriate standard, the State will allow consultation and input from the Contractor. However, the final decision will remain with the State.

The Contractor shall update the system as those standards and specifications (above) change at no cost to the State.

* + 1. **Rejected Automated Clearing House (ACH) Settlements**

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

At a minimum, the Contractor must provide the following information for each unsettled payment returned to the State: transfer type (credit or debit), transfer method (ACH, wire transfer, etc.), settlement date, total amount, Federal SNAP amount, additional attempted settlement date(s), retailer/TPP name, retailer’s last known address, and FNS retailer number if SNAP funds are involved. Additional EBT Contractor contact information will also be required. (See also Attachment G, paragraph 8.5)

* 1. **Card Issuance**

The State does not currently issue any SNAP/TANF cards over-the-counter; all cards are mailed by the Contractor. The Contractor must ensure that no household can have more than one active account in the system. Card requests (for new or replacement cards, either via batch from IEDSS or ICES, through the Admin Terminal, or client customer service) received before 11:15 AM (ET) on a business day are mailed the same day; requests received after this time are mailed the following business day. (See also Attachment G, paragraph 5.9.1)

* + 1. **Card Replacement**

Clients may request replacement cards through the IVR or client web portal. In some cases, the State will request a replacement card on the client’s behalf via the Admin Terminal. The Contractor must place an immediate hold on accounts when notice is received from a household regarding the need for PIN or card replacement. In some cases, as determined solely by the State, replacement cards may have to be expedited, at no additional cost to the State or cardholder. (See also Attachment G, paragraph 5.15)

The first replacement card issued each calendar year is issued without charge to the cardholder. Clients may be charged no more than $2.00 per card for additional replacement cards within a given calendar year, with the fee accruing to the Contractor. If no funds are available to cover card replacement costs, cards will nonetheless be issued and fees will be deducted, within 60 days, from the client’s account when/if benefits become available. The State has, and will retain, the discretion to waive the fee at any time. (Note: the entire fee must be debited at one time against a single benefit program; it cannot be split (i.e. $1.00 debited to SNAP and $1.00 debited to TANF or to any other program).

* 1. **Transaction Processing**
     1. **Benefit Availability**

The Food and Nutrition Act entitles all eligible households to benefits within 30 days of application, or within 7 days, if they are eligible for expedited service. While auxiliary SNAP benefits may be issued at any time, SNAP monthly benefits are issued every other day and become available over the first twenty-three (23) calendar days of the month (from the 5th thru the 23rd), based on the first initial of the client’s last name. All monthly SNAP benefits are sent in a single batch file to the Contractor.

All TANF monthly benefits are issued and become available on the first calendar day of the month. All benefits (both SNAP and TANF) become available at not later than 6 AM (ET) on the availability date.

Disaster benefits (D-SNAP) must be available as soon as they are received and posted to an account by the Contractor.

* + 1. **Adjustments**

The Contractor must support account adjustments in accordance with USDA FNS regulations. Adjustments must be reported on the Adjustment report.

The Contractor must adjust cardholder accounts to correct auditable, out of balance settlement conditions during the redemption process that occur as a result of a system error. Claims for adjustments may be initiated by the cardholder, the retailer, or any entity in the transaction processing stream that identifies the need for an adjustment.

Cardholders have 90 days from the date of the error to initiate an adjustment claim. The Contractor has 10 business days from the date the cardholder reports the error to investigate and complete the adjustment and report action details to the State. Cardholder initiated claims received over 90 days from the date of the error must be denied.

Retailer/merchant or acquirer/TPP initiated adjustment claims must be investigated and completed no later than 15 calendar days from the date of the error. Debit adjustment claims from retailers/merchants or acquirer/TPP outside the 15 calendar day time frames must be denied.

The Contractor is required to notify cardholders of any impending debit adjustment claim(s). The Contractor must establish an adjustment claim and identifier and notify the cardholder of the debit adjustment claim with adequate information including:

1. Date of transaction/error;
2. Retailer/merchant or acquirer/TPP name and address;
3. USDA-FNS number;
4. Date of adjustment claim request;
5. Adjustment claim identifier assigned by the Contractor;
6. Date adjustment will be completed;
7. Adjustment claim request amount;
8. Card number (PAN);
9. Cardholder name and address;
10. Cardholder Unique Identifier; and
11. Reason for adjustment.

If the cardholder does not dispute the claim within 15 days of notification, the Contractor must complete the adjustment action and provide notification to the State. If the cardholder’s account does not contain sufficient funds to cover the entire debit adjustment, the Contractor must attempt daily to complete the adjustment claim until the end of the next calendar month. Partial adjustments are not allowed.

If the cardholder disputes the debit adjustment, the Contractor must provide notification to the State and take no further action until the State completes the Administrative Hearing process, normally within 45 calendar days. The Contractor must also notify the acquirer/TPP retailer/merchant of the change in status of the claim.

The Contractor must provide the State with supporting documentation for the adjustment claim for use in the Administrative Hearing. If the Administrative Hearing decision is in the cardholder’s favor, the Contractor must deny the claim. If the Administrative Hearing decision is in favor of the completion of the debit adjustment claim, the Contractor must take action to post the debit adjustment to the cardholder’s account immediately. If there are insufficient funds in the cardholder’s account to cover the full debit claim adjustment amount, the Contractor must attempt daily to process the adjustment through the end of the next calendar month. Partial adjustments are not allowed.

The Contractor’s EBT system must provide functionality by which the State staff will notify the Contractor of actions to be taken upon receipt of the Administrative Hearings results.

* + 1. **Voluntary Benefit Repayments**

The Contractor must support voluntary benefit repayments from cardholders through the Administrative System. Repayments are non-settling transactions and are reported on the Account Repayment report.

* + 1. **Expungements**

The Contractor must track aging at the SNAP benefit level. Each food assistance benefit begins aging at the time it becomes available to the client. The EBT account begins aging at the point that the first benefit becomes available. Subsequently, each time that the client completes a transaction, the account aging clock is reset to start anew, even if one or more benefits have been expunged.

No SNAP benefits may be expunged until the account aging clock has reached 365 calendar days. Once the account has reached expungement age, only those benefits that have been available to the client for 365 or more calendar days will be expunged. If one or more subsequent benefit authorizations for the same client account have been available to the client for less than 365 calendar days, they are not to be expunged. They must remain online until each has reached full expungement age. If an account that has had all benefits expunged is reactivated because the client has again become eligible, the account must be treated in the same manner as a new account in terms of benefit aging and expungement timeframes.

The above paragraphs also apply to TANF benefits, except that, in the case of TANF, the interval for expungement is 180 days instead of 365 days.

The Contractor must provide a daily report of expungements, including expungements through the Administrative Terminal, reflecting the expungement date/time, settle date, recipient number, benefit authorization number, effective date, sub-program type, cardholder name, and expunged amount.

* + 1. **Exception Transactions**

The ANSI X9.58-2013 (or most current version) standard (for SNAP) has been updated to address new technology that eliminates the need to swipe the card or key-enter the PAN into the POS device. This includes such innovations as identification by finger image (e.g., Pay-by-Touch) and Radio Frequency Identification (RFID) cards. The Contractor must accept and process EBT transactions that contain the new codes, record the new transaction types as part of transaction history and identify them to FNS as specified in the ALERT file instructions (document version 1.4 dated May 16, 2017).

* + 1. **Store and Forward Transactions**

At its option and sole liability, a retailer must be able store and forward SNAP transactions one time within 24 hours of when the system becomes available and in accordance with FNS regulations at 7 CFR 274.8(e)(1) *Store-and- Forward.* (See also Attachment G, paragraph 7.1.6)

* + 1. **Voided and Cancelled Transactions**

A transaction may be voided/cancelled by a retailer at a POS device or by a client at an ATM. The void/cancellation message will include the trace number, the exact dollar amount, and other identifying information from the original transaction. The Contractor must have the capability to accurately process the void or cancellation transaction and have the effect of the void/cancelled transaction immediately and appropriately reflected in the client's EBT/EFT account. (See also Attachment G, paragraph 7.1.5)

* + 1. **Key Entered Transactions**

The Contractor must accept and process EBT transactions where the card number (PAN) has been manually entered (key-entered) into the POS device. Transactions may be key-entered only if the POS device is unable to read the mag-stripe on the EBT card and subject to the following conditions: 1) the card is present at point of purchase, 2) the cardholder is present at the point of purchase, and 3) the PIN is entered successfully. The validation of the client’s PIN is still required on key-entered transactions. If a PIN pad is defective or for other reasons a PIN does not accompany the transaction to the EBT host for processing, the Contractor must deny the transaction. (See also Attachment G, paragraph 7.1.13)

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

* + 1. **Authorized Retailer Validation**

For all SNAP transactions, the Contractor must validate the transactions originated at an FNS authorized retail location. The Contractor must maintain a database of authorization numbers for all FNS authorized retailers in accordance with the Retailer Participation Requirements specified in 7 CFR 274.3(e). The Contractor must access the FNS REDE system daily to obtain updates of the national and/or State REDE files used to validate authorized FNS retailer numbers. The Contractor must verify the retailer identification number is that of an FNS-authorized retailer prior to completing its processing of a transaction. (See also attachment G, paragraphs 10.1.7 and 10.1.71.)

* + 1. **Interoperability Requirements**

The Contractor must support the federal requirement of processing interoperable SNAP transactions, including SNAP transactions acquired at a State of Indiana retailer where the client has benefits issued by a State other than the State of Indiana. In addition, the Contractor must have the capability of accepting and processing client transactions occurring at out-of-state (non-Indiana) retailers. All cost associated with the interoperability of the system should be included as a part of the cost per case monthly. Contractor must submit or support the State in submitting requests for payment on a quarterly basis after the end of the quarter in which interoperability costs are incurred, in accordance with 7 CFR 274.1(k).

* + 1. **On-line Shopping**

FNS is currently conducting a pilot to test and evaluate the acceptance of SNAP benefits and cash EBT to pay for online food purchases. Federal SNAP legislation requires that FNS use the pilot results to determine whether to require all States to allow online purchasing with SNAP benefits. Indiana has chosen to wait until FNS makes that determination and issues final guidance on requirements. The Contractor shall implement these requirements, as part of its core pricing, within the mandated timeframe. At a minimum, FNS expects to require the Contractor to:

* Program the EBT system to recognize, accept and permanently store codes and data elements related to online transactions (as specified in X9.58-2013) including delivery street address and ZIP code
* Accept online SNAP and cash EBT transactions only through FNS-approved secure online PIN-entry service providers; reject all online transaction requests coming from any other TPPs
* Enable new transaction type/codes to allow cash refunds for online retailers
* Display/include cash refunds with other transaction types where appropriate for existing screens, reports and files
* Enable new transaction method code/description to identify that the transaction was performed through an online website, rather than by swiping the card or key-entry of the card number
* Display the new method code or description on all screens that would normally indicate the transaction was swiped or keyed
* Include the new method code in all reports and State data files that normally indicate the transaction was swiped or keyed
* Enable process that allows online retailers to submit SNAP and cash EBT refunds that do not contain a PIN value
* Examine each incoming transaction to determine if it is coded as an online transaction and take appropriate actions as follows:
  + Compare all SNAP and cash EBT online transactions to the REDE file to validate that the retailer’s FNS number is classified as an Internet Retailer (IR) store type; if not then deny the transaction.
  + Validate that retailers classified as IR only perform authorized online transactions (no voucher, cash back, cash withdrawal, store and forward or in-store/wireless POS)
  + Deny PIN-less transactions from retailers not classified as IR
* For online refund transactions from retailers classified as IR[[1]](#footnote-1):
  + Validate card and FNS numbers against the original purchase transaction
  + Ignore State-designated refund limits
* Include all required data elements for online transactions in the ALERT file transmitted to FNS, utilizing version 2.00 of the ALERT specification.
* Provide the standard [daily and monthly] online transaction summary totals report that was required to be developed for the pilot
* Provide the standard [daily and monthly] online transaction detail file in CSV format that was required to be developed for the pilot
* Display delivery street address and ZIP code on transaction detail screens
* Include delivery street address and ZIP code in the daily activity file
* Provide a suite of activity and fraud reports, as negotiated with the State, specific to on-line shopping.
  1. **Retailers**
     1. **Acquirer/TPP and POS Certification Standards**

The Contractor must develop standards for certifying pre-existing commercial equipment and acquirers/TPP’s. Certification standards must comply with the Quest® Operating Rules and the EBT messaging standards promulgated by the American National Standards Institute (ANSI) based on International Standards Organization (ISO) Technical Standards.

* + 1. **Retailer/Merchant Support**

Contractor shall provide customer service to all retailer/merchants. This includes ongoing support services for Retailers/Merchants who use a TPP and are unable to resolve issues with their TPP pertaining to EBT. The Contractor will work with the TPP to investigate the problem and provide a report to DFR on the outcome within ten (10) business days of the complaint.

* + 1. **Exempt Retailers**

“Exempt” retailers must be able to participate in the EBT program at no costs to themselves if approved by the State. In such cases, the Contractor must provide single-function POS terminals which accommodate EBT transactions only, as well as all supplies, telecommunications, and other required infrastructure. Retailers may be held liable for damages to the POS, as well as for lost and stolen terminals.

“Non-exempt” retailers are responsible for providing their own POS equipment, training, and transaction processing capability.

There are approximately seven (7) “exempt” locations in the State. They are currently comprised of food buying co-ops and two (2) military commissaries.

The Contractor must maintain a process to track data for and issue annual IRS Forms 1099 for exempt retailers, including those who may have left the program (voluntarily or otherwise) during the course of the year as mandated by the Internal Revenue Service (IRS).

* + 1. **Farmers/Farmers Markets**

There are approximately one hundred and sixteen (116) farmers/farmers markets utilizing wireless single-function POS terminals to process SNAP/TANF redemptions. The majority of these farmers markets have been provided with EBT equipment through FNS. Approximately ten (10) have received wireless single-function POS terminals through the State.

For the purposes of EBT implementation, the Contractor shall support farmers and farmer’s markets in the same manner required for “exempt” retailers.

* + 1. **Newly Authorized Retailers**

Federal regulation at 7 CFR 274.3(a)(1)(ii) requires that newly authorized retailers have access to the EBT system within two weeks after the receipt of the FNS authorization notice. However, whenever a retailer chooses to employ a third-party processor to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within a 30-day period or a mutually agreed upon time, to enable any required functional certification to be performed by the Contractor. (See Section 5.13, “Access for Newly Authorized Retailers” performance measure)

* + 1. **Manual Vouchers**

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

* 1. **Training**

The Contractor is responsible for providing training materials to the State, cardholders, exempt retailers, and farmers/farmers markets.

All materials including drafts and final versions of training materials, scripts and plans must be provided, both in hard copy and electronic media in the format(s) and software specified by DFR.

DFR must approve all training materials, scripts, plans and activities for cardholders, retailer/merchants and DFR personnel including all draft and final work products and plans, as well as all updates and changes.

* + 1. **Training Materials**

The Contractor must design, develop, and submit the training materials listed below in English and Spanish. Client training materials must have both English and Spanish versions combined into one document (front/back). The materials must be approved by DFR and meet the household training requirements in 7CFR 274.2(e).

1. Cardholder Training Pamphlet;
2. EBT Card Mailer;
3. Single-function POS User’s Manual (for exempt retailers and participating Farmers Markets);
4. Administrative System Train-the-Trainer Manual; and
5. Administrative Terminal Training Manual (see Section 5.2.1.j)

All training materials must be provided by the Contractor for the life of the contract.

* + 1. **State Training**

The Contractor must provide training to DFR staff via webinar/online methods as requested by the State.

The training must review, but is not limited to, the Training Manual which details the Administrative System functionality. The Contractor must update the manual as appropriate to coincide with changes made to the Administrative System.

In addition, the Contractor must provide access to a training and/or test environment within the Contractor’s system to be used for training sessions and for ongoing support of DFR staff training. The Contractor must provide ongoing technical support for the test and training environment.

All training materials must be reviewed and updated at least annually to reflect any system changes.

* + 1. **Admin Training**

The Contractor must provide and maintain detailed documentation of Administrative System functionality in both hard copy and electronic media as specified by DFR. Documentation must be provided on the following Administrative System application functionality:

1. Description of all Administrative System screen functions, menu access, field definitions, and the on-line reports functions;
2. Flow charts of Administrative System screen hierarchies;
3. Definitions of terminology and codes used on Administrative System screens;
4. Contractor’s EBT system security procedures and access control; and
5. Customer Service IVR functionality

The Contractor will be required to secure and equip training facilities at which Admin Training will be performed, as requested by DFR.

* + 1. **Cardholder Training**

All cardholder training materials must be bi-lingual (English and Spanish). The Contractor must also develop and provide scripts and training materials for the EBT Customer Service IVR.

The printed training materials (the card carrier and the training pamphlet) must be included with each EBT card mailed to cardholders and include the household training requirements in 7 CFR 274.2 (e). The Contractor is responsible for designing, developing, producing, distributing, and maintaining adequate supplies of these materials. In addition, the Contractor must provide a bulk supply of printed cardholder training materials to be distributed to DFR in quantities to be determined by DFR.

Printed materials must be written in easy to understand language at a fifth-grade reading level. The Contractor must design, develop, produce, and distribute the printed training materials described below. DFR shall maintain the right to approve all training materials prior to their publication, use or distribution.

A cardholder training pamphlet must cover, at a minimum:

1. Card activation;
2. PIN selection and use;
3. How to select, activate, and change a PIN;
4. Benefit availability;
5. How benefits expunge;
6. How to identify store signs indicating where EBT cards are accepted;
7. The use of EBT Cards at the POS and ATM machines;
8. Receipt data and remaining balance;
9. ATM usage, fees, and surcharges;
10. That there are no limits on purchase amounts or on the number of EBT transactions;
11. Ways to keep the EBT card and PIN safe;
12. How to request a replacement card;
13. Replacement card fees;
14. Misuse of the card (including TANF/ATM withdrawals and fraudulent use of SNAP benefits);
15. FNS-required notification language; How to use the 24/7/365 Customer Service IVR for:
16. Balance inquiries;
17. Information on a cardholder’s last ten (10) transactions;
18. Card replacements and PIN changes;
19. Reporting a lost, stolen, damaged or undelivered card;
20. Reporting unauthorized use of the card;

The card carrier must include:

1. Instructions for card activation;
2. Instructions for PIN creation or changes;
3. Security procedures for keeping card and PIN safe;
4. The Contractor’s Customer Service Number;
5. The requirement to contact DFR for address changes.

Additional information may be provided as space and design permits, subject to DFR approval.

* + 1. **Exempt Retailer Training**

The Contractor is required to provide training, to include a POS User’s Manual, Tips Card, and retailer customer service phone line for all exempt retailers and farmers/farmer markets. The Contractor and DFR will mutually agree on the types and extent of materials to be provided.

* 1. **Customer Service and Help Desk**

The Contractor must develop a Customer Service Plan defining the processes and procedures for providing customer services to the State, the client, and vendors/retailers.

The Contractor must provide customer service using separate toll-free numbers for Indiana EBT cardholders and for EBT exempt retailers. The Customer Service Center must be located within the continental United States, and must comply with the Americans with Disabilities Act (ADA). Customer Service via IVR and CSR must be available 24/7/365. Additionally, the Contractor must provide the ability to respond to calls in English and Spanish. All IVR and Customer Service Representative (CSR) scripts, and all client training materials (provided in both English and Spanish) must be developed by the Contractor and approved by DFR prior to being used.

The Contractor must have the ability to provide recordings of calls for fraud investigations. The State must be provided with access to monitor and listen in on CSR calls for quality assurance purposes.

All services offered by the Customer Service Center must be accessible by touch tone telephones; the Customer Service Center must be able to accept and handle calls from the hearing impaired.

* + 1. **IVR and Help Desk**

The Contractor must develop all IVR and help desk scripts and call flows, which must be approved by DFR. DFR requires the functionality to post temporary messages to the IVR to accommodate unusual circumstances or for promotional purposes. The temporary IVR messages must be recorded in English and Spanish and accessible to hearing impaired clients.

All initial PIN’s must be selected via the IVR, as allowed under Indiana’s USDA/FNS Waiver PIN Selection Via ARU [7 CFR 274.8(b)(3)(ii)(C)]. PIN changes may be affected through the IVR or the client web site. PIN mailers and PIN-select devices are not used.

* + 1. **Customer Service Staffing Capacity Plan**

The Contractor must develop a Customer Service Staffing Capacity Plan to cover unanticipated high call volumes caused by system or telecommunication interruptions, natural disasters, or other unanticipated critical events.

* + 1. **Tracking Software**

The Contractor must use help desk software for documenting and tracking all help desk inquires, both for system and user questions. The tracking must include problem identification, initial diagnosis and checklist, problem resolution/referral procedures, and escalation tracking.

Contractor must submit a report by the 10th of each month, reflecting the following information for the previous month’s calls to the client customer and exempt retailer customer service numbers:

1. Number of calls received
2. Number of calls handled (calls received minus calls abandoned)
3. Number of calls abandoned
4. Percent of calls abandoned
5. Average time to abandonment (mm.ss)
6. Average speed of answer (ASA) (mm.ss)
7. Average hold time
8. Average handling time (AHT) (mm.ss)
9. Purpose or type of calls (e.g. balance inquiry)

Please see the Bidders’ Library for details regarding monthly historical call volumes (Att. J – B.1).

* + 1. **Ongoing Mailings**

The Contractor must create and submit to DFR any plans for conducting any mailings to cardholder or retailers. DFR must approve all ongoing communications, mailings, and materials that will be distributed; mailings must not include any personally identifiable information, such as social security numbers or recipient ID’s.

* + 1. **Client Web Portal**

The Contractor must provide a website or web portal for clients. At a minimum, cardholders must have the ability to securely perform the following actions through the client web portal:

* 1. Make balance inquiries;
  2. View transaction history;
  3. Process PIN changes;
  4. Report a lost, stolen, or damaged card; and
  5. Request card replacements.
  6. **ATM Withdrawals**

The Contractor shall not charge clients any withdrawal fees for ATM cash withdrawals.

Contractor-designated and specifically designated “in-network” ATMs shall not have ATM surcharges. To ensure clients have adequate access to benefits, the Contractor must provide a wide-spread, in-state network of ATMs. The State requires that the Contractor further partner with a minimum of one (1) Statewide bank in the provision of “in-network” ATMs.

For ATMs that are not “in-network,” clients are liable for 100% of the ATM surcharge fee.

* 1. **Financial Liability and Compliance Assistance**
     1. **Contractor Liability**

Federal Funds may not be drawn for over-issuances or transactions in excess of the authorized recipient benefit allotment. The Contractor will bear all liability for any losses resulting from errors or omissions, including fraud and abuse on the part of the Contractor or its representatives or subcontractors. These liabilities must include, but are not limited to:

1. Any duplicate or erroneous postings to a client account;
2. Any losses from funds drawn from an account after the client notified the Contractor that the card had been lost or stolen;
3. Any losses from transactions performed with cards issued but not activated by the client and/or the Contractor;
4. Any damages or losses suffered by a Federal or State Agency due to negligence on the part of the Contractor; and
5. Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or subcontractors.
   * 1. **Detection of Fraud and Abuse**

The Contractor must advise, assist and appropriately act to aid the State in detection and investigations of abuses by stores, recipients or workers, including but not limited to, reporting unusual activity.

This may entail cooperation with various authorities of the State and Federal agencies responsible for compliance with laws and regulations surrounding the programs. Stores authorized by the Food and Nutrition Service to accept SNAP benefits may become subject to monitoring and investigations by the State, Retailer Investigations Branch, USDA OIG, IRS, Secret Service, or local police departments. Recipients are subject to investigation by State program authorities and occasionally others.

The State must cooperate with Federal agencies to create cases, and provide cards, and information for investigation. The State and Contractor will determine an orderly process for these responsibilities to be conveyed to any retailer, when appropriate. Access to information concerning these matters will be restricted both at the State and the retailer so that the investigations are not compromised. These requirements must be addressed in the design phase, tested as necessary in acceptance testing, and available at implementation. Minimally, the following are necessary:

1. Creation of cases and cards to be used by investigators;
2. Posting benefit amounts to the investigative cases, possibly on an irregular basis as needed by the investigators;
3. Training, card issuance, and PIN selection for investigators using the cases;
4. Providing reports on the investigative cases showing the amounts funded to the cases and the transaction histories of the funds on a monthly basis;
5. Providing information from the system within 24 hours, as needed, for evidence.
6. Providing extract files, starting at implementation, of store transaction history on a regular basis to the Food and Nutrition Service. (See ALERT requirements for more information).
7. Retention of all records for a period of three (3) years or longer if notified.
   * 1. **FNS Administrative Access**

The EBT contractor shall assist the State and FNS in investigations. The FNS shall have access to the State agency administrative terminals for selected field office, regional office, and investigative staff. The EBT contractor must provide on-line inquiry-only administrative terminal software that is Windows compatible or appropriate hardware and software to the locations identified by FNS. This includes a method to interface with the EBT host from multiple locations through dial-up or other means. This access enables FNS to inquire on specific card and/or retailer details. (See also Attachment G, paragraphs 4.11, 4.11.1 and 4.11.2).

* 1. **Reports**

The Contractor shall be responsible for providing the reports below over the life of the Contract. Each listed report must be described in the submitted Reports Manual (see section 5.2.1.k) in addition to any report offerings the Contractor proposed.

1. **Financial Reports**

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

1. **Account Activity Reports**

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

1. **Terminal Activity Reports**

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

1. **Clearing Reports**

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

1. **Database Value Report**

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

1. **Support Reports**

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

1. **Administrative Action Reports**

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

1. **Card Mail Date Report**

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

1. **Batch Processing Reports**

Contractor must propose a standard set of Batch Processing Reports to be used by Contractor and the State to ensure the complete and accurate transfer of data during batch processing. Of particular importance to the State is a report reflecting the confirmation of benefits posting and availability dates, and of unsuccessful file transmissions. The reports must include a Summary Report by file transmission that provides a confirmation for the processing of the batch file(s). The Summary Report must contain summary verification data, including the total number of records received in the batch and the number of records by record type (e.g., number of add, change, and delete records). The report must contain a summary of the processing of the transmission (i.e., number of records accepted and number of records rejected).

1. **Batch Exception Reports**

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

1. **Administrative Terminal Activity Report**

Contractor must provide a report of all activity entered through the Administrative Terminal functionality. This audit report must include, at a minimum, the benefit amount, benefit type, and the User ID of the Administrative Terminal operator adding the benefit.

1. **Merchant Voucher Report**

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

1. **Monthly Out-Of-State Activity Report**

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

1. **Benefit Expungement Reports**

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

1. **Card Issuance/Re-Issuance Reports**

Contractor must provide audit and statistical reports of cards being issued and/or reissued to clients. Audit reports must provide detail data by card issued, such as reason for issuance (i.e., initial issuance or replacement for lost/stolen card), and how the request was received (i.e. via IVR/CSR, batch, or client web portal). Statistical reports must provide data needed to manage the EBT program, such as the card reissue rate, the reasons for re-issuance, etc. Contractor should suggest the statistical reports that will best help the State manage the card issuance process.

1. **Transaction Denial Summary Reports**

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

1. **Fraud Reports**

Contractor must recommend a set of Fraud Reports that will help the State manage and detect fraud within SNAP. The reporting package must include information equivalent to the following:

| **Report Name** | **Frequency** | **Description** |
| --- | --- | --- |
| After Hours Transaction Report | Monthly | This report identifies transactions that were performed between the hours of 2:00 a.m. EST and 5:00 a.m. EST. This report can be used by EBT staff and fraud investigators to assist in identifying possible misuse of the card. |
| Benefit Aging Report | Daily & Monthly | The Benefit Aging Report lists recipients who have not accessed their benefits for State-defined benefit aging timelines. The report identifies the aging category the case is within and is sorted by caseworker within each office. Details include the recipient number, benefit authorization number, program type, remaining benefit amount, last activity date/time, and total number of days inactive. |
| Benefits Expunged Report | Daily & Monthly | The Benefits Expunged Report lists details on all benefit authorizations and amounts that have been expunged from the system due to inactivity for a particular settlement date. Details include the expungement date/time, recipient number, benefit authorization number, program type, primary cardholder name, and expunged amount. A report summary shows expungement detail by program type. |
| Even Dollar Transaction Report | Monthly | The Even Dollar Report identifies approved even-dollar-amount SNAP/TANF transactions over $100.00. Any even-dollar transaction over this amount is on this report. A statewide summary is provided at the end of the report. |
| Exceeded PIN Attempts Report | Monthly | The Exceeded PIN Attempts Report contains a list of the accounts that exceed the State-selected number of four (4) invalid PINs before lockout during a day. Only accounts that have cards locked due to invalid PIN attempts are on the report. |
| Excessive Dollar Transaction Report | Monthly | The Excessive Dollar Transaction Report identifies retailers with at least five (5) approved transactions in a month in which the transaction amount equaled or exceeded $100.00. When a retailer has at least 5 transactions in a month that meet the criteria, all such approved transactions for that retailer will be on the report for that month. A statewide summary is provided at the end of the report. |
| Excessive Return Transaction Report | Monthly | The Excessive Return Transaction Report identifies approved SNAP Return transactions over $50.00. Any SNAP Return transaction over the specified limit will appear on the report. A summary for the entire State is provided at the end of the report. |
| Full SNAP Balance Withdrawal Report | Monthly | The Full Balance Withdrawal Report identifies transactions in which the full authorized SNAP/TANF benefit amount is withdrawn in one transaction |
| Manual Card Entry Report | Monthly | The Manual Card Entry Report lists approved transactions where the EBT card number was manually entered into the POS terminal, not swiped. The report must include an indicator for any retailer or cardholder who appears on the report more than 5 times in the month. |
| Multiple Transactions Within One Hour Report | Monthly | The Multiple Transactions Within One Hour Report lists multiple approved transactions made by the same card number within 1 hour of each other. Any cardholder with multiple transactions within an hour will show up on this report. |
| Transactions Attempted on Invalid Card Report | Monthly | The Transactions Attempted on Invalid Card Report identifies transactions performed using cards with a status other than active. A summary for the entire State is provided at the end of the report. |

The Contractor must also provide a data analysis tool for the State to monitor fraudulent EBT account activity and tracking of EBT accounts. The data warehouse allows state users drill down capabilities from summary level data to detail level data for targeted analysis. The Contractor must provide the state access to raw data for individual cardholders, retailers, transactions, and EBT administrative system users to use with other data sources, such as the States’ eligibility system data, to monitor fraudulent activity. The State will have the ability to do targeted analysis through ad-hoc reporting.

Contractor shall provide a detailed description of the data analysis tool and how the tool will monitor transaction activity of cardholders and retailers, to identify fraudulent activity.

1. **Host Response Time Report**

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

1. **Statistical Reports**

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

1. **Monthly Utilization Reports**

Contractor must provide a report detailing the number and type of transactions performed from each single function terminal provided to exempt retailers and farmers/farmers marker.

1. **Network Statistics Report**

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

1. **Management Statistics Report**

Contractor must provide a monthly summary report of transaction activity on the EBT system at a county and State level. Statistics provided should include, at a minimum, benefits authorized for the previous month, transactions performed by transaction type (i.e., SNAP purchases, cash purchases, and cash withdrawals), the number of active cases on the system, number of active cards on the system, and the number of cards issued during the month.

1. **Monthly Transaction Fee Report**

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

1. **Administrative Terminal Security Reports**

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

1. **Access Definition Report**

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

1. **Failed Logon Report**

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

1. **User Session Activity Report**

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

1. **System Availability Report**

Contractor must provide a monthly report on the system availability to ensure compliance with the system availability requirements specified in this document and the FNS EBT Regulations, Report must include detailed documentation and explanation of both scheduled and unscheduled downtime and processing interruptions. (See also Section 5.13, “System Operations” performance standards below).

* 1. **Scope-specific Performance Measures**

The State shall hold the Contractor accountable for performance according to requirements described in Attachment D, Section 4.4. This includes, but is not limited to, performance in accordance with the table of Performance Measures for Scope B (below).

| **#** | **Performance Standard** | **Performance Deficiency** |
| --- | --- | --- |
|  | **Conversion Performance Standards (Applies only if conversion is required)** |  |
| **1** | **Readiness for State User Acceptance Testing (UAT).** The Contractor must meet the timeframe once the start date of the UAT is established and agreed upon by DFR. | Failure to begin User Acceptance Testing on the agreed upon date when such failure is caused by the Contractor. |
| **2** | **Exempt-Retailer Conversion.** The Contractor must have installed POS equipment and completed training for a minimum of 95% of the existing exempt retailers one week prior to the database conversion. | Failure to install required equipment and provide training for 95% of the EBT-only retailer/merchants in the specified timeframe. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week prior to conversion. |
| **3** | **EBT Card Conversion.** The Contractor must issue new EBT cards to 100% of the active EBT cardholders no later than 15 calendar days prior to the conversion date to ensure no disruption to benefit access and services. (Note: The requirement for new cards will be determined during contract negotiations). | Failure to issue the new EBT cards to 100% of the active EBT cardholders in the specified time-frame. |
| **4** | **Database Conversion.** Once the database conversion date(s) are established and approved by DFR, the Contractor must complete database conversion as scheduled with a 99% accuracy rate. | Failure to meet the database conversion accuracy rate. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week after conversion. |
| **5** | **Production Readiness.** At start-up, all network, communications, and EBT features must be ready to go live. | Failure to have all network, communications, and EBT features go live within the agreed upon timeframes. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week after conversion. |
|  | **System Operations** |  |
| **6** | **EBT System Uptime.** The EBT system must be available 99.9% of the time. This includes all system functions under Contractor control, either directly or through a subcontractor and is measured on a monthly basis. The EBT System is not considered “down” if the system continues to automatically process benefit authorizations, transactions, or voucher approvals whether electronically or by the IVR. The maximum unscheduled downtime during one episode before back-up systems are engaged is one hour. | Failure of EBT System to be “up” 99.9% of the time measured on a monthly basis.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| 7 | **Updates, Patches & Repairs.** The Contractor must conduct regression testing to ensure all previous updates, patches and repairs are incorporated in the scheduled release and do not impact operations. | Failure to properly conduct regression testing. |
| **8** | **Daily Benefit Availability.** The daily benefit file records transmitted to the contractor must be posted and available in the EBT accounts within 30 minutes after receipt of the file. | Failure to meet the timeframes for processing and posting benefits to the EBT accounts. The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month |
| **9** | **Monthly Benefit Availability.** The monthly recurring benefit file transmitted to the contractor in batch processing must be posted to the EBT accounts within 24 hours after receipt of the file. The monthly benefits must be available to recipients by 12:01AM on the availability date provided by DFR. Processing the monthly recurring benefit file must not interfere with the daily benefit processing. | Failure to meet the time-frames for processing and posting benefits to the EBT accounts.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **10** | **Settlement and ACH Processes.** The Contractor must provide credits to retailers within two (2) business days of the daily cut-over period for retailer settlement, as prescribed at 7 CFR 274.3 (a)(3). This timeframe for ACH settlement must be met 98% of the time measured on a monthly basis. AMA data entries must be provided to the Federal Reserve Bank of Richmond each business day with 98% accuracy.  STARS daily redemption totals must be provided to the Benefit Redemption System Branch (BRSB) at least weekly with 98% accuracy. | Failure to meet the timeframe for the ACH settlement window 98% of the time measured on a monthly basis.  Two or more errors in providing AMA data entries to the Federal Reserve Bank of Richmond each business day over any two consecutive months.  Two or more errors in the STARS daily redemption totals provided to the BRSB at least weekly over any two consecutive months.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the10th calendar day of each month. |
| **11** | **Transaction Response Time.** For leased line communications, 98% of EBT transactions must be processed within 10 seconds or less, and 100% of leased line EBT transactions must be processed within 15 seconds measured on a monthly basis. For dial-up systems, 95% of EBT transactions must be processed within 15 seconds, and 100% of dial-up EBT transactions must be processed within 20 seconds measured on a monthly basis. | Failure to meet all of these percentage constraints will be considered a performance deficiency.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **12** | **Host Response Time for EBT Administrative System.** EBT Administrative System transactions are subject to the requirements for a two-second response time. | Failure to meet host response time for the EBT administrative system transactions 100% of the time as measured each calendar month.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **13** | **Inaccurate Transactions**. The EBT system must only permit no more than two (2) inaccurate EBT transactions per every 10,000 EBT transactions processed, measured on a monthly basis. | Failure to maintain an accuracy standard of no more than two inaccurate EBT transactions per every 10,000 EBT transactions processed.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **14** | **EBT Cardholder & Retailer Customer Service Response**  **~~Total Calls:~~** ~~90% of all calls must be answered (by a customer service representative or IVR system-not placed in queue) within 4 rings measured over a calendar month (4 rings are defined as 25 seconds). The remaining ten percent of calls must be answered within 60 seconds.~~  **IVR:** 99% of all calls for IVR system must be answered within two seconds, and 100% of all IVR menu selections must respond with the correct option within two seconds after menu selection measured over a calendar month.  **CSR:** 98% of all calls for CSRs must be answered within three (3) minutes measured over a calendar month. This requirement applies to both cardholder and retailer customer service help desks. | **IVR**  Failure to answer 99% of all calls for IVR within 2 seconds or failure of IVR to provide menu selections that respond with the correct option within two seconds after menu selection for 100% of the calls, measured over a calendar month.  **CSR**  Failure to answer 98% of all calls to CSRs within 3 minutes measured over a calendar month. The Contractor must provide a report or other verifiable proof of meeting the IVR and CSR requirements by the 10th calendar day of each month. |
| **15** | **Call Abandonment Rate.** In any given calendar week, the average abandonment rate shall not exceed 7%. An abandoned call is a call that is discontinued by the customer while waiting for a live agent after completion of any IVR messages. Calls abandoned within the first 25 seconds following completion of any IVR messages are excluded from the above measurement. | Failure to deliver a call abandonment rate of less than 7% averaged for each calendar week in a given month.  The Contractor must provide a report or other verifiable proof of meeting the call abandonment rate requirements for each week within a given month by the 10th calendar day of the subsequent month. |
| **16** | **Equipment for Exempt Retailers.** 100% of POS terminals for exempt retailers must be delivered and ready for operational use within 14 calendar days of the Contractor receiving the retailer/merchant's contract measured over a calendar month. | Failure to deliver 100% of the terminals within 14 calendar days measured over a calendar month.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| 17 | **Equipment Replacement/Repair for Exempt Retailers.** 98% of POS terminals must be repaired or replaced within 48 hours from the time the equipment failure was reported to the Contractor measured over a calendar month. | Failure to have a POS terminal repaired or replaced within 48 hours from the time the equipment failure was reported measured over a calendar month. The Contractor must provide a report or other verifiable proof of meeting this requirement by the10th calendar day of each month. |
| **18** | **Access for Newly Authorized Retailers.** 100% of newly authorized retailers choosing to employ a third-party processor to drive their terminals or electing to drive their own terminals must be given access to the EBT system within a thirty (30) days of the Contractor receiving the retailer contract. | Failure to provide EBT system access to 100% of newly authorized retailers employing a third-party processor or driving their own terminals within 30 days of receipt of contract, measured each calendar month.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| 19 | **Card Issuance.** 98% of card issuance requests received by the Contractor by 11:15 AM (ET) must be mailed on the same business day, measured on a monthly basis. 98% of card issuance requests received by the Contractor between 11:16 AM (ET) and 11:59 p.m. (ET) must be mailed by the following business day measured over a calendar month. | Failure to mail cards in accordance with the required 98% of the time for either type of request, measured on a monthly basis.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **20** | **Incident Reports.** Incident reports must be provided for every system problem. The incident reports must include the affected areas of the State and programs, date of report, date of incident, reference number, start and end times of the incident, problem type, problem impact summary, detailed description of the problem, cardholder impact, number of affected cardholders, immediate resolution, permanent solution, and who resolved the problem.  Initial incident reports must be provided within 24 hours from the start of the system problem. If the incident report does not include the permanent solution to the incident, that report must be updated every 24 hours to reflect the most current status of the incident until it is resolved. A follow-up incident report must be provided no later than 24 hours after the permanent solution has been defined. | Failure to provide the initial and follow-up incident reports within the specified timeframes.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **21** | **ALERT Data.** The Contractor must provide a daily ALERT file to USDA-FNS at the end of each settlement calendar day. | Failure to provide the daily ALERT file to USDA-FNS by the specified timeframe for five (5) consecutive calendar days. The Contractor must provide a report or other verifiable proof of meeting this requirement on the 10th calendar day of each month. |
| **22** | **Reconciliation Process.** All reports necessary for DFR to successfully perform daily reconciliation must be received by DFR no later than 8:00 a.m. ET the following business day after the cut-off date. | Failure to provide the reconciliation reports within the agreed upon timeframes. The Contractor must provide a report or other verifiable proof of meeting this requirement on the 10th calendar day of each month. |
| **23** | **Computer Virus Protection.** All data transmitted to the State/FSSA/DFR by the contractor or subcontractors must be free of computer viruses. | Any introduction of a computer virus into a State/FSSA/DFR system directly tied to a transmission by the contractor or subcontractor. |
| **24** | **Audit Reports.** Each audit report, including the SSAE No. 18, audit reports, must include the Federal  Regulations requirements in 7 CFR 274.1(i), be completed, and be provided to DFR no later than 90 calendar days after the audit period ends. | Failure of the Contractor to provide a timely audit report, including the SSAE No. 18 or similar report.  Failure of the Contractor to meet the Federal  Regulations audit report requirements in 7 CFR 274.1(i). |
| **25** | **Operating Reports.** Scheduled reports must be provided IAW agreed upon schedules. | Failure to provide reports within the agreed upon timeframes. |
| **26** | **Ad Hoc Reports.** DFR Ad Hoc Report requests must be provided within 7 to 10 business days. | Failure to provide the Ad Hoc Report within the agreed upon timeframes. |

# **Scope C – WIC EBT**

* 1. **Scope-specific Project Management**
     1. **Project Deliverables**

The Contractor shall submit deliverables in alignment with the requirements outlined in Scope A, Section 4.2.1. A high-level list of program-specific deliverables, along with delivery date requirements, is provided below. The Contractor shall provide specific dates in the Project Plan and Schedule, subject to State approval. Due to the time-sensitive nature of the State’s review process, the Contractor shall space the submission of deliverables with similar delivery requirements as much as possible (e.g. for deliverables that must be submitted no more than 30 days after contract execution, the Contractor should plan to stagger the submission of deliverables leading up to that not to exceed date).

| **#** | **Deliverable** | **Delivery Date Requirements** |
| --- | --- | --- |
| **1** | Project Management Plan | With bid proposal; revised, final plan TBD |
| **2** | Project Plan and Schedule | With bid proposal; revised, final plan no more than 30 days after contract execution |
| **3** | Status Reports | Weekly unless otherwise approved by the State |
| **4** | Change Management Plan | No more than 30 days after contract execution |
| **5** | Communication Plan | No more than 60 days after contract execution |
| **6** | Quality Assurance and Risk Management Plan | No more than 60 days after contract execution |
| **7** | System Requirements Specification Document (SRSD) | TBD |
| **8** | Interface Control Document (ICD) | TBD |
| **9** | System Interface Document | TBD |
| **10** | Requirements Traceability Matrix (RTM) | TBD |
| **11** | Functional Design Document | TBD |
| **12** | Detailed System Design Document | TBD |
| **13** | System Test Plan | No more than 60 days from contract execution |
| **14** | Data Conversion Plan | TBD |
| **16** | Transition Plan | TBD |
| **17** | UAT Completion Certification | No more than 7 days after UAT |
| **18** | Systems Operations and Interface Procedures Manual | No fewer than 30 days prior to UAT |
| **19** | Disaster Recovery Plan | No more than 60 days from contract execution |
| **20** | Security Plan | No more than 60 days from contract execution |
| **21** | Training Plans and Materials | No fewer than 30 days prior to UAT |
| **22** | Reports Manual | No fewer than 30 days prior to UAT |
| **23** | WIC Vendor Enablement and Certification Plan | No more than 45 days from contract execution |
| **24** | WIC Vendor and Third-Party Agreements | No more than 45 days from contract execution |
| **25** | Integrated Vendor Specifications Document | No more than 10 days from contract execution |
| **26** | Settlement and Reconciliation Manual | No fewer than 30 days prior to UAT |
| **27** | Administrative Functions Manual | No fewer than 30 days prior to UAT |
| **28** | Customer Service Plan | No more than 60 days from contract execution |

* + 1. **Project Personnel**

The Contractor shall provide personnel, both Key and non-key, according to the requirements outlined in Scope A, Section 4.2.2. The table below provides a listing of program-specific Key Personnel for the Contractor’s team. It outlines the State’s perspective on minimum Contractor Roles and qualifications necessary to support this project but is not intended to define specific Positions which will be required. Key Personnel shall be available onsite at the State’s offices when requested a minimum of two (2) weeks in advance by the State.

| **Role** | **Description** | **Required Skills** |
| --- | --- | --- |
| Project Manager | * Responsible for coordinating the overall project tasks, including project planning, scheduling, and staffing for the entire Scope D over the length of the Contract. * 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, etc. * Ensures service level agreements are sustained and deliverables are submitted on timely basis. * Available throughout the life of the contract | * Current certification as a Project Management Professional (PMP) by the Project Management Institute (PMI) preferred and/or at least three (3) years of project management experience * At least three (3) years of experience on public sector projects. At least one (1) year of experience with a health and human services agency. * At least two (2) years of experience with system implementation, maintenance, and operations. * Strong written and communication skills. |
| Operations Manager | * Responsible for the day-to-day operations of the WIC EBT program once the system enters the M&O phase in the Contract. * Reports to the Project Manager to ensure Operations-related planning and tasks are handled in accordance with the Contractor’s overall project management approach. * Available, at a minimum, from Design Phase to the end of the Contract. | * At least three (3) years of experience managing the maintenance and operations of systems similar in size and complexity to Indiana’s WIC EBT system. * Project management experience. * Experience with WIC program preferred. * Strong written and communication skills. |
| Vendor Manager | * Leads vendor enablement and certification efforts. * Oversees WIC-vendor and third-party processor (TPP) agreements. * Oversees the technical support provided to WIC-vendors and TPPs as needed for system integration. * Manages and oversees the installation of stand beside WIC EBT terminals when needed. * Handles Level 1 and Level 2 certifications for vendor point-of-sale (POS) systems. * Available throughout the life of the Contract. | * At least two (2) years of experience working on WIC EBT projects. * Experience managing vendor communities. * Project management experience. * Strong written and communication skills. |
| Technical System Lead\* | * Leads the Contractor’s technical team. * Provides system design support, oversight of the system interface between WIC MIS and WIC EBT systems, and oversight of the WIC EBT system configuration. * Available, at a minimum, through the Transition-In phase. | * Strong technical background and at least two (2) years of experience with System Development Life Cycle Processes for system design, development, and implementations * Knowledge of EBT systems is required. * Experience with WIC program and FNS WIC technical documents (WUMEI, Operating Rules, TIG) preferred. * Project management experience. * Strong written and communication skills. |
| System Test Manager\* | * Oversees system life cycle testing, including UAT testing support. * Develops test scripts and test reports. * Available, at a minimum, through the Transition-In Phase | * Strong technical background and at least two (2) years of experience of managing comprehensive system testing. * Strong knowledge of test script development. * Knowledge of EBT systems is required. * Experience with FNS WIC technical documents (WUMEI, Operating Rules, TIG) preferred. * Strong written and communication skills. |

\*Roles are only active through the Transition phase, as applicable to the Contractor’s solution

* 1. **Scope-specific Project Phase Requirements and Deliverables**
     1. **Design and Development Phases**

In addition to all deliverables and requirements outlined in Scope A, Sections 4.3.2 and 4.3.3, the Contractor shall perform the following responsibilities and develop (or update at a minimum, should the Contractor’s solution utilize Indiana’s existing WIC EBT system) the following deliverables as part of the Design and Development phases of this project:

1. **Coordination Plan**

The Contractor shall develop a Coordination Plan that defines the process to coordinate schedules and timelines to ensure that the WIC EBT system is ready for UAT and implementation. The plan shall also include a process to resolve any scheduling conflicts that might arise. This will include internal testing between the WIC EBT and WIC MIS systems prior to UAT to certify readiness for UAT.

The Coordination Plan shall also cover the coordination of training activities for UAT, transition, and system implementation to ensure that training is fully integrated on how to use the Admin Terminal.

The Contractor will not be required to conduct WIC EBT-related clinic staff training; however, the Contractor shall be responsible for providing training material

1. **System Test Plan**

In addition to all other testing requirements and deliverables listed in Scope A Section 4.3.2.f, the Contractor shall be responsible for providing the following services related to UAT testing:

1. Providing a detailed UAT Test Plan, as part of the System Test Plan, that complies with FNS Handbook 901, Section 3.5.31 at <https://www.fns.usda.gov/apd/fns-handbook-901-v2-advance-planning-documents>
2. The UAT Test Plan must be submitted not later than 60 days from contract execution. The Plan must include:
   * The types of testing to be performed;
   * The organization of the test team and associated responsibilities;
   * Test database generation;
   * Test case development;
   * Test schedule;
   * Documentation of test results.
3. Recording the results of internal system testing (including unit, integration, performance, end-to-end, regression testing, connectivity testing, etc.) and providing a walkthrough with the State project team of the system to demonstrate that the system is functional and ready for UAT.
4. Seeding the test environment with migrated data that will be used for UAT and populating all necessary tables, etc., so that the system may be fully tested.
5. Coordinating with outside entities (WIC MIS contractor, TPP’s, vendors, etc.) to ensure that all interfaces and connectivity can be tested.
6. Providing test case scenarios/test scripts to be used by UAT staff. The test case scenarios should include scenarios that test the system overall, including end of day, end of month, reporting, and disaster recovery activities. The Contractor shall work with the State to identify those common scenarios. At a minimum, the test cases should include:
   * Test case number;
   * Date created;
   * Author;
   * Description of case;
   * Type of test;
   * Inputs;
   * Steps;
   * Expected results;
   * Actual results;
   * Pass/fail;
   * Run date;
   * Tester;
   * Failure reason.
7. Providing instructor-led on-site training for the UAT testing staff, including the provision of training materials will be provided. UAT training will be held at the State WIC Office in Indianapolis.
8. Providing on-site resources to support UAT testing staff during at least the first 2 weeks of testing. Additional on-site support may be necessary as determined by the types and severity of errors encountered.

The Contractor shall further develop and complete a comprehensive checklist of items to demonstrate the successful completion of the UAT phase and the readiness of the system for implementation. The Contractor must provide a formal presentation to the State, including a written certification that the system is ready to proceed.

1. **Error Logging and Correction System**

The Contractor shall provide an error logging system for UAT testers to use. Errors found will be classified using a scale of one (1) to five (5) using the following criteria:

| **Severity Level** | **Criteria** |
| --- | --- |
| 1 | * Critical * Does not allow testing to continue * Major malfunctions in the system * Defect found in the processing component of the system |
| 2 | * Major component failure * Does not allow testing to continue * Defect or malfunction found in certain areas of the system * Problem must be resolved |
| 3 | * Minor functional problem * Testing can continue * Functions in certain components do not work properly * Components can still work with other components in the system |
| 4 | * Minor issue * Testing can continue * Minor editing error found in a system component * Cosmetic change needed |
| 5 | * Minor issue * Testing can continue * Design clarification issue * Implementation issue * To be resolved by the state or processor * Future enhancements to the system |

The Contractor must propose a process and timeline to fix all errors in a timely fashion to allow rapid retesting to verify that the errors have been corrected. At a minimum, the Contractor must correct all 1 and 2 severity errors within two (2) business days from the Contractor’s knowledge of the defect. All 3 severity errors must be corrected within five (5) business days from Contractor’s knowledge of the defect and all severity 4 and 5 must be corrected within fifteen (15) business days from the Contractor’s knowledge of the defect. All identified errors must be corrected before the system can be certified as ready for full implementation.

1. **Security Plan**

The Contractor shall be responsible for providing a comprehensive security program that meets applicable State and Federal requirements to protect the integrity and confidentiality of program data. This security program must include administrative, physical, technical, and system controls. It must be aligned with electronic funds transfer (EFT) industry standards.

A draft Security Plan, describing the security program, is due not later than 60 days from contract execution for State review and approval. The Contractor must update the plan throughout the life of the contract as industry standards change, new State and/or Federal requirements are issued, or new security concerns are discovered. The Contractor will also be expected to complete a Security Plan Review document provided by the State not later than 150 days from contract execution and then every two (2) years thereafter.

The Security Plan must include a description of the following components:

1. The location and description of the controls at each of the physical facilities where contract-related activities occur to protect data from unauthorized use and access, such as entrance security, use of access cards, restricted access areas, CCTV’s, fire protection, etc.
2. The types of controls over the hosting environment hardware and software to protect data from unauthorized use and access, such as communication access controls, user identification and authentication, system access and audits controls, transaction communications controls, discretionary access controls, separation of duties, data destruction procedures, etc.
3. Controls over unissued card stock that safeguard against loss, theft, and/or abuse.
4. Controls over PINs that ensure confidentiality during PIN generation, issuance, storage, and verification. Triple data encryption standard (DES) algorithm shall be used to control all PINs.
5. The virus and malware controls to protect data from unauthorized use, access, contamination or corruption.
6. Security incident reporting requirements to include notification to the State of any instances of non-compliance to security measures within 24 hours upon their discovery. The notification shall include a description of the incident, its impact on data security and operations, and the corrective action planned or taken.
7. **Disaster** **Recovery and Business Continuity Plans**

The Contractor must develop a contingency plan in the event of a disaster striking all or part of the State. The Contractor shall provide disaster recovery and business continuity support for the WIC EBT system. The Contractor shall be responsible for providing disaster recovery services and facilities with this project to minimize production system downtime to no more than 24 continuous hours of total service disruption in the event of a disaster at the hosting/data center facility.

1. **Business Continuation and Short-Term Outage Recovery**

The Contractor must develop a Business Continuation and Recovery Plan that includes a State notification process as well as disaster declaration criteria and time-frames. Specific severity levels relating to disaster recovery activities by Contractor will be mutually agreed up as part of the plan approval

1. **Business Continuation**

The State requires the Contractor to continue transaction processing and disbursement of benefits in the event of adverse situations related to systems and telecommunications failures and in natural disasters. Business continuation must be provided by the Contractor in accordance with the approved Business Continuation Plan.

In the event of an outage or disaster impacting the availability of the Contractor’s primary data processing site, the Contractor must have a fully redundant back-up site for host processing, telecommunications and network services. The Contractor must notify the State immediately of any outages. If the outage is expected to exceed one hour in duration, and upon evaluation of the problem and the time required for resolution, transaction processing may be switched to the host back-up system or site.

The Contractor must provide the following system configuration at the primary site with Mission Critical Servers:

* + All mission-critical functions for WIC EBT monitoring must be supported by a protectively redundant configuration. At the primary site, there must reside at least two physically separate systems, networked for high availability processing. Failure in one primary site system must not cause failure of the other system(s);
  + Fault Tolerance: As well as providing a fault tolerant transaction server environment, the Contractor’s other central system components, such as administrative servers, the storage solution, and network devices (routers, switches, firewalls, etc.) must also exhibit fault tolerance, such that the failure of a single device will not put a site out of service;
  + Failover: The remaining devices and system(s) must immediately assume the load in case of a failure in one device or system, without loss or corruption of any data and transactions received prior to the time of the failure;
  + Operations Procedure: Procedures for computer operations staff, especially regarding failure situations, must be straightforward. In addition to operator-prompted failover the system must be able to recover from failures without operator intervention (“auto-failover”);
  + Secure Connections: Connections into any component from a remote terminal must not occur without State approval. Any such capability must employ stringent security mechanisms. This would include remote monitoring or diagnosis of equipment or software. Connections to other remote systems and terminals must be protected at a minimum by firewalls and encryption. Routers must route traffic only to addresses defined as valid for this application. The acceptability of any such security approach will be subject to State approval;
  + Time-Synchronizing: Multiple systems in the configuration must have a time-synchronizing mechanism to ensure consistent time recording and reporting for events and transactions. Synchronization with an external time standard is required.

In the event of irreparable damages at the primary site, or of an unplanned, extended abandonment of the primary site, the Contractor must provide, at no additional cost, those servers, facilities, and other components necessary to resume operation under a two-site operational scenario.

The Contractor must provide two or more remote backup systems (separate from those referenced in above) that will take over for the primary site systems if necessary. Data transferred to and recorded at the remote site will always contain the most recent transactions, allowing a takeover.

The wide area network must have a routing independent of the primary site so that the backup site can be reached without the primary in place. Administrative functions must be available at the remote backup site and be available remotely by communications from the primary site.

The Contractor must demonstrate on a scheduled basis that the remote site is fully functional by operating in production from that site upon request of the State. It must have a Backup Mirror Configuration, meaning the remote backup systems have the same processing capacity and architecture as the primary site systems. These systems must also have the same secure connection specifications (see above) as the primary site systems.

The Contractor must provide a methodology by which the Contractor must notify both the State and the WIC-vendor that an outage is occurring.

The Contractor must advise the State immediately upon recognition that a switch to the back-up site is required. If the Contractor is providing services to multiple States or other processing services, the disaster recovery plan must address the timing and order of recovery for Indiana’s system as compared to the other entities being processed. The recovery of Indiana’s system must not be delayed because the Contractor is recovering other customer’s systems.

The Business Continuation and Recovery Plan must identify:

* + Critical Contractor staff that have a skill set necessary for the resumption of key business operations;
  + Critical business functions and supporting tasks;
  + Processes for reporting system disruption/failure;
  + Transitions from failure to system re-start;
  + Alternate processing sites; Timeframes for updates to the plan; and
  + Customer Service Staffing Capacity Plan that identifies how the Contractor will add additional staff to cover increased call volumes.

All elements of the Business Continuation Plan (including communications routing systems) must be tested annually. The Contractor must provide the State with copies of these test results within thirty (30) days of testing completion.

1. **State Disaster Contingency**

For the State’s purposes, a “major” event is any event which prevents the processing of the State’s normal business cycles for more than two (2) continuous hours. In this case, the process below will be followed:

* + The State will contact the Contractor’s disaster contact to inform them of the event and the anticipated duration;
  + The State will execute its disaster plan and no extraordinary action from the Contractor is required. The Contractor is not to extend benefits on the State’s behalf beyond those already on the account(s);
  + The State will notify the Contractor’s disaster contact to coordinate business resumption once issues have been resolved.

The Contractor shall certify that it will operate the WIC EBT system in accordance with all Federal and State regulations and include a description of its experience operating WIC EBT systems, including POS deployment to exempt retailers and/or Farmers Markets, in other states/jurisdictions. The Contractor should highlight any proactive initiatives undertaken to improve the efficiency of system operations, as well as any security or operating enhancements employed. Additionally, include any experience in handling continuity of business or recovery in the face of disaster activities.

* + 1. **Transition-In Phase**

In addition to all deliverables and requirements outlined in Scope A, Section 4.3.4, the Contractor shall be responsible forproviding the services and tasks below associated with system transition and implementation.

1. **Transition Plan**

The Contractor shall perform the following services to ensure a smooth transition:

1. Providing a detailed Transition Plan, which must address the processes to be used for the migration, how the processes will be tested, and contingency plans for problems and issues that may occur during the migration. The transition plan must also address the verification and validation of the migration process, in particular the validation of the clients’ account balances that are converted to the new system. The Plan must specifically cover the following topics:
   * Migration of transaction acquirers
   * POS device deployment and installation
   * Migration of client database
2. Coordinating with outside entities (WIC MIS contractor, TPP’s, vendors, etc.) to ensure that all interfaces and connectivity will be operational.
3. Participating with State staff and the WIC MIS contractor in determining the conversion schedule.
4. Supporting the State in working with authorized WIC-vendors to maintain or promote their engagement in the program (e.g. through getting Retailer EBT Agreements signed).

**b. System Monitoring**

Throughout the transition and implementation, the Contractor shall be responsible for monitoring the system’s performance and the transition’s success by performing the following activities:

1. Monitoring end of day processing to ensure successful completion by start of the next business day, taking corrective action as needed, and reporting the status to Indiana WIC.
2. Verifying that standard daily system functions have been completed, taking corrective action as needed, and reporting the status to Indiana WIC.
3. Verifying that appropriate files have been sent to/received from the WIC MIS contractor, authorized WIC-vendors, and others and processed, taking corrective action as needed, and reporting the status to Indiana WIC. This would include such files as the APL, which contains details including UPCs and cat/sub-cat information and the NTE files among others.
4. Providing customer service support to the State and local WIC staff, cardholders, and authorized WIC vendors.

The Contractor shall provide the same error logging system to State/local WIC staff as was used during the UAT phase. The Contractor shall follow the same timeliness requirements for correcting defects identified during transition and implementation phase as during the UAT phase. (See Section 6.2.1.c.)

In the event that a transition or implementation does not proceed as expected, the Contractor shall have a State-approved contingency plan in place to explain the processes to be followed to revert back to the legacy system.

* + 1. **Operations Phase**

The Contractor shall be responsible for ongoing system operations once the system is completely transitioned and implemented. In addition to the duties outlined in Scope A, Section 4.3.5, the Contractor shall perform the following services and tasks:

1. Monitoring system operations on a daily basis and making necessary adjustments to maintain peak operation efficiency so that system users are not adversely affected. The Contractor may leverage automated or manual systems.
2. Performing timely database tuning as needed in order to keep the databases running as efficiently and effectively as possible.
3. Completing daily system backups according to proposed backup procedure, frequency, off-site storage, and recovery methods.
4. Providing for the thorough quality assurance testing of all software releases, reference database table updates, bug fixes and other system changes, so that they are implemented without issue. The Contractor shall provide a written report of release testing results, which the State shall review and approve before a release is implemented. The State may opt to perform additional UAT testing on some releases prior to implementation.
   1. The Contractor shall propose procedures to be used for defect corrections when a new release is installed and the procedures for version roll-out back in the event of a significant release failure.
5. Maintaining a tracking system for all requested changes and reported defects, their status, and final resolution.
   * 1. **End of Contract Phase**

In addition to all deliverables and requirements outlined in Scope A, Section 4.3.6, the Contractor shall provide the following services as part of end of Contract activities:

1. Providing a copy of all IN WIC related files and databases contained within the system upon request by the State, including up to 3 years of transaction history, WIC vendor data, NTE information, and any other data necessary for ongoing operations and research into past operations for transfer to the next WIC EBT contractor.
2. Providing to the State (or its designee) any remaining unused inventory of IN WIC EBT cards held in inventory by the Respondent.
3. Transferring, if requested, the participant and current WIC vendor toll-free phone numbers to the next WIC EBT contractor.
4. Returning all hardware and software that may be owned by the State upon request by the State. This includes card reader devices supplied to the WIC clinics and WIC vendors.
5. Providing professional assistance to the State and/or its designee for conversion/data migration recommendations and assistance.
6. Providing technical training to the State and/or its designee of not more than 80 hours to include a thorough overview of how the system database schemas are organized and function, including the review of all object relationships and process flows.
   1. **State and Federal Compliance**

The WIC EBT system must be compliant to the most recent version of the following standards and specifications:

1. The American National Standards Institute (ANSI) X9.93 standards from the time development is initiated and will follow the technical implementation guidance of the standard as defined by USDA-FNS;
2. The FNS Operating Rules for WIC EBT systems as defined by USDA-FNS;
3. The FNS WIC EBT-MIS Universal Interface; and
4. The FNS Technical Implementation Guide (TIG)

The most recent USDA documents may be found at: [https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance.](https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance)

The WIC EBT Contractor is responsible for ensuring that the WIC EBT system meets the processing requirements and criteria established by FNS and the State. In order of precedence, WIC EBT transactions must be processed in compliance with:

1. Federal regulations, including WIC Regulations, 7 CFR Part 246 and FNS WIC policy memos and guidance; and
2. USDA-FNS Operating Rules for WIC EBT
3. IN WIC Vendor Manual

If there is a conflict between the governing regulations and guidelines regarding a specific standard, the State will determine the applicable standard. The Contractor shall be responsible for identifying and notifying the State of any conflicts between regulations, guidelines, and standards. In determining the appropriate standard, the State will allow consultation and input from the WIC EBT Contractor. However, the final decision will remain with the State.

In the absence of State or Federal guidelines, the WIC EBT Contractor shall process transactions according to prevailing industry technical and performance standards.

* 1. **System Functionality**

At a minimum, the Contractor’s system must be able to provide the following functionality in compliance with Federal requirements listed in 6.2.1 (above):

1. Interface with the WIC MIS, according to FNS’ [Universal MIS-EBT Interface Specification](https://www.fns.usda.gov/sites/default/files/wic/WIC%20Universal%20MIS%20%20EBT%20Interface%20Specification%20March%202015.pdf);
2. Allow for continued use of IN WIC’s mobile application;
3. Support WIC food categories and subcategories;
4. Support WIC food UPC/PLU codes;
5. Support not-to-exceed (NTE) amounts by peer group;
6. Support generation/distribution of the approved products list (APL) to authorized WIC vendors;
7. Support/accept household account set-up and benefit issuance;
8. Support/accept benefit issuance records;
9. Support/accept cardholder account balance inquiries;
10. Support/accept modifications to cardholder benefits (current month and future months);
11. Support/accept voiding cardholder benefits (current month and future months);
12. Support/accept benefit availability periods and expiration;
13. Support card replacement;
14. Maintain cardholder and vendor transaction history;
15. Support card and PIN issuance;
16. Maintain card history information; and
17. Process transactions according to current FNS and financial industry standards.

The APL file and the message formats must conform to the current TIG specifications and provide for backward compatible file and message formats for any vendors already conducting WIC EBT business in other states.

The proposed WIC EBT system must comply with the above standards and specifications currently in effect, and Contractor shall be responsible for updating the system as those standards and specifications change at no cost to the State.

* 1. **Interface with Indiana WIC MIS**
     1. **WIC MIS Background**

The State’s latest transfer and implementation of a WIC MIS, from Florida’s WiSE MIS system, was completed in 2016.The WIC MIS contractor remains engaged to maintain and operate the WIC MIS. Currently the WIC MIS interfaces with the WIC EBT system via FNS’ [Universal MIS-EBT Interface Specification](https://www.fns.usda.gov/sites/default/files/wic/WIC%20Universal%20MIS%20%20EBT%20Interface%20Specification%20March%202015.pdf). The WIC MIS sends real-time benefit authorization and account information to the EBT system. The WIC EBT system also receives the APL, NTE price file, and cat/sub-cat file for distribution and/or use by WIC-vendors from the WIC MIS. In return, the WIC EBT system must then provide transaction data and real-time benefit balances and changes to WIC MIS. See Section 6.5.4 “File Transfers” for more information about file exchanges.

* + 1. **Coordination and Compliance**

The Contractor must coordinate with the WIC MIS contractor to ensure that the two systems interface correctly and to make such modifications as may be necessary to accomplish a seamless interface for the initial implementation and on an on-going basis for any future modifications that may be required due to changes in Federal requirements, industry standards, and/or State requirements. The Contractor must prepare and maintain an Interface Control Document (ICD) to document and provide the specifications for the interface points between the WIC MIS and the WIC EBT systems to the State within thirty (30) days of contract execution.

The Contractor’s ICD must conform with FNS’ latest “Universal MIS-EBT Interface Specification,” (available at<https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>) which standardizes the functional requirements for the Universal Interface between WIC MIS and the WIC EBT systems. The Contractor must coordinate with the WIC MIS vendor to institute any updates to that interface and interface specification.

No code changes can be made to the WIC MIS. Any data elements and transmission protocols required by the WIC EBT system to effectively interface with the WIC MIS must be made to the WIC EBT system and not within the WIC MIS.

* + 1. **Real Time Service Calls**

WIC MIS communicates with the current WIC EBT vendor and its EBT system through web service calls and file transfers. Service calls are processed from the WIC MIS admin terminal in real-time. All State service calls go through BizTalk web service before being pushed out to the WIC EBT Contractor’s web services. All calls originate from the issuance/void/card assignment/etc. section of the WIC MIS application and do not require details.

When a new clinic is saved in the Admin module, the information is immediately sent to the current WIC EBT vendor.

* + 1. **File Transfers**

The WIC MIS and WIC EBT systems transfer the following files (please see Attachment J, Bidders’ Library for an example):

* 1. Inbound Files from WIC EBT to WIC MIS. These files are uploaded at 1:00 am ET, at which point BizTalk decrypts the files and sends them to a File Transfer Protocol (FTP) server for WIC MIS pickup.

|  |  |  |
| --- | --- | --- |
| File | Description | Timing |
| Redemption File | Contains redemption data, typically from the day prior to that of the transfer | Received by 11:00 am ET |
| Daily Benefit Activity File | Audit file containing the issuances and voids from the day prior | Received for a 1:00 am ET processing window |
| Card Update File | Contains card actions that happened within the WIC EBT system, outside of the WIC MIS, on the day prior | Received for a 1:00 am ET processing window |

1. Outbound Files from WIC MIS to WIC EBT. These files are created on a nightly basis at 1:00 am ET, at which point the files are uploaded to an Indiana Office of Technology (IOT) FTP server. From there BizTalk receives the files, encrypts them, and sends to a WIC EBT FTP server.

|  |  |  |
| --- | --- | --- |
| File | Description | Timing |
| Cat/SubCat File | Full replacement of the category and subcategories within the system. Sent only when at least one (1) category, subcategory, or supporting table is updated. | Sent at 1:00 am ET |
| UPC/NTE File | Delta update of UPC/NTE items within the system. Only sends items that have been updated (either UPC or NTE information). | Sent at 1:00 am ET |
| Vendor File | Delta update of the Vendors within the system. Only sends vendor information that has been updated. | Sent at 1:00 am ET |

1. Inbound Response Files (to State Outbound Files). These files are processed in the same manner as other “inbound files,” but are sent in response/receipt of outbound files to ensure that outbound files have been processed successfully. The three inbound response files match the three outbound files in name and content. The inbound response files are processed at 6:30 am ET.
   * 1. **Connectivity**

The Contractor shall provide services and hardware to establish and maintain high performance connectivity between the WIC EBT primary and back-up processing facilities and the primary and back-up WIC MIS processing facilities to ensure the availability of the WIC EBT system on a 24/7 basis for data, file, and record transmission, as described in this Section 6.5.

* + 1. **Interface with** **WIC MIS Mobile Application(s)**

State currently provides WIC clients an Indiana WIC Mobile Application, which allows clients to locate WIC approved stores, view current and future benefits, scan UPC codes, locate clinics, and view appointments. The Indiana WIC Mobile App was developed by the WIC MIS contractor and pulls information from both the WIC MIS and the eWIC systems.

The Contractor will ensure that Indiana WIC Mobile App continues to have the ability to access and display benefit balances and information, including a client’s unique benefit ID, benefit active dates, available benefit quantity by category and subcategory. When the client launches the INWIC App, the App must be able to search the WIC EBT system on the client’s behalf via Household ID and eWIC Card Number according to an entered date range. The State shall be responsible for ensuring that the Indiana WIC Mobile App is compliant with applicable security standards.

* 1. **Card Issuance**

Initial card issuances to all WIC clients will be performed at the WIC local agency/clinic. The State currently has approximately 250 card readers distributed among 138 clinics across the State. The current card reader model is IDTECH MiniMag Magnetic Stripe Reader Model IDMB-334133B. Since an inventory of card readers has been purchased by the State along with additional stock if replacements are needed, the State prefers to continue to use the existing card readers. To the greatest extent possible, the Contractor shall use the State’s current inventory of card readers. If the WIC EBT Contractor cannot use the State’s existing card readers, the Contractor shall provide the agencies/clinics with the necessary card readers, which must be compatible with the WIC MIS. Regardless of the Contractor’s solution for card readers, the Contractor must provide a production supply of cards to initiate production issuance of cards. All clinics must have at least one card reader to issue/activate cards and at least one card reader that allow staff to validate that the card has been correctly activated and to train cardholders in how to set up a PIN, check balances, use the card at stores, etc. For more information on the current card reader distribution, please see Bidders’ Library (Att. J – C.3).

* + 1. **Card Replacement**

Replacement of any lost, stolen or damaged cards will be completed at the WIC clinics and not by the WIC EBT contractor. Information regarding the replaced card (i.e., card number, cardholder’s name, address, and birth date) in addition to benefits issuance information and the replaced card information will be sent from the WIC MIS to the WIC EBT host. Clients may report cards lost, stolen, or damaged via the Contractor’s client web portal or customer service number, both of which must direct clients to WIC clinics to complete the replacement process. Before deactivating any compromised card, the Contractor shall verify that the person requesting card deactivation is a valid cardholder. For all items that require that the caller’s identity be confirmed, this is currently handled by requesting cardholders provide their dates of birth and zip codes. The Contractor cannot update cardholder demographic information on the system but must refer the cardholder to the local WIC clinic.

* 1. **Benefit Availability**
     1. **Account Set-up**

The WIC EBT Account Set-up data includes family demographic data necessary for the set-up of a WIC EBT account. Through the IN WIC MIS, ISDH will send on-line, real-time WIC cardholder and account data to the Contractor for immediate processing, access, and storage. The Contractor must support and accept household account set-up and benefit issuance. It is anticipated that all account set-up, demographic updates, and initial card issuances will occur as on-line transmissions, initiated at the WIC local agency/clinic or State office.

* + 1. **Benefit Issuance**

WIC benefits are issued and sent to the WIC EBT system throughout the month, based on when the client was first certified as eligible to receive WIC benefits. The Contractor must post WIC benefits to the appropriate WIC EBT accounts based on the starting date included in the benefit issuance record. If the starting date contained in the benefit record is the same as, or before, the current date when the Contractor receives the benefit record, the Contractor must make the benefits immediately available to the client. If the starting date is a future date, the Contractor must hold (pend) the future benefits until the starting date is reached. When the starting date is reached, the benefits must be moved from “pending” to active at 12:01 a.m. EST.

WIC benefits are normally issued in 3-month intervals. For example, a cardholder may receive a WIC EBT card and benefits from April 15 – May 14, May 15 – June 14, and June 15 – July 14 during the same clinic appointment. When April 15 is reached, the benefits must become active at 12:01 a.m. EST. When May 15 is reached, the remaining benefits must expire and the new month’s benefits must become active at 12:01 a.m. EST.

* + 1. **Benefit/Account Adjustment**

The Contractor shall have procedures in place to manage account adjustments. These adjustments may be applied to a cardholder’s account via the WIC MIS or the adjustments may be initiated by the Contractor to resolve system errors, out of balances, or to resolve payment disputes with WIC vendors. The Contractor must consult with and receive explicit approval from Indiana WIC before finalizing adjustments.

* 1. **Customer Support Services**
     1. **General Requirements**

The Contractor shall provide system support services to WIC clients/cardholders and authorized WIC-vendors, via a toll-free telephone number(s). The Contractor may, at its option, utilize one common toll-free number for all categories of users to contact with appropriate options, or may set up separate toll-free numbers for one or more categories of users. The support services provided to each customer group (i.e. WIC clients and WIC-vendors) shall vary. At a minimum, the Contractor must provide support services through the following methods:

1. For WIC clients/cardholders, the Contractor shall provide Interactive Voice Response (IVR), with the option to speak to a live CSR during standard business hours (9:00 am to 5:00 pm ET, Monday through Friday, excluding Federal holidays), and a web portal. The IVR should direct the caller to WIC clinics and/or the INWIC App for additional assistance and for activities that cannot be completed via IVR.
2. For WIC-vendors, the Contractor shall provide support via a toll-free number and a vendor web portal. WIC-vendor phone support should be conducted through IVR and live CSR during standard business hours (9:00 am to 5:00 pm ET, Monday through Friday excluding Federal holidays). WIC-vendors calling after published business hours must have the option to leave a voicemail for a call-back response within the next business day.

State-level users of the Admin Terminal must be able to call Key Personnel directly for issue resolution and support.

* + 1. **Customer Service Plan Requirements**

The Contractor shall develop a Customer Service Plan that details how the Contractor will provide customer support services.

The Plan shall contain a description of the following items related to issue capturing, escalation, and proactive resolution:

1. Escalation protocol for handling all calls to ensure that critical calls are handled in a timely and appropriate manner.
2. Process to capture and determine common issues that might indicate a system-wide defect, an area where a system modification may be needed to enhance system use, or the need for additional user training.
3. How the Contractor shall log and develop a library of common debugging steps to assist with the resolution of State issues (including hardware issues) or develop the documentation of more complicated issues that get referred to development staff for further research.

The Customer Service Plan shall include the following components related to the preparation and management of the Contractor’s Customer Service Representative (CSR) staff:

1. Description of the process and frequency of training provided as new CSR staff are hired and/or as additional modifications are made to the system prior to the implementation of such modifications.
2. Defined process of how CSR staff will handle issues in a timely and appropriate manner.
3. What resources CSR staff will have access to for issue identification and resolution

The Plan shall describe how the Contractor intends to utilize a call system and web portal in the delivery of support services, including:

1. Description of the call system and related processes for tracking calls and CSR activities to enable the Contractor to adjust staffing levels in alignment with call volume and needs.
2. Strategies for maintaining system security and the protection of client information
3. Description of the process to implement a web portal specific to IN WIC.

All services offered by the Customer Service Center must be accessible by touch tone telephones; the Customer Service Center must be able to accept and handle calls from the hearing impaired.

The Plan must also address how the Contractor shall meet customer service performance measures (see RFP Section 6.20). The Plan must be submitted to the State for review and approval no more than sixty (60) days from contract execution.

* + 1. **Reporting**

The Contractor shall provide reports summarizing various Customer Service Center/CSR activities and statistics for internal use and for State use. The Contractor must provide sample reports at the time of RFP proposal submission. Please see Section 6.10.2 “Standard Reports” for the complete list of required reports, including CSR activity reports.

* + 1. **WIC client/cardholder support**

1. **IVR and Phone Support**

The Contractor shall provide IVR support for all WIC client/cardholders via a toll-free number, 24 hours a day, 7 days a week. The following IVR services/functions shall be available at a minimum (in both English and Spanish):

1. Report a Lost/Stolen/Damaged Card: The caller’s identity must be confirmed prior to disabling the card.
2. Current Balance Inquiry: “Current Balance” shall provide real-time account balance information.
3. Benefit Expiration Date: Callers selecting this option shall be given the date current benefits will expire.
4. PIN Selection or PIN Change: Callers shall have the option of selecting or changing their PIN via a single call to the IVR. The caller’s identity must be confirmed.
5. Exceeding PIN Attempts: Callers shall have the option of unlocking their account and/or selecting a new PIN if their account has been blocked due to exceeding the maximum number of PIN attempts. The caller’s identity must be confirmed.
6. Transaction History: Provide the dates of up to the last ten transactions, either issuance or purchase.

For all items that require that the caller’s identity be confirmed, this is currently handled by requesting cardholders provide their dates of birth and zip codes.

The State shall review and approve the transaction flow and content of all IVR messages, prompts, and customer service scripts at least thirty (30) days before their implementation. Please see the Bidders’ Library (Att. J – C.1) for recent call data.

In addition to the IVR support, the Contractor must offer at least one live CSR during standard business hours (9:00 am to 5:00 pm ET). For cardholders calling after standard business hours or who are unable to stay on the line, there must be an option for a cardholder to leave a voice message. All voice messages should be responded to within 30 minutes if the message is left during published service hours. A cardholder leaving a voice message outside of published business hours will receive a call back on the following business day.

1. **Web Portal**

At a minimum, the functionality of the web portal will be the same as that available through the IVR service. Cardholder account numbers shall be truncated in the transaction history. The State shall review and approve the web portal content and functionality prior to it becoming operational. The web portal shall also provide links to the State’s WIC web site where additional WIC information is available.

* + 1. **WIC-vendor support**

The Contractor will provide customer service support to all Indiana authorized WIC-vendors via a toll-free number, 24 hours a day, 7 days a week. The following services and tasks are required under this category:

1. In addition to the IVR support, the Contractor must offer at least one live CSR during standard business hours (9:00 am to 5:00 pm ET)
2. Provide an option for a WIC-vendors to leave a voice message if they are not able to remain on the line for a CSR. All voice messages should be responded to within 30 minutes if the message is left during published service hours. A voice message left outside of published hours will be responded to on following business day.
3. Describe the access control measures that will ensure the security of the authorized vendor and cardholder’s account information.
4. The following are the minimum types of services/functionality that should be available for vendors:
   1. Reports of WIC EBT system outages;
   2. Support for those vendors using the stand beside terminals, to include support, online training videos (hosted on the WIC vendor web portal), and problem resolution of the stand beside POS equipment;
   3. Transaction history, settlement information, disputes, and reconciliation procedures;
   4. Support on system adjustments and resolution of out-of-balance conditions;
   5. General information regarding WIC EBT policies and procedures,

The Contractor may propose additional functionalities/services as part of its normal vendor service package that may be advantageous to the State.

The Contractor shall provide a vendor web portal. The State shall review and approve the web portal content and functionality prior to it becoming operational.

The vendor web portal shall contain the following at a minimum:

* Current Approved Products List (APL)
* Transaction history, up to 90 calendar days in the past
* Any financial adjustments made, including Not-To-Exceed (NTE) price adjustments
* Automated Clearing House (ACH) payment history by date, up to 90 calendar days in the past
* Internal Revenue Service (IRS) 1099 Reports
* Online support videos, including stand beside device installation and training
* Links to Indiana WIC web resources
* Contact information for the Indiana WIC State Office
  1. **System Training**

The Respondent will be responsible for training all State staff that will participate in UAT on the WIC EBT system on site at the State WIC Office in Indianapolis. The Contractor shall provide in-person training (at the State’s request) and training materials on the state-level functions of the system and Admin Terminal.

Additionally, the Contractor will be required to provide training materials, including online training videos and/or webinars for WIC vendors with stand beside POS devices. The Contractor is also required to provide materials, including printed and digital materials, for clinics to use for cardholder training.

* + 1. **Training Plan**

The Contractor shall develop a detailed Training Plan that covers all types of training (UAT, State Office, vendor, and cardholder). The Training Plan must be submitted for State review and approval no more than sixty (60) days from contract execution and should include:

1. A description of the training methodologies and approaches for each type of training.

A description of the types of training materials and manuals that will be Provided.

* + 1. **State and Local User Training**

The Contractor shall support the training of State and local WIC staff by providing the following services:

1. Providing State WIC Office staff detailed training and a training manual on State-level system operations, including a description of all functionality and procedures to be completed by WIC Programs’ staff to provide WIC EBT system operations. The manual must be available to WIC staff in hardcopy form and electronic form and be available during UAT to test for completeness and accuracy of the functional description. It must include such topics as:
2. System operations;
3. Security administration
4. Settlement and reconciliation;
5. Reports, data analysis, and ad hoc reporting;
6. Fraud investigation;
7. WIC vendor operations associated with the stand beside POS terminals
8. Developing/providing printed training materials for clinic staff use if the Contractor’s solution involves providing new card readers for clinics.

All clinic level training materials must be reviewed and approved by the State.

* + 1. **WIC Client Training Materials**

The Contractor shall support the training and experience of WIC-clients by providing the following services:

1. Providing printed training materials for clinics to distribute to cardholders in sufficient quantities to provide each household a printed pamphlet at Contract start. The Contractor shall continue to make available additional stock throughout the term of the contract as new households are certified. Such materials shall be written at a 5th grade reading level in both English and Spanish. The material should be in pamphlet format and include such topics as:
2. Use of the WIC EBT card at the vendor;
3. Use and safeguarding of the card and the PIN;
4. Card replacement and PIN change methods and procedures;
5. Guidance on reporting problems with the card or its use and on reporting a lost or stolen card;
6. Use of the transaction receipt to track balances and use dates;
7. Use of the Respondent’s IVR and web portal.
8. Updating and submitting all printed materials for review and approval by the State as changes may occur in the system.
9. Providing digital media for cardholder training. Such digital media will be provided to clinics and also will be made available to cardholders on the cardholder web portal. The digital media will include the same topics as the printed pamphlets, will be written at a 5th grade reading level, and available in English and Spanish. Such media will be provided initially during roll-out and throughout the term of the contract.
10. All digital media must be reviewed and approved by the State and updated as changes may occur in the system, at the State’s request, and/or in response to policy changes that may materially affect the transaction process.
    * 1. **WIC-vendor Training Materials**

The Contractor shall support the training WIC-vendors by providing the following services:

1. Providing training and training materials to WIC authorized vendors on WIC EBT processes and procedures, including stand beside POS terminal installation and use. This shall be provided through written instructions provided to WIC-vendors, through online tutorials available through the vendor web portal, and/or through the vendor IVR and CSR. WIC-vendors must be given the option of speaking with a live CSR to assist with stand beside equipment installation and use when using the IVR. WIC-vendors who require additional support beyond what is available in published materials and over the phone should be provided with the option to purchase in-person support and/or trainings for a fee, not covered by the State.
2. All WIC-vendor training materials must be reviewed and approved by the State and updated as changes may occur in the system.
   1. **Reporting**

The Contractor shall address the informational and management needs of the State through its reporting system. The Contractor shall provide a comprehensive reporting package of standard periodic (daily, weekly, monthly, etc.) reports to meet the management and reporting needs of the State, in compliance with applicable Federal requirements available at: https://www.fns.usda.gov/wic/wic-laws-and-regulations. In addition to providing the standard reports, the Contractor shall also provide a detailed Reports Manual that describes each report.

The State shall determine which reports from the standard suite of available reports to run on a set frequency or on an ‘on demand’ basis as the need arises.

* + 1. **Custom/Ad Hoc Reports**

The Contractor shall provide the State with the ability to run special ad hoc reports as special data needs arise. This should include the ability to access up to 3 rolling years of transaction history. The State prefers that this ability be provided through an ad hoc reporting tool that State staff can use to build the custom reports directly; however, if no such tool exists in the Contractor’s solution, the Contractor must be able build and run the custom report based on State-identified parameters at a minimum. If a reporting tool is to be used whereby State staff must build the report, the tool should allow non-technical staff to use it without extensive training.

* + 1. **Standard Reports**

At a minimum, the Contractor shall provide the reports on the following topics as requested on a daily, weekly, monthly, quarterly, or yearly basis:

1. After hours transactions
2. Average price and NTE calculation (15% of average price) per UPC per peer group
3. Benefits not redeemed
4. WIC-vendors who have not processed transactions in specified time period
5. Cards issued
6. Cards not yet activated
7. Dollar amounts per subcategory
8. Exceeded PIN attempts
9. Excessive card replacements (five (5) or more cards requested within a calendar year)
10. Items over NTE
11. Low transaction pricing variance
12. Manual card entry
13. Milk transactions of 5 or more gallons
14. Multiple same cardholder transactions in one hour
15. Newly authorized vendors
16. Stand beside terminal – no activity
17. Stand beside terminal/POS devices – state funded vs. vendor-funded
18. Subcategory redemption rates
19. Terminated vendors
20. Transaction denials due to system error
21. Transactions attempted on an invalid card
22. IVR/CSR phone call lengths
23. Number of calls per hour
24. IVR options selected by frequency
25. IVR/CSR time before call answered
26. CSR call abandonment rate
    * 1. **Business Intelligence**

The Contractor may propose any business intelligence or data warehouse tools that might be made available to assist the State staff in fully utilizing the reports.

* + 1. **Daily Summary Reports**

The Contractor shall provide to the State on a daily basis information that will allow the State to submit the request to drawdown funds in order to settle the processed transactions from the previous day. Such information must be received no later than 10:00 AM EST. Settlements for Friday and Saturday are to be submitted the next business day. Settlements for State observed holidays may be estimated based on average daily settlements and included in the funding request submitted the day before the holiday.

The Contractor shall include the following information:

1. Date of request
2. Dollar amount of cleared presentments
3. Dollar amount of credits/adjustments
4. Total daily funding amount

Summary reports from the system to document the above shall be included as well. At the end of each month, a summary of account transactions shall be provided to the State.

* 1. **Vendor Management, Enablement, and Certification**

Vendor management, enablement, and certification are critical functions that must be completed for a successful disbursement of WIC benefits.

The WIC EBT contractor shall be responsible for managing WIC-vendor EBT participation and must submit a Vendor Management Plan for State review and approval within forty-five (45) days of contract execution. In the Plan, the Contractor must outline the processes and procedures for managing WIC-vendor participation, certification, enablement, disqualification, and deauthorization. The Contractor shall be responsible for ensuring that current, authorized WIC-vendors are able to process benefits via the new WIC EBT system (e.g. through the delivery of POS systems) and that new WIC-vendors receive initial contact, agreements, and information on equipment/communications within ten (10) business days of receiving State-authorization.

The Contractor shall be responsible for providing weekly updates on the status of vendor management activities throughout the transfer and implementation process. Once implemented, a monthly update on vendor management activities will be required. These updates can be included as part of the overall project status reports or can be separate, at the discretion of the Contractor. At a minimum, the status report should include:

1. Number and percent of vendors/TPP’s that have signed agreements;
2. Estimated agreement completion date based on the above;
3. Names of vendors that have refused to sign the agreements;
4. Number and percent of vendors that have been provided stand beside units;
5. Number and percent of vendors in the process of becoming EBT certified;
6. Estimated completion date for stand beside unit delivery/installation.

The Contractor shall be responsible for executing agreements with WIC-vendors and/or TPPs prior to transfer and implementation. The content of the agreements must be reviewed and approved by the State and must meet the criteria contained within Federal Regulations 7 CFR 246.12 and the FNS Operating Rules for WIC EBT guidelines available at [https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance.](https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance) A copy of the proposed agreement must be submitted to the State for review and approval within 30 days of contract execution.

The TPPs should provide a list of WIC vendors under contract with them that accept WIC EBT and must provide periodic updates. The Contractor shall be responsible for reviewing that list to validate that only IN WIC authorized vendors are included.

* + 1. **Vendor Database**

The Contractor shall be responsible for creating and maintaining an up-to-date WIC vendor database upon which WIC EBT processing will be validated against. The Contractor’s WIC-vendor database management system must meet or accomplish, at a minimum, the functional requirements listed below. The vendor database must be comprised of records of vendors authorized to redeem benefits for WIC clients. The IN WIC MIS system will transmit select vendor information that has been collected by State WIC staff to the WIC EBT system.

1. The Contractor must develop and maintain a database and database management system that is structured to ensure that accurate historical WIC EBT transaction data pertaining to each WIC vendor are captured and maintained for a minimum of three (3) years.
2. The Contractor must provide physical and access security to the vendor management data; must maintain data that are unique to each vendor; and must ensure the privacy of confidential WIC family and benefit data.
3. The Contractor’s system must support the electronic access and assignment of WIC vendor authorization/ID numbers from IN WIC MIS and provide a means of acquiring data updates. Only authorized WIC vendors may provide access to WIC benefits.
4. The Contractor must ensure that only WIC transactions originating at authorized WIC vendors are authorized.
5. The WIC EBT system must support “compliance buys” of food items by the State or its designees. The data processing, storage, and communications requirements related to compliance buys are identical to those of other accounts.
   * 1. **WIC-Vendor Support and Set-up**

The Contractor shall be responsible for providing all authorized WIC-vendors with the FNS Technical Interface Guide (TIG), or a reference to same, for vender-related interface specifications to support the interface and certification of existing integrated electronic cash register systems (ECR/POS). The Contractor will be responsible for distributing to all WIC-vendors within 15 days of State authorization

The Contractor shall provide technical assistance information where requested to authorized WIC vendors to assist them in understanding the TIG and other requirements to maximize vendor participation through the use of and upgrading of any existing ECR/POS systems that may exist. Authorized WIC-vendors will be responsible for the cost of any ECR/POS system modifications that they make.

The Contractor shall ensure that authorized WIC vendors understand their responsibilities with regard to the operating rules and operations of the IN WIC EBT system. The Contractor shall be responsible for collecting signed Indiana WIC EBT agreement from WIC-vendors.

The Contractor will be responsible for allowing dialup and direct connect communications into the WIC EBT system either from TPPs that have signed agreements with the Contractor or directly from authorized WIC-vendors, either through the provided stand-beside terminals or through an integrated POS system, that have signed agreements. Only those WIC-vendors/TPP’s that have valid signed agreements and WIC EBT-certified ECR/POS devices will have access to the system. Only those currently authorized WIC-vendors shall have agreements with the Contractor. Information on newly authorized and/or newly terminated WIC-vendors will be provided to the Contractor through the WIC MIS system.

WIC-vendors that are authorized after system transfer and implementation that choose to either employ a TPP to connect to the WIC EBT system or to direct connect, shall be provided access to the WIC EBT system within a five (5) business day period after the State has provided WIC-vendor authorization. WIC-vendor certification may be necessary to ensure that any new ECR system meets required operating rules and is properly configured in accordance with the FNS TIG. The Contractor shall perform Level 1 and Level 2 certifications of ECR/POS systems, as overseen by the Contractor’s Vendor Manager, while the State shall perform Level 3 certifications.

Those vendors being provided a stand beside unit must be provided a stand beside device within five (5) business days of signing the WIC EBT agreement with the Contractor and must be provided immediate access to the WIC EBT system once the device has been installed.

* + 1. **Equipment Management**

The Contractor shall lead the effort to certify (or de-certify) existing ECR/POS systems and TPP’s/networks during system transfer and implementation. This includes providing all interested parties with the TIG; developing and implementing test and certification requirements and procedures, such as test scripts; providing test cards/test accounts for testing purposes as needed; and working directly with WIC-vendors to coordinate and conduct the actual tests.

The Contractor shall assist with developing the testing requirements, procedures, and scripts, including those related to self-checkout systems, and providing the test cards and accounts to be used during testing. The Contractor shall ensure that adequate controls exist to properly manage such test cards/accounts and that there is no monetary impact on the State for such use.

The Respondent will be responsible for providing, installing, maintaining, and otherwise supporting WIC EBT stand-beside equipment to those authorized vendors requesting it. Stand-beside equipment shall be provided at the expense of the State as required by FNS’ EBT minimum lane coverage regulations for POS deployment at WIC-vendor locations (available at: <https://www.ecfr.gov/cgi-bin/text-idx?SID=a42889f84f99d56ec18d77c9b463c613&node=7:4.1.1.1.10&rgn=div5>). Installation may be via technical support using a toll-free phone number for a vendor to call rather than onsite installation. Support includes providing the equipment, remote assistance with installation, repair/replacement services, and related training and/or training materials on the use of the equipment.

The Contractor is solely liable for this equipment and will indemnify and defend the State against any claims made by any party related to this equipment, including but not limited to claims for lost revenue or personal injury.

The Contractor shall advise, assist and appropriately act to aid the State in detection and investigations of abuses by WIC-vendors, clients, or workers, including but not limited to, reporting unusual activity.

* 1. **Provision of Card Readers to Agencies/Clinics**

The Contractor shall be responsible for the procurement, distribution, inventory control, remote installation, repair and/or replacement, software programming, and updates of card readers used in the WIC clinics if the Contractor’s solution requires the State to adopt new card readers.

Each clinic may require two (2) types of card readers:

1. Mag stripe swipe card reader for staff to use when assigning a card to new households;
2. PIN selection/balance inquiry terminals for staff to use with participants in training them on card usage.

Larger clinics may require more than one reader to handle clinic volume. The State will provide a list of clinics and the required number of each reader. Please see Bidders’ Library for existing card reader distribution (Att. J – C.3). All shipping costs for the initial distribution of equipment will be handled as a pass-through cost to the State.

NOTE: It is preferred that a single integrated card reader capable of both functions be provided due to limited space clinics.

* 1. **Provision of Stand Beside POS Devices to Vendors**

The Contractor shall be responsible for the procurement, distribution, inventory control, remote installation, repair and/or replacement, software programming, and updates of the stand beside devices used by those authorized WIC vendors that require them.

The Contractor must provide stand beside equipment that meets the operational requirements of the WIC EBT system and that supports the full WIC EBT transaction set. The equipment must be industry standard and meet ISO 8583 message formats and the most recent version of the Operating Rules for WIC EBT. Specifically, the equipment must:

1. Provide an audible tone when a transaction is declined;
2. Display a transaction message or mid-transaction receipt, displaying benefits redeemed, prior to requiring that positive action be taken by the cardholder to release the message for purchase and settlement;
3. Display the error message rejecting the transaction, such as but not limited to:
4. Non-approved items;
5. Insufficient benefits or funds;
6. Incorrect PIN; and
7. Inactive card.

The equipment must also include a device to scan UPCs. The Contractor should ensure that the equipment deployed is adaptable or upgradeable for future needs. At a minimum, stand-beside POS equipment must support:

1. Both single and multi-lane usage;
2. Both high speed and phone connections;
3. The full transaction set except store and forward;
4. Download and storage of APLs;
5. Price memory function (WIC-vendors shall have the option of turning this function off);
6. Entry of multiple discounts on a single transaction;
7. Allow the CVB to be purchased through a single generic code of 4469;
8. Support split tender for CVB;
9. Fully validate the purchase transaction locally before sending to the WIC EBT system;
10. Reverse transactions based on a specified time out period;
11. Provide a receipt that meets the requirements of the FNS Operating Rules for WIC EBT;
12. Provide lane, clerk, and WIC-vendor store total reporting;
13. Support reconciliation with the WIC EBT system.

Stand-beside devices will be purchased by the Contractor on behalf of the IN WIC Program. The State shall pay a contractually-established amount per month to lease each unit, which is actively installed in authorized WIC-vendor locations. It is estimated that approximately 80 units may be needed to meet the needs of authorized vendors. The Contractor shall purchase only those quantities necessary to fulfill needs at the time of implementation and an additional eight (8) units on hand for replacement purposes, costs for which shall not be incurred until such time as the units are installed and operational in approved WIC-vendor locations.

* 1. **Inventory Control and Management**

In the event that the Contractor’s solution requires replacing the State’s existing card readers, the Contractor shall purchase new card readers on behalf of the IN WIC Program. The equipment becomes the property of the IN WIC Program and not the Contractor. Additionally, for WIC-vendors who require stand-beside devices according to State needs and FNS’ EBT minimum lane coverage requirements, the Contractor shall lease the State the appropriate number of units at a fixed monthly rate per unit. The Contractor shall be responsible for the inventory control and management of such equipment. Inventory controls must be by physical location to include the minimum data set required by Federal Regulations 2 CFR 200. Current standards require that property inventory records include a description of the item, a serial number, the equipment manufacturer, who holds title, the acquisition date, the acquisition cost, percentage of Federal funds (always 100%), the location, use, and condition of each item, and information on the disposition of the equipment. As equipment is replaced at a clinic location, the inventory system must be immediately updated.

Local clinics shall be required to annually complete an inventory verification with the Contractor to confirm equipment on hand.

The Contractor shall be responsible for the repair and/or replacement of defective/broken equipment. If the unit is still under the manufacturer’s warranty, the Contractor shall manage the warranty process. If the unit is out of warranty, the Contractor shall ship a new unit to the requesting WIC-vendor or local clinic, and in the case of local clinics, bill the State for the replacement unit.

Requests for replacement equipment must be handled in an expedited manner so that the replacement equipment is delivered the next business day (Monday through Friday) if the request is received by the Contractor’s published cut-off time. All shipping costs will be handled as a pass through to the State on the monthly billing invoice.

The Contractor shall provide remote installation assistance to the clinics (if applicable) and WIC-vendors for equipment setup. Equipment should be fully configured to the extent possible to allow for ‘plug and play’ installation.

* + 1. **Unit Issuance**

The State will develop rules for the number of stand beside units to be allowed per store location in accordance with FNS’ EBT minimum lane coverage regulations for POS deployment at WIC-vendor locations (available at: <https://www.ecfr.gov/cgi-bin/text-idx?SID=a42889f84f99d56ec18d77c9b463c613&node=7:4.1.1.1.10&rgn=div5>). The requesting WIC-vendor will be provided the appropriate number of units free of charge. The State shall pay monthly leasing fees for active and approved WIC-vendor stand-beside units. However, the authorized vendor may request additional units above and beyond the number supplied by IN WIC. The Contractor may charge the vendor for any additional units that may be provided above the State established minimum, at the same monthly fee the State pays. Any agreements between a WIC-vendor requesting additional units above the EBT minimum lane coverage and the Contractor are between that vendor and the Contractor.

1. **Stand beside POS Opportunities**

All non-pharmacy authorized WIC vendors are also SNAP authorized. Some of those SNAP vendors use a stand beside unit for SNAP transactions provided through the SNAP EBT contractor. As a convenience to those vendors, it is the preference of the IN WIC Program to provide a single stand beside unit that would be capable of both WIC and SNAP transactions so that these vendors would not be required to have two separate terminals. SNAP vendors currently are supplied with a Verifone VX510 devices.

* + 1. **Unit Recovery**

The Contractor shall recover stand beside units in the event a WIC-vendor is no longer WIC authorized for whatever reason (change of ownership, disqualification/termination, etc.) or in the event the WIC-vendor upgrades the cash register system (CRS) and no longer needs the stand beside unit. To the extent feasible, recovered units should be held and/or /reconditioned by the Contractor for reuse by other WIC-vendors.

* 1. **Settlement and Reconciliation**

The Contractor shall provide all settlement and reconciliation services related to WIC EBT processing, including but not limited to, the following.

* + 1. **General Requirements**

The Contractor shall execute WIC EBT settlement and reconciliation activities. WIC EBT settlement and reconciliation must be conducted in accordance with current and future Federal regulations as updated throughout the life of the contract and the most recent version of the FNS Operating Rules for WIC EBT. Federal guidelines and materials are available at [https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance.](https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance)

The Contractor’s host system will operate on a 24-hour processing cycle. At a designated cutoff time each day, the Contractor should close out the current processing day and commence the next processing day. To support the settlement function, the Contractor or its designated financial agent must have an originating and receiving membership in the national automated clearing house (ACH) network. In order to promote the acceptance of WIC EBT transactions, the Contractor shall provide evidence of its or its designated financial agent’s ability to fulfill the settlement obligations specified in this RFP and shall comply with FNS Operating Rules for WIC EBT (see above) concerning an Issuer’s ability to meet its settlement obligations. Evidence may be in the form of financial statements, bonds, guarantees or other assurances.

* + 1. **Settlement and Reconciliation Manual**

The Contractor shall provide a comprehensive Settlement and Reconciliation Manual for State WIC Office staff use that explains in detail the settlement and reconciliation processes and procedures that will be used. This must include sample reports and the steps that State WIC Office staff will need to take to monitor and manage such activities.

* + 1. **Reconciliation**

The Contractor shall designate a standard daily cutoff time for WIC EBT transaction processing. The 24-hour period between the cutoff time on day one and day two constitutes the WIC EBT processing day. The specified cutoff time must allow the Contractor sufficient time to originate ACH payments for next-day settlement. The Respondent shall maintain ledger accounts at the household, category/subcategory and agency/clinic levels. Subsequent to cutoff, the WIC EBT system must be balanced and reconciled. The Contractor shall compute the end of day net position or balance for each category/subcategory. For each account, the end of day net position is equal to:

Opening balance + credits — debits = End of day balance

At a minimum, reconciliation procedures should include:

1. Household account daily beginning category/subcategory balance and net purchases versus the ending balance;
2. Household net redemptions in dollar value versus acquirer settlement values;
3. Total funds entering, exiting, and remaining in the system each day;
4. The net settlement value of all transactions to the sum of the net settlement values for all program types;
5. The net settlement value of cardholder account adjustments to the sum of the net settlement value of adjustments settled to WIC vendors and acquirers;
6. The net settlement value of all transactions to the sum of the net settlement values for all projects/clinics; and
7. Net redemptions in dollar value versus the daily suspense transactions in dollar value that overlap daily ACH cut-off times plus the current daily activity in dollar value.

As part of system balancing and reconciliation, the Respondent shall determine the total amount of funds necessary to reimburse its accounts for the total credits due to WIC EBT acquirers. The information generated during system cutoff and balance processing shall be used by the Contractor to prepare the daily settlement files.

* + 1. **Reconciliation Training**

The Contractor should provide initial reconciliation training to designated State WIC Office staff as part of State training prior to transfer and implementation. This training can occur as part of the training for UAT at the option of the Contractor. As processes and procedures change, the Contractor may be required to provide additional training as needed.

* + 1. **Settlement**

The Contractor shall initiate next business day settlement of funds to WIC-vendors and TPP’s, directly or through financial networks, financial institutions or other payment intermediaries.

The Contractor will set up, own, and reconcile a clearing account used for daily settlement for the exclusive use of the IN WIC Program. The WIC vendor shall be reimbursed for the sale of an approved food item purchase at either the requested food item price or the NTE price, whichever is lower. The Respondent shall notify the IN WIC Program of funds to be transferred that day through a daily summary report. The State will then initiate a wire transfer of funds into the bank account created by the Contractor for the IN WIC Program. The Contractor will create an ACH transaction to move funds from that bank account to facilitate settlement to applicable WIC -vendor, acquirer, and TPP accounts.

Funds should be deposited into a zero-balance clearing account maintained by the Respondent on behalf of the IN WIC Program for the settlement of WIC EBT transactions. At a minimum, WIC vendors and TPP’s shall receive payment for approved, cleared transactions within two processing days of the settlement date of the transaction. If an acquirer or TPP exists between the WIC EBT system and the WIC vendor, then the Contractor shall settle to the first entity downstream. Payments transmitted to the WIC vendor’s settlement bank will be reconciled to the settlement bank’s report of payments submitted to the Federal Reserve for the WIC Program.

* + 1. **Rejected ACH Transactions**

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 WIC-vendor, TPP, or acquirer account. The Contractor must return to the State any funds that could not be settled to the WIC-vendor, acquirer, or TPP within 90 calendar days of the initial ACH. If the responsibility for stand-beside POS terminal acquiring is subcontracted, the subcontractor must also return any rejected settlement funds to the State within 90 days.

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), WIC vendor/acquirer/TPP name, WIC vendor number, and bank account number (including the ABA bank number). Additional data elements may be required if/when FNS issues written procedures to address unsettled funds.

* 1. **Administrative Functionality**

The Contractor shall be responsible for providing administrative terminal access to State WIC Office staff as designated by the State and arrange for such access when the Contractor’s WIC EBT system is transferred and implemented.

The administrative functionality must be capable of being accessed via the State’s standard internet browser, Internet Explorer 11.

Administrative access shall include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access client account information through WIC EBT administrative terminals.

The Contractor’s administrative terminal access should reflect changes made in the WIC MIS and sent to the WIC EBT system.

The changes/abilities of the WIC MIS include following:

1. Create WIC EBT accounts. This will be used primarily for creation of test cards and creation of compliance buy cards, including fraud investigation;
2. Update or correct WIC EBT account information, including activating or deactivating an account;
3. Authorize benefits. This will be used primarily for creation of test cards and creation of compliance buy cards, including fraud investigation;
4. Cancel benefits prior to their availability date;
5. Deactivate, issue or replace test, training and compliance buy cards;
6. Purge pending accounts and pending cards;
7. Set NTE start and stop dates and adjust NTE’s calculated by the WIC EBT system;
8. Add local UPCs and associated data to the list with start dates; apply stop (end) dates to UPCs.

The changes/abilities inherent to the WIC EBT system must include the following:

1. PIN select and changes as well as PIN lock releases;
2. Make an adjustment payment to a WIC vendor via ACH.

State users of the WIC EBT system’s admin terminal must be provided with the following abilities:

1. Search by name, State ID, PAN, WIC EBT account number or WIC vendor number to access account, benefit, or WIC vendor information or the online transaction history;
2. Access online history for a minimum of three years;
3. Execute data request for archived data;
4. View current NTEs,
5. View APL, categories, subcategories and UPCs; and
6. Access and view system reports.
   * 1. **Other Required Functionality**

The following types of administrative functionality shall also be included:

1. Online functionality to allow users to view WIC EBT household account information;
2. Provide search functionality to locate a household account;
3. Provide screen navigation between the account screen, the transaction history screen and the card history screen for that account;
4. Provide the history of account activity for a minimum of three years to include credits, debits, card changes and PIN changes;
5. Provide the ability to query one type of account activity history at a time, including issuance, credit, debit, card change, PIN lock releases and PIN change transactions;
6. Provide the ability to display current benefit balances and future (pending) benefit issuances;
7. Provide the ability to set a date parameter on queries;
8. Online functionality to allow users to conduct summary queries into redemption activity and the ability to print and export data resulting from a summary query:
9. By household;
10. By card number; and
11. By WIC-vendor.
12. Provide navigation between queries, including between the following:
13. From account status query;
14. Between WIC-vendor and household queries;
15. From summary to detail and from detail to summary; and
16. From reconciliation to exception reports.
    1. **Card Production and Management**

The Contractor shall produce, supply, and manage magnetic stripe cards for issuance to WIC EBT clients.

* + 1. **Card Design**

If the State determines that the current eWIC card needs to be replaced, the following tasks and services shall be provided:

1. The Contractor shall perform all necessary processes and functions needed to design a WIC EBT card in compliance with specifications including the latest version of the Operating Rules for WIC EBT (WIC EBT Card appearance and requirements) available at <https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>, and the International Standards Organization (ISO) and ANSI specifications and standards relating to cards used for financial transactions. WIC EBT cards shall comply with ISO/IEC 7810:2003, Identification cards – Physical characteristics and ISO 7811, 7812 and 7813 for magnetic stripe financial cards.
2. The Contractor shall work with the WIC Program to develop a WIC EBT card design specific to Indiana WIC. The WIC Program will have final approval authority over the card design and information printed on the card. Card samples must be submitted to the WIC Program prior to sending the card to production. The WIC EBT card shall contain a mark, brand, or wording that identifies it as a WIC EBT card associated with the Indiana WIC Program.

The Indiana State Department of Health has an Institution Identification Number (IIN) for use on existing or new WIC EBT cards.

The Contractor’s card design must include the following standard features:

1. Graphics approved by the IN WIC Program;
2. Card number embossed, laser engraved, indent printed or hot stamped on the front of the card, using contrasting color for readability
3. Tamper-evident signature panel;
4. High coercivity magnetic stripe;
5. Other printed information as specified by the IN WIC Program, for example 800 number for cardholder customer service

All new card design and card deployment shall be covered under the Contractor’s Cost Per Case Month (CPCM) rates.

* + 1. **Card Management System**

The Contractor is required to maintain a centralized WIC EBT card management system to manage and control card issuance. This must include mechanisms to:

1. Track card inventory held by the Contractor;
2. Track card stock ordered/shipped at the local agency level only. NOTE: Orders for card stock will be placed at, fulfilled at, and shipped to the agency level only. Those agencies that have multiple clinics will be required to maintain their own appropriate inventory controls to manage card stock assigned to the clinic level. The State will provide a list of agencies and their shipping addresses.
3. Identify card stock used for training, testing, and/or compliance buys apart from normal over the counter issuance to participants. Such card stock will only be ordered by and sent to the State WIC Office.
4. Notify the State at least 90 days in advance of when additional warehouse inventory needs to be purchased to maintain an adequate level of stock on hand to fulfill agency orders.
   * 1. **Card Fulfilment and Distribution**

The Contractor is required to maintain a system for the fulfillment and distribution of card stock to local agencies. This must include mechanisms to:

1. Allow local agencies to direct order card stock. This could be accomplished online, through the Customer Service Center/ARU, based on automatic reorder thresholds, etc.;
2. Orders will be by whole box only. Please specify the number of cards per box;
3. Establish a maximum number of boxes allowed per order, based on the size of the local agency. This would prevent a small agency from over-ordering, i.e., accidentally keying in 40 instead of 4 boxes.
4. Cards shall be sequentially numbered within a box and packed sequentially within a box. The beginning number and ending number of the range will be listed on the outside of the box;
5. Shipments of multiple boxes will be marked 1 of 20, 2 of 20, 3 of 20, etc., so that the agency can verify that all boxes within an order/shipment have been received;
6. Secure shipment and delivery of ordered card stock with signature required. Boxes should be sealed with tamper resistant tape.
7. Email notification should be sent to the ordering agency that a shipment is in transit to include the ship date, the number of boxes, and the number range within each box;
8. Orders may be processed ‘as received’ or on a set schedule (e.g., process received orders every 2 weeks, etc.) at the discretion of the Respondent. Please specify the order processing frequency.
9. All shipments will be shipped normal ‘ground’ service. However, a local agency may request expedited/overnight shipment of the first box of an order. An expedited request will be shipped by the next day upon receipt of the order. The State will be notified of any such expedited requests so that follow-up can be made with the local agency to avoid future emergency requests. All card stock shipping costs will be handled as a pass through to the State.
   1. **Transaction Processing**

To the maximum extent possible, the WIC Program seeks to use the existing commercial transaction processing infrastructure for the transmission and processing of WIC EBT transactions. The Contractor should have the capability to receive; process and authorize cardholder transactions from WIC vendor POS devices and to ensure that cardholders access their WIC benefits only at POS terminals located in WIC vendor locations that includes:

1. Accepting transactions coming from an authorized transaction acquirer;
2. Authorizing or denying transactions;
3. Sending response messages back to the transaction acquirer authorizing or denying client transactions;
4. Providing the data necessary to print a cardholder receipt with the account balance during the transaction (mid-transaction receipt) and after the transaction (the card number shall be truncated on the receipt); and
5. Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through transaction history.
   * 1. **System Availability**

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

The Contractor shall schedule any downtime needed for routine system maintenance during off-peak periods subject to State approval. A schedule of such routine maintenance downtime should be provided at least thirty (30) days in advance to the State. The State should be notified immediately of the need for any unscheduled downtime to address system issues.

* + 1. **System Accuracy**

The Contractor shall ensure the accuracy of the proposed WIC EBT system so that no more than two (2) inaccurate WIC EBT transactions for every 50,000 WIC EBT transactions processed occurs. The transactions to be included in measuring system accuracy includes all transactions occurring at POS terminals and processed through the host computer; and all credits to WIC EBT accounts.

The Contractor will be financially liable for WIC EBT system processing errors and omissions, including:

1. Errors in the Disbursement of Funds or Issuance of Benefits. The Contractor shall be liable for errors in the issuance into a household account of benefits or disbursement of funds related to WIC.
2. Errors in Transaction Processing and Settlement. The Contractor shall bear all liability for any losses resulting from system errors and human errors or omissions on the part of the Contractor or its representatives or subcontractors, including in cases of fraud and abuse. These liabilities include, but are not limited to:
3. Any duplicate or erroneous postings to a household’s account;
4. Any losses from benefits drawn from an account after the household notified the Contractor that the card had been lost or stolen;
5. Any losses from transactions performed with cards issued but not activated by the household and/or the Contractor;
6. Any damages or losses suffered by the State due to negligence on the part of the Contractor; and
7. Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or subcontractors.

The Contractor shall provide immediate notification to the State of any transaction processing error that causes a loss to the WIC Program.

* + 1. **Types of Transactions**

The WIC EBT system shall process, at a minimum, the following WIC transaction types through the POS:

* Benefit Inquiry;
* Purchase;
* Reversal or Void

The WIC EBT Contractor is prohibited from charging a fee to the cardholder, a TPP or the WIC-vendor, for any WIC transaction. After a transaction has been conducted, the WIC EBT system shall provide the TPP, commercial WIC-vendor system, or the stand-beside POS equipment with the data necessary to print the WIC receipt as defined in Section 5.5 of the FNS Operating Rules for WIC EBT (available at <https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>), including the provision of the account balance to the cardholder. The WIC EBT card number shall be truncated on the receipt. Receipts printed by the Contractor’s stand-beside POS terminals shall meet the requirements of Section 5.5 of the FNS Operating Rules for WIC EBT.

No returns are allowed with the WIC benefits. If a WIC participant returns a product purchased with their WIC food benefits due to spoilage or damaged packaging, the WIC vendor can only exchange the product for the same product and can under no circumstances exchange for a different item category, return benefits to the WIC EBT cards, or receive cash for the returned product.

1. **Benefit Inquiries**

Benefit balance inquiries are available on demand, either in the checkout lane or at a separate card acceptance device. The receipt printed from this type of transaction may be used by the cardholder as a shopping list. The shopping list will include:

1. Description of the category/subcategory;
2. Available benefit balance by category/subcategory; and
3. Unit of measure (quart, pound, ounce, etc.).

1. **Reversal or Void**

The Contractor shall allow for the cancellation of the purchase of a single WIC food item, a method of payment for WIC food items, or the entire transaction. A void should not be allowed to credit the WIC account if an item is returned. WIC item returns are item exchanges conducted at the WIC vendor’s option and should not result in a WIC transaction or cash back to the cardholder.

* + 1. **Transaction Validation Checks**

The Contractor must go through a series of validation checks to determine whether a cardholder’s transaction should be approved or not. These checks include:

1. The vendor submitting the transaction has a valid IN WIC Program vendor number;
2. The card number is valid (has been issued and not reported as lost/stolen/damaged and/or replaced) and the card is active;
3. The number of consecutive failed PIN attempts has not been exceeded. The State allows up to four (4) PIN attempts before an account is locked;
4. The PIN is verified as being entered correctly;
5. The account is active;
6. The account holds a sufficient balance effective for the transaction date to satisfy at least part of the transaction request for the food items selected for purchase
7. The food item is on the State’s most recent APL and is an authorized item within the cardholder’s WIC EBT account.

Transactions failing one or more of the above will be declined and a message indicating the reason for the declination will be sent to the WIC-vendor/originating device.

The Contractor, once a transaction has been validated, shall authorize electronic food benefit purchases if the item’s UPC matches an eligible category/subcategory in the cardholder’s household benefit account and does not exceed the category/subcategory benefit balance. At that point, the Contractor shall determine if prices submitted in the purchase message are within the Not-To-Exceed (NTE) threshold for the WIC vendor’s peer group. If the price exceeds the NTE, the system will adjust the total paid amount.

The WIC EBT system will return the new account balance to the retail system along with data on the NTE adjustment and settlement amount. In processing a food benefit purchase transaction, the Contractor must adhere to the redemption rules specified in the most recent version of the FNS Operating Rules for online WIC EBT (available at <https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>).

No minimum purchase amounts or quantities will be required of the WIC cardholder.

The Contractor must support WIC clients that wish to transact split tender and mixed basket transactions, allow discounts and coupons, and utilize self-checkout systems per the FNS Operating Rules for WIC EBT.

* + 1. **Encryption**

The Contractor must comply with FNS Operating Rules for WIC EBT regarding communications network security and, at a minimum, should utilize the Triple Data Encryption Standard (3DES) algorithm to encrypt the PIN during WIC EBT transactions from the point of entry. Other security may include authentication codes and check-sum digits, in combination with data encoded on the magnetic stripe such as the PIN offset, to ensure data security during transmission and processing of WIC EBT transactions. Any of the network security measures may be utilized together or separately and may be applied at the terminal or central computer as indicated in the system design to ensure communications control.

* + 1. **Keyed Entry**

The Contractor shall allow transactions where the card number is key-entered (versus swiped) in the event the card presented by a cardholder is damaged and/or the POS device is unable to read the magnetic stripe accurately. The validation of the cardholder’s PIN is still required on key-entered transactions. If a PIN pad is defective or for other reasons a PIN does not accompany the transaction to the WIC EBT host for processing, the transaction must be declined.

Because key-entered cards represent a potential fraud situation, the Contractor shall be required to track and report all key-entered transactions by WIC-vendor number, address, device/terminal number, and card number.

* 1. **Hosting Services/Data Operations Center**
     1. **State Ownership of Data**

Any data provided by or for the State remains the property of the State and may not be marketed or sold by the Respondent without the express written consent of the State.

* + 1. **Data Operations Center**

TheContractor shall be responsible for procuring, installing, configuring, operating, and maintaining all hardware, system operating software, hosting software, connectivity services and other services that may be required to host and operate the designated EBT WIC system. All equipment, operating software and related licenses are the property of the Respondent and not the State. To assist in gauging system operating requirements, the current system statistics are provided in Section 3.2.

* + 1. **Data Environments**

The Contractor shall provide the following data environments:

1. Production – where all ‘live’ real time processing data is maintained and stored. The production database should be available on a 24/7 basis, except for scheduled downtime. If the downtime is anticipated beforehand, the Contractor shall provide a downtime schedule at least thirty (30) days in advance and notify the State again at least 72 hours prior to the planned downtime.
2. State training – where a current copy of production data is available for State training purposes (during implementation and on-going operations for new State and local staff training). The training database should be available during normal business hours – Monday through Friday, 8:00 am to 5:00 pm EST. NOTE: Access by local WIC staff for training will be limited and controlled by the State through the issuance of user IDs and passwords.
3. Quality Assurance/UAT - where a current copy of production data is available for State quality assurance and testing purposes (both for UAT and subsequent system modifications). The database should be available during normal business hours – Monday through Friday, 8:00 am to 5:00 pm EST. NOTE: Access by local WIC staff for training will be limited and controlled by the State through the issuance of user IDs and passwords.
4. Disaster recovery – the Contractor is responsible for furnishing and maintaining a disaster recovery environment in accordance with the requirements in Section 6.2.1.e.
5. Development – the Contractor is responsible for furnishing and maintaining its own development and internal testing environments.
   * 1. **System Performance**

The Contractor shall propose the processes and approach to monitoring system operations and providing database management to assure maximum system performance. The Contractor shall monitor system performance to determine if actions are required to meet or improve on Service Level Agreements (SLAs). See Section 6.20 for a detailed listing of performance measures/SLAs.

Within the proposed approach, the Contractor shall define processes for ensuring the notification of the State of system performance or functionality issues (excluding those that result in system downtime) within 1 business day of occurrence. The Contractor shall describe the issue, what is being done to remedy the issue, and when the issue is expected to be fixed.

* + 1. **System Performance Reports**

System performance reports will be used by federal and State agencies to monitor the operations and performance of the WIC EBT system, Customer Service operations, and the IVR. These reports must provide statistical information on the system utilization and response time. Data to be provided includes, but is not limited to, response time analysis, utilization reports, system availability, and transaction activity reports.

* 1. **Scope-specific Performance Measures**

The State shall hold the Contractor accountable for performance according to requirements described in Attachment D, Section 4.4. This includes, but is not limited to, performance in accordance with the table of Performance Measures for Scope C (below).

| **#** | **Performance Standard** | **Performance Deficiency** |
| --- | --- | --- |
|  | **Conversion Performance Standards (Applies only if conversion is required)** |  |
| **1** | **Readiness for State User Acceptance Testing (UAT).** The Contractor must meet the timeframe once the start date of the UAT is established and agreed upon by the State. | Failure to begin User Acceptance Testing on the agreed upon date when such failure is caused by the Contractor. |
| **2** | **Exempt-Retailer Conversion.** The Contractor must have installed POS equipment and completed training for a minimum of 95% of the existing exempt retailers one week prior to the database conversion. | Failure to install required equipment and provide training for 95% of the WICEBT-only retailer/merchants in the specified timeframe. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week prior to conversion. |
| **3** | **WIC EBT Card Conversion.** The Contractor must issue new WIC EBT cards to 100% of the active WIC EBT cardholders no later than 15 calendar days prior to the conversion date to ensure no disruption to benefit access and services. (Note: The requirement for new cards will be determined during contract negotiations). | Failure to issue the new WIC EBT cards to 100% of the active WIC EBT cardholders in the specified time-frame. |
| **4** | **Database Conversion.** Once the database conversion date(s) are established and approved by the State, the Contractor must complete database conversion as scheduled with a 99% accuracy rate. | Failure to meet the database conversion accuracy rate. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week after conversion. |
| **5** | **Production Readiness.** At start-up, all network, communications, and WIC EBT features must be ready to go live. | Failure to have all network, communications, and WIC EBT features go live within the agreed upon timeframes. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week after conversion. |
|  | **System Operations** |  |
| **6** | WIC **EBT System Uptime.** The WIC EBT system must be available 99.9% of the time. This includes all system functions under Contractor control, either directly or through a subcontractor and is measured on a monthly basis. The WIC EBT System is not considered “down” if the system continues to automatically process benefit authorizations and transactions, whether electronically or by the IVR. The maximum unscheduled downtime during one episode before back-up systems are engaged is one hour. | Failure of WIC EBT System to be “up” 99.9% of the time measured on a monthly basis. Scheduled downtime does not count toward this metric.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **7** | **Updates, Patches & Repairs.** The Contractor must conduct regression testing to ensure all previous updates, patches and repairs are incorporated in the scheduled release and do not impact operations. | Failure to properly conduct regression testing. |
| **8** | **Defect Correction.** 95% of all defects are corrected within 5 business days from the Contractor’s knowledge of the defect. | Failure to correct 95% of all defects within 5 business days. |
| **9** | **Critical Defect Response.** All critical defects must be addressed with a permanent fix or a temporary workaround within 24 hours. Examples of critical defects include issues with uploading participant benefit data and/or card activation, timely distribution of APLs, and the timely processing of WIC-vendor transactions. | Failure to address 100% of all critical defects and restore functionality within 24 hours. |
| **10** | **Daily Benefit Availability.** The daily benefit file records transmitted to the Contractor must be posted and available in the WIC EBT accounts within 30 minutes after receipt of the file. | Failure to meet the timeframes for processing and posting benefits to the WIC EBT accounts. The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month |
| **11** | **Transaction Response Time.** For leased line communications, 98% of WIC EBT transactions must be processed within 10 seconds or less, and 100% of leased line WIC EBT transactions must be processed within 15 seconds measured on a monthly basis. For dial-up systems, 95% of WIC EBT transactions must be processed within 15 seconds, and 100% of dial-up EBT transactions must be processed within 20 seconds measured on a monthly basis. | Failure to meet all of these percentage constraints will be considered a performance deficiency.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **12** | **Host Response Time for EBT Administrative System.**  WIC EBT Administrative System transactions that originate at the WIC EBT administrative system located in the State are subject to the requirements for a two-second response time. | Failure to meet host response time for the WIC EBT administrative system transactions 100% of the time as measured each calendar month.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **13** | **Inaccurate Transactions**. The WIC EBT system must only permit no more than two (2) inaccurate WIC EBT transactions per every 50,000 EBT transactions processed, measured on a monthly basis. | Failure to maintain an accuracy standard of no more than two inaccurate WIC EBT transactions per every 50,000 WIC EBT transactions processed.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **14** | **WIC EBT Cardholder & Retailer Customer Service Response**  **Total Calls:** 90% of all calls must be answered (by a customer service representative or IVR system-not placed in queue) within 4 rings measured over a calendar month (4 rings are defined as 25 seconds). The remaining ten percent of calls must be answered within 60 seconds.  **IVR:** 99% of all calls for IVR system must be answered within two seconds, and 100% of all IVR menu selections must respond with the correct option within two seconds after menu selection measured over a calendar month.  **CSR:** 98% of all calls for CSRs must be answered within three (3) minutes measured over a calendar month. This requirement applies only to the retailer customer service help desk. | **TOTAL CALLS**  Failure to answer 90% of all calls within 25 second over a calendar month, and failure to answer 100% of calls within 60 seconds.  **IVR:** Failure to answer 99% of all calls for IVR within 2 seconds or failure of IVR to provide menu selections that respond with the correct option within two seconds after menu selection for 100% of the calls, measured over a calendar month.  **CSR:** Failure to answer 98% of all calls to CSRs within three (3) minutes measured over a calendar month. The Contractor must provide a report or other verifiable proof of meeting the IVR and CSR requirements by the 10th calendar day of each month. Time is measured from the moment an individual selects the IVR menu option for a CSR to the time a CSR answers. |
| **15** | **Call Abandonment Rate.** Incoming customer service center call abandonment rate shall not exceed 5% of calls for the month. A call is considered abandoned if the caller hangs up after 120 seconds from the end of requesting to speak with a live CSR. | Failure to deliver a call abandonment rate of less than 5% averaged for the month |
| **16** | **Equipment for Exempt Retailers.** 100% of POS terminals for exempt retailers must be delivered and ready for operational use within 14 calendar days of the Contractor receiving the retailer/merchant's contract measured over a calendar month. | Failure to deliver 100% of the terminals within 14 calendar days measured over a calendar month.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **17** | **Equipment Replacement/Repair for Exempt Retailers.** 98% of POS terminals must be repaired or replaced within 48 hours from the time the equipment failure was reported to the Contractor measured over a calendar month. | Failure to have a POS terminal failure resolution (either through repair or replacement) within 48 hours from the time the equipment failure was reported measured over a calendar month. The Contractor must provide a report or other verifiable proof of meeting this requirement by the10th calendar day of each month. |
| **18** | **Incident Reports.** Incident reports must be provided for every system problem. The incident reports must include the affected areas of the State and programs, date of report, date of incident, reference number, start and end times of the incident, problem type, problem impact summary, detailed description of the problem, cardholder impact, number of affected cardholders, immediate resolution, permanent solution, and who resolved the problem.  Initial incident reports must be provided within 24 hours from the start of the system problem. If the incident report does not include the permanent solution to the incident, that report must be updated every 24 hours to reflect the most current status of the incident until it is resolved. A follow-up incident report must be provided no later than 24 hours after the permanent solution has been defined. | Failure to provide the initial and follow-up incident reports within the specified timeframes.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **19** | **Reconciliation Process.** All reports necessary for ISDH to successfully perform daily reconciliation must be received by ISDH no later than 8:00 a.m. ET the following business day after the cut-off date. | Failure to provide the reconciliation reports within the agreed upon timeframes. The Contractor must provide a report or other verifiable proof of meeting this requirement on the 10th calendar day of each month. |
| **20** | **Critical Incident Notification**. The Contractor shall notify designated State staff within one (1) hour in the event of a critical incident. | Failure to be 100% timely in providing notification of critical incidents. |
| **21** | **Change Request Response**. Contractor shall provide a high-level written summary of a system modification request (SMR) within 15 days of the request from designated State staff.  Contractor shall provide written estimates/design documents to designated State staff within thirty (30) days of the approval of the SMR document for small to medium system modifications.  Larger SMR’s (in excess of 100 hours) must be estimated within 60 days. | Failure to be 100% timely in responding to Change Requests. |
| **22** | **Change Request Implementation**. Contractor shall implement change requests of fewer than 100 hours within 90 days of State approval.  Approved change requests of 100 hours or more shall be implemented within 120 days of State approval. | Failure to be 100% timely in implementing Change Requests. |

# **Scope D – Child Care Time and Attendance**

* 1. **Scope-specific Project Management**
     1. **Project Deliverables**

The Contractor shall submit deliverables in alignment with the requirements outlined in Scope A, Section 4.2.1. A high-level list of program-specific deliverables, along with delivery date requirements, is provided below. The Contractor shall provide specific dates in the Project Plan and Schedule, subject to State approval. Due to the time-sensitive nature of the State’s review process, the Contractor shall space the submission of deliverables with similar delivery requirements as much as possible (e.g. for deliverables that must be submitted no more than 30 days after contract execution, the Contractor should plan to stagger the submission of deliverables leading up to that not to exceed date).

| **#** | **Deliverable** | **Delivery Date Requirements** |
| --- | --- | --- |
| **1** | Project Management Plan | With bid proposal; revised, final plan TBD |
| **2** | Project Plan and Schedule | With bid proposal; revised, final plan no more than 30 days after contract execution |
| **3** | Status Reports | Weekly unless otherwise approved by the State |
| **4** | Change Management Plan | No more than 30 days after contract execution |
| **5** | Communication Plan | No more than 60 days after contract execution |
| **6** | Customer Service Plan | No more than 60 days from contract execution |
| **7** | Quality Assurance and Risk Management Plan | No more than 60 days after contract execution |
| **8** | System Requirements Specification Document (SRSD) | No more than 21 days after Project Initiation Phase concludes |
| **9** | System Interface Document | No more than 28 days after Project Initiation Phase concludes |
| **10** | Requirements Traceability Matrix (RTM) | No more than 28 days after Project Initiation Phase concludes |
| **11** | Functional Design Document | No more than 35 days after Project Initiation Phase concludes |
| **12** | Detailed System Design Document | No more than 45 days after Project Initiation Phase concludes |
| **13** | System Test Plan | No more than 21 days after Project Initiation Phase concludes |
| **14** | Data Conversion Plan | No more than 14 days after Project Initiation Phase concludes |
| **15** | Transition Plan | No more than 45 days after Project Initiation Phase concludes |
| **18** | Disaster Recovery Plan | No more than 30 days from contract execution |
| **19** | Business Continuation and Recovery Plan | No more than 30 days from contract execution |
| **20** | Settlement Manual | No fewer than 30 days prior to UAT |
| **21** | Security Document | No more than 30 days from contract execution |
| **22** | Administrative Operations Manual | No fewer than 30 days prior to UAT |
| **23** | Training Manual | No fewer than 30 days prior to UAT |
| **24** | Training Materials | No fewer than 30 days prior to UAT |
| **25** | Reports Manual | No fewer than 30 days prior to UAT |
| **26** | System Documentation Library | No fewer than 14 days prior to completion of Transition-In Phase |

* + 1. **Project Personnel**

The Contractor shall provide personnel, both Key and non-key, according to the requirements outlined in Scope A, Section 4.2.2. The table below provides a listing of program-specific Key Personnel for the Contractor’s team. It outlines the State’s perspective on minimum Contractor Roles and qualifications necessary to support this project but is not intended to define specific Positions which will be required. Key Personnel shall be available onsite at the State’s Indiana Government Center offices as requested by the State in advance.

| **Role** | **Description** | **Required Skills** |
| --- | --- | --- |
| Project Manager | * Responsible for coordinating the overall project tasks, including project planning, scheduling, and staffing. * 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, etc. * Ensures service level agreements are sustained and deliverables are submitted on timely basis. * Available throughout the life of the contract * During the Transition-In Phase, must be 100% allocated to this project. | * Current certification as a Project Management Professional (PMP) by the Project Management Institute (PMI) preferred and/or at least five (5) years of project management experience * Successfully managed within the last five (5) years a project in similar scope and complexity as Indiana’s Child Care project. * At least two (2) years of experience with system implementation, maintenance, and operations. * Strong written and communication skills. |
| Operations Manager | * Responsible for the day-to-day operations of the EBT program. * Manage existing operations and implement new operations processes. * Manage expectations across all stakeholder groups. * Available, at a minimum, from the Design 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 EBT system. * Project management experience. * Strong written and communication skills. |

Staff must be knowledgeable in policy and procedures as they pertain to the tracking of time and attendance and financial management requirements of the Child Care programs and must be adequately trained to perform their job function.

* 1. **Scope-specific Project Phase Requirements and Deliverables**
     1. **Project Initiation**

The Contractor’s project plan and schedule, developed in alignment with Scope A, Section 4.2.4, must account for the following time requirements:

1. Contractor must begin on Contract work by October 1, 2019. If the Contractor proposes transitioning to a new system, the Contractor must be able and willing to partner with all necessary stakeholders to accomplish full implementation on an incremental basis within the given timelines. The Contractor must be able to conduct a pilot phase during implementation. Pilot plans and schedules must be approved by the State.
2. The Operations Phase must begin by October 1, 2020.

The State will actively monitor Contractor activities to ensure the Contractor is able to meet the above deadlines successfully. Monitoring activities will focus on progress made against the Contractor’s work plan, quality of deliverables submitted, and assessment of the Contractor’s readiness to begin operations. The project schedule must clearly identify and/or account for due dates for each deliverable identified in this scope of work. Final project schedule must be approved by the State within thirty days of contract execution.

* + 1. **Design and Development Phases**

In addition to all deliverables and requirements outlined in Scope A, Sections 4.3.2 and 4.3.3, the Contractor shall perform the following responsibilities and develop (or update at a minimum, should the Contractor’s solution utilize Indiana’s existing system) the following deliverables as part of the Design and Development phases of this project:

1. **System Test Plan**

In the System Test Plan, initially described in Scope A, section 4.3.2.f., the Contractor must also provide draft and final acceptance test plans with accompanying scripts for use in System Acceptance testing. State staff will complete System Acceptance testing prior to conversion to the new system. The plan must address all system components described in the Detailed Design Document including:

1. Remote device equipment operation and functionality including use of the swipe card and manual entry;
2. Attendance data capture, including voids, back swipes, and corrections;
3. Attendance data transfer;
4. Provider payment calculations including processing holiday, personal days, overnight and parallel vouchers;
5. Provider and client website functionality;
6. Help Desk operations including AVR/IVR system;
7. Provider payment process, including settlement and reconciliation;
8. Data conversion;
9. Internal and external interfaces;
10. State Administrative System application and functionality; and
11. Reporting.
12. **Transition Plan**

In addition to the requirements listed in Scope A, Section 4.3.2.h, the Contractor’s Transition Plan must be approved by the State and include, at a minimum:

1. Swipe Card and PIN replacement and reissuance;
2. State, provider, client, and CCDF Intake training;
3. Timeline of client and provider roll out, including a pilot phase;
4. Equipment delivery and installation;
5. Plan for securing office space and equipment
6. Plan for hiring staff
7. Organizational chart and narrative descriptions of organization structure and workflow
8. Staffing plan including job descriptions, temporary or permanent, full or part time
9. Plan for the implementation of the Help Desk including office space, office equipment, IVR system, staffing, hardware, and software.
10. **Security Document**

The Contractor must provide a Security Document that identifies any perceived or real risk to Time and Attendance and the Contractor’s system.

This analysis of the system must include:

1. Vulnerability to fraud through unauthorized attendance data entry and misuse of the remote devices;
2. Accuracy and timeliness of provider payment;
3. Capability of monitoring system abuses through the remote device and the web portal;
4. Availability of a complete audit trail of all transaction activity that provides at a minimum a complete transaction history of each individual system activity that impacts attendance capture and provider payment.

This Security Document must include details of the Contractor’s comprehensive security program including administrative, physical, technical, and system controls.

The Security Document must also include a description of security practices and policies regarding the control of the swipe cards.

1. **Disaster Recovery and Business Continuity Plans**

The Contractor must develop Disaster Recovery and Business Continuation Plans that include a State notification process as well as disaster criteria and time frames. Specific severity levels relating to disaster recovery activities by the Contractor shall be mutually agreed to as part of the plan approval.

The disaster back-up sites and alternate communications routings defined in the Disaster Recovery and Continuity of Business Plans must be tested annually. The Contractor must provide the State with copies of these test results within 30 days of testing completion.

1. **Business Continuation and Short-Term Outage Recovery**

The Contractor must develop a Business Continuation and Recovery Plan that includes a State notification process as well as disaster declaration criteria and time-frames. Specific severity levels relating to disaster recovery activities by Contractor will be mutually agreed up as part of the plan approval

1. **Disaster Recovery**

The State requires the Contractor to continue attendance data processing and provider payment in the event of adverse situations related to systems and telecommunications failures and in natural disasters. Business continuation must be provided by the Contractor in accordance with the approved Business Continuation Plan.

In the event of an outage or disaster impacting the availability of the Contractor’s primary data processing site, the Contractor must have a fully redundant back up site for host processing, telecommunications and network services. The Contractor must notify the State immediately of any outages. If the outage is expected to exceed one (1) hour in duration, and upon the evaluation of the program and the time required for resolution, transaction processing may be switched to the host back-up system or site.

In the event of irreparable damages to the primary site, or of an unplanned, extended abandonment of the primary site, the Contractor must provide, at no additional cost, those servers, facilities, and other components necessary to resume operation under a two-site operational scenario. The Contractor must provide the Remote backup site configurations defined below. The Contractor must provide the following system configuration at the primary site with Mission Critical Servers:

* + All mission critical functions must be supported by a protectively redundant configuration. At the primary site, there must reside at least two physically separate systems, networked for high availability processing. Failure in one primary site system must not cause failure of the other system(s).
  + Fault Tolerance: As well as providing a fault tolerant transaction server environment, the Contractor’s other central system components, such as administrative servers, the storage solution, and network devices (routers, switches, firewalls, etc.) must also exhibit fault tolerance, such that the failure of a single device will not put a site out of service;
  + Failover: The remaining devices and system(s) must immediately assume the load in case of a failure in one device or system, without loss or corruption of any data and transactions received prior to the time of the failure;
  + Operations Procedure: Procedures for computer operations staff, especially regarding failure situations, must be straightforward. In addition to operator-prompted failover the system must be able to recover from failures without operator intervention (“auto-failover”).
  + Secure Connections: Connections into any system component from a remote terminal must not occur without State approval. Any such capability must employ stringent security mechanisms. This would include remote monitoring or diagnosis of equipment or software. Connections to other remote systems and terminals must be protected at a minimum by firewalls and encryption. Routers must route traffic only to addresses defined as valid for this application. The acceptability of any such security approach will be subject to State approval.
  + Time-Synchronizing: Multiple systems in the configuration must have a time-synchronizing mechanism to ensure consistent time recording and reporting for events and transactions. Synchronization with an external time standard is required.

In the event of irreparable damages at the primary site, or of an unplanned, extended abandonment of the primary site, the Contractor must provide, at no additional cost, those servers, facilities, and other components necessary to resume operation under a two-site operational scenario.

The Contractor must provide two or more remote backup systems (separate from those referenced in above) that will take over for the primary site systems if necessary. Data transferred to and recorded at the remote site will always contain the most recent transactions, allowing a takeover.

The wide area network must have a routing independent of the primary site so that the backup site can be reached without the primary in place. Administrative functions must be available at the remote backup site and be available remotely by communications from the primary site.

The Contractor must demonstrate on a scheduled basis that the remote site is fully functional by operating in production from that site upon request of the State. It must have a Backup Mirror Configuration, meaning the remote backup systems have the same processing capacity and architecture as the primary site systems. These systems must also have the same secure connection specifications (see above) as the primary site systems.

1. **Business Continuation**

The Contractor must provide an of processing attendance data and making provider payments during short-term outages when switching over to the back-up system is not considered appropriate. This requirement must include a methodology by which the Contractor must notify the State, clients, and the provider community that an outage is occurring and provide an alternate means of reporting attendance data, calculating and issuing provider payments.

The Contractor must advise the State immediately upon recognition that a switch to the back-up site is required. If the Contractor is providing services to multiple States or other processing services, the disaster recovery plan must address the timing and order of recovery for Indiana’s system as compared to the other entities being processed. The recovery of Indiana’s system must not be delayed because the Contractor is recovering other customer’s systems.

The Business Continuation and Recovery Plan must identify:

* + Critical Contractor staff that have a skill set necessary for the resumption of key business operations;
  + Critical business functions and supporting tasks;
  + Processes for reporting system disruption/failure;
  + Transitions from failure to system re-start;
  + Alternate processing sites; Timeframes for updates to the plan; and
  + Customer Service Staffing Capacity Plan that identifies how the Contractor will add additional staff to cover increased call volumes.

All elements of the Business Continuation Plan (including communications routing systems) must be tested annually. The Contractor must provide DFR with copies of these test results within 30 days of testing completion.

1. **Manuals**

During the Development Phase the Contractor must produce manuals describing the processes, operations, and functions of the resulting system. The Contractor shall provide the following manuals:

1. Reports Manual – A reports manual describing all standard and State specific reports generated by the Contractor must be provided. The Reports Manual must also provide a description of the data files provided to the State for internal report generation.
2. Administrative Operations Manual- The Contractor must provide a separate Administrative Operations Manual that includes screen images, a full description of system functionality and complete instructions for use. In addition, the Contractor must provide a separate Training Manual that encompasses complete Administrative System functionality for use in training of select State staff.
3. **Training Materials**

The Contractor must also provide written materials for use in the training of client families and authorized child care providers. These training materials must be written in easy to understand language at a fifth-grade reading level. All written materials must be provided in English and Spanish. The production of training materials is an ongoing task throughout the life of the contract beginning in the Development phase, and the Contractor must produce adequate training materials. The Contractor must design, develop, produce and distribute the training materials described below. All materials and method of distribution must be approved by the State.

1. Training Manuals – Two separate training manuals must be designed, developed, produced and made available; one for providers and one for clients. The manuals must provide all the necessary information required by the user to fully understand how to use the system, including the remote device, the web portal, and the Help Desk. This training manual will be posted on-line and must be made available in hard copy upon request.
2. Provider and Client Web Portal Operations Manuals - The Contractor must provide two separate Web Portal Operations Manuals, one for clients and one for child care providers, that includes screen images, a full description of system functionality and complete instructions for use. These will be included in the Training Materials (see below).
3. Remote Device Materials - Two separate remote device training pamphlets must be designed, developed, produced and distributed: one for clients and one for providers. These training pamphlets must include the information necessary to conduct basic transactions through the remote device as well as instructions on how to access the web portal. Help Desk information must also be included in these pamphlets.
4. Remote Device Tip Sheet - A tip sheet for using the remote device, printed in both English and Spanish (combined in the same document) must be designed, developed, produced and distributed with all remote devices. The tip sheet will be designed to help users complete common transactions and to troubleshoot common errors. The Help Desk information must also be printed on this tip sheet.
5. Swipe Card Tip Sheet - A tip sheet for the swipe card users will be designed, developed, produced and distributed. This tip sheet will provide directions for accessing the web portal, retrieving/changing the PIN number, how to obtain a new card, and information about the Help Desk.
6. **Testing**

In addition to the testing activities and requirements described in Scope A, Section 4.3.3, the Contractor shall perform the following duties:

1. User Acceptance Testing (UAT) – The tests and test scripts must cover all facets of the system’s operations and test all of the system processing options and environmental conditions (e.g. remote device hardware and communications failure, entry of erroneous data). The test must include security, recovery, system controls, interoperability, interfaces, settlement, remote device transition processing, attendance tracking including back swipes and corrections, provider and client web portal functionality, provider payment calculation, settlement and reconciliation, State Administrative System functionality, reporting, and “what-if” testing.
2. Data Conversion Test - Test transactions performed against the converted data base must include attendance data entry including adjustments, holidays, and personal days, through the remote device and the web portal, attendance time calculations, provider payment calculations, attendance and payment reporting. Additionally, the Contractor must fully cooperate with the current provider to successfully convert required data, including but not limited to three (3) years of on-line transaction history and account status information, from the current provider to the new system.
   * 1. **Transition-In Phase**

The Contractor shall perform Transition-In duties in alignment with Scope A, Section 4.3.4 and the Transition and Data Conversion Plans. The Transition-In must limit the interruptions to all users of the system. System conversion must be scheduled at times that reduce the impact when transaction processing is lowest and during non-peak hours. The conversion dates and times must be approved by the State.

During transition from the current system to the Contractor’s system, the length of time during which authorized users are not able to enter attendance data shall not exceed 24 hours. Additionally, provider shall not experience any disruption to their normal biweekly payments. Failure to meet these performance standards is subject to damages.

1. **Transition Activities**

During the Transition-In phase, the Contractor shall complete the following activities:

1. Convert from the current system to the new system. For providers and clients this conversion must be seamless and include a reconciliation of current attendance and payment data;
2. Provide training materials for providers and families, and at the State’s request, pending the complexity/novelty of the Contractor’s solution, provide additional online or in-person training sessions for providers and parents
3. Provide training materials for State users, and at the State’s request, pending the complexity/novelty of the Contractor’s solution, provide additional online or in-person training sessions on the system software for State users; Generate new card stock, supply local intake agents with the new cards and all necessary equipment to activate the cards, and issue new cards, if necessary, to existing CCDF authorized users;
4. Deliver and install the required remote devices to providers in sufficient time to ensure that the equipment is operating prior to the conversion;
5. Ensure that the help desk is fully functional and ready to handle large call volumes during the transition;
6. Define a plan of cooperation to be developed jointly with the current vendor for the timely and accurate exchange of data and files.
7. Accept all outstanding attendance data, including outstanding paper claims transferred from the current vendor;
8. Provide for the conversion of at least three (3) years of transaction history into the new system. An additional two years of history must be stored offline and be available by ad hoc report;
9. Build checkpoints and reconciliation procedures into the conversion process to ensure that conversion is being completed in a timely manner and that data is not being lost; and
10. Have a contingency plan in case the conversion cannot be completed in a timely manner.
11. **System Documentation Library**

The Contractor must provide the State with a library of final system documentation in an electronic format of the State’s choosing fourteen (14) days of the end of the Transition-In Phase. It must include all written deliverables submitted, revised, and approved prior to Transition. This includes, but is not limited to, the following:

1. Functional Design Document;
2. Detailed System Design Document;
3. Business Continuation and Recovery Plan;
4. Training materials;
5. IVR scripts and call flows;
6. Reports Manual;
7. Settlement and Reconciliation Procedure Manual;
8. Interface Control Design, including Record and Batch formats;
9. Problem Reporting, escalation procedures, and resolution tracking;
10. Administrative System Documentation/User Manuals;
11. Provider Web Portal User Manual;
12. Client Web Portal User Manual;
13. Data Conversion Plan;
14. Traceability Matrix;
15. Security Document;
16. Disaster Plan;
17. System Test Results; and
18. All documentation related to system design and functionality.

The Operations Phase shall begin when all conversion activities are completed. During the Operations Phase, the Contractor is responsible for maintaining and updating all system documentation in the System Documentation Library above for the life of the contract.

* 1. **General Requirements**
     1. **Minimum Requirements**

Respondents serving as the CCDF Intake Agent or providing child care services are not eligible to respond to this Solicitation. Respondents must disclose any potential or perceived conflicts of interest in their responses, and if necessary, submit a conflict of interest mitigation plan to the State for approval upon contract award.

In order to be considered a qualified applicant to become the Child Care Time and Attendance Contractor and respond to this RFP, offerors must satisfy each of the requirements listed below.

1. Have previously provided services related to the Child Care Development Block Grant and the CCDF subsidy program;
2. Have previously implemented and operated a time and attendance system within the last five (5) years;
3. Agree to comply with all established CCDF policy, procedures, and business rules and meet all contractual obligations in the management of the program;
4. Commit to accommodating culturally diverse populations, including child care providers and clients with language barriers and persons with disabilities;
5. Have previously worked on projects of similar size and capacity, fulfilling software development and project management responsibilities;
6. Demonstrate a history of having adequate accounting practices to ensure appropriate utilization of contract funds by either including the results of independent audit which meets federal guidelines within the past two (2) years or by committing to having an audit conducted and addressing any negative findings within the first ninety (90) days of the Contract term;
7. Commit to adhere to all applicable GAAP & OMB circulars;
8. Have (or commit to attaining) general liability insurance unless an entity of state, county or municipal government; and Understand and agree that failure to meet all contractual obligations in the management of the program may result in financial consequences.
   * 1. **Contractor Responsibilities**

The Contractor shall agree to provide a web-based system to accumulate time and attendance information, provide accurate and timely payments to providers, allow for inquiries by participants, providers, and the State, and provide appropriate reports to the State and county agencies. This is currently accomplished via the use of point of service (POS) devices at eligible providers. Clients swipe in and out with magnetic stripe cards and PIN-entry. The Contractor may propose alternative hardware or remote devices and methods. Regardless of the Contractor’s solution, any system which the Contractor intends to deploy must be the latest available version or no more than one version older than the latest available version.

The Contractor duties include, but are not limited to:

1. Adding and maintaining information on authorized providers as provided by the State including:
2. collection and maintenance of bank account information;
3. delivery and installation of any necessary hardware;
4. training on the hardware and the Contractor’s system;
5. processing and validating all system transactions;
6. paying providers for all valid system transactions;
7. disabling any providers as directed by the State.
8. Providing the swipe cards compatible with the POS hardware,
9. Providing card maintenance and bulk card replacement (to the Intake Agents),
10. Allowing participants to select their own PIN, both initially and on a replacement basis,
11. Providing an IVR and web portal to enable families to select and change their PIN,
12. Electronically tracking (in real time) time and attendance of CCDF eligible children
13. Providing a system that allows for the capability to adjust time and attendance initiated by a CCDF eligible applicant, CCDF eligible child care provider, or authorized state personnel, through a web portal, and according to State business rules.
14. Processing payments to eligible child care providers electronically, through direct deposit, including adjustments as necessary and authorized by the State. Unsuccessful direct deposits must be processed in accordance with State guidelines;
15. Maintaining detailed payment data, including co-pay tracking and historic data, per State requirements;
16. Generating annual IRS tax Form 1099, based on validated Tax Payer Identification Numbers (TIN), for each child care provider paid during the tax year;
17. Developing and maintaining a web portal available to eligible child care providers for the purpose of attendance review and payment reconciliation, as well as other supportive services needed for the effective operation of the child care business;
18. Developing and maintaining a web portal available to client families for the purpose of voucher detail review, attendance review and adjustment, payment review and other relevant information;
19. Developing and maintaining an administrative system available to state authorized users for the purpose of real time access to all aspects of the system;
20. Providing a 24x7 Help Desk services via IVR and additional live CSRs during established business hours to assist families, child care providers, State Intake Agents, and FSSA / OECOSL;
21. Providing and maintaining real time and batch interface capabilities with the State’s Automated Intake System (AIS), the Child Care Information System (CCIS), and other systems as necessary;
22. Developing and implementing system enhancements as required; and
23. Producing all required reports, including assistance with required Federal reporting and ad hoc reporting as required by the State
    * 1. **Pre-K Program Responsibilities**

Unless otherwise noted, all requirements described within Attachment D Section 7 shall apply to the Contractor’s development, implementation, and operation of a Pre-K voucher program-specific system or system functionalities in addition to the CRO system the Contractor operates for CCDF. The Contractor shall utilize shared system components and logistics to the greatest extent possible while implementing the Pre-K voucher program solution, except where necessary to differentiate the programs. “System” within this scope shall refer to a single combined system for CCDF and Pre-K, even though elements of each program may be handled separately.

Pre-K implementation shall be based on the following operating assumptions:

1. Separate activity, settlement, transaction logging, and reporting will be made for Pre-K activity;
2. Existing CRO system interface(s) will be used to provide and exchange child, provider, and applicant information;
3. To the extent possible, the file naming, data rules, and format conventions will be the same as CRO;
4. No cards are issued to applicants/parents for Pre-K. Existing Applicants (Cases) and cards issued can be used for either or both CCDF and Pre-K attendance;
5. Children can have CCDF specific vouchers and Pre-K specific vouchers for the same time period(s);
6. Providers may participate in both CCDF and Pre-K under the same Provider ID;
7. The remote terminal load will be modified to accommodate Pre-K vouchers.
8. The same remote device will be used for CCDF and Pre-K activity. Providers will not be issued additional or separate terminals for Pre-K;
9. Pre-K attendance may be captured through the POS device or the web portal;
10. Pre-K attendance requires only a “check-in;” since payment is not dependent on duration, a “check-out” is not required;
11. A separate (and distinct) bi-weekly settlement (and ACH file) will be made for payments to providers for Pre-K activity;
12. The contractor will establish a separate, zero balance account, to support Pre-K settlement;
13. Separate activity and settlement reports will be issued for Pre-K activity; Pre-K activity will not be co-mingled with CCDF activity on any reports.
    1. **Interface with Existing State Systems**

The Contractor’s system must interface with the State’s existing software systems, including Indiana’s Automated Intake System (AIS), the Child Care Information System (CCIS), the Social Services Data Warehouse, and the State Auditor’s Office, as needed.

The Contractor must minimize any modifications to the existing State systems in order to establish the interface. The interface must have the ability to send and receive batch files weekly, daily, and hourly on a schedule determined by the State. Any costs associated with the maintenance of this interface(s) are the responsibility of the Contractor.

* + 1. **Batch Processing**

The State requires a real time interface with AIS. To ensure no loss of data or functionality in the event of real-time interfacing issues, the Contractor must also be able to provide hourly batch transfers from the Contractor’s system to AIS and twice daily batch transfers from AIS to the Contractor’s database on a schedule approved by the State. Batch Processing Reports will also be exchanged. The files to be included in this batch transfer must at a minimum include:

1. Provider Record
2. Applicant Record
3. Voucher Record
4. Batch Processing Return
5. Voucher Activity
6. County Balance
7. Provider Payment Record

Details of the files including data elements, data attributes, processing rules, errors, and edits shall be defined by the State. Current batch file details are contained in the Bidders’ Library (Att. J – D.4).

* 1. **Security and Quality Assurance**

The Contractor is responsible for remaining compliant with all of the State of Indiana Office of Technology (IOT) guidelines for system architecture security and system performance. Contractor shall utilize State terminology and agreed upon definitions of terms. The Contractor shall stay apprised of new technology and techniques that may enhance operations, and periodically inform the State of opportunities to apply the new technologies and techniques.

The Contractor shall develop, document and implement internal quality assurance controls to review and monitor service delivery to ensure contract compliance. The Contractor shall develop, maintain, and provide access to records needed by the State to monitor the performance requirements and standards detailed in this Solicitation.

The Contractor is responsible for the development and implementation of a complete Security Plan for ensuring a secure environment for all aspects of the system including the remote devices, website, and database. Contractor must ensure that unauthorized access to the system is prevented and that State confidentiality requirements are followed.

* + 1. **Physical Security**

The Contractor must develop a written plan for the physical security of its operating facility, including storage facilities. This written plan must explain the security procedures to be implemented at each facility. The Contractor must submit the plan to OECOSL for review and approval within twenty (20) business days after contract execution. Security procedures shall limit access to these facilities. The State reserves the right to perform physical security checks of the Contractor’s facilities at its discretion.

* + 1. **Data Security**

The Contractor shall develop procedures, including schedules, to ensure data are properly and routinely, scanned, purged, archived, and protected from loss, unauthorized access, or destruction. These procedures must be submitted to the State for review and approval. Purged data shall be retained on a State-approved electronic storage medium and be available to State staff. The Contractor shall retain files and records, including, but not limited to, claim vouchers and invoices for a period contractually defined.

* + 1. **System Connectivity and Recovery**

Contractor is responsible for ensuring continued operations in the event of failure of the primary system. The Contractor must provide a plan and execute on a routine basis necessary steps for complete database back-up and disaster recovery of the Contractor’s system. The database back-up must occur daily, at a minimum, and procedures should ensure recovery within a twenty-four-hour period.

Contractor must test their backup system annually and follow the established procedures of their approved Disaster Recovery and Business Continuity Plans (see Section 7.2.2.d).

The Contractor shall keep the web-based system updated with latest patches to ensure performance and security. The most recent updates and patches must be retained as part of the plans for backup and recovery required by the State.

The Contractor must notify the State immediately via fax, telephone, or e-mail when problems that may affect contract performance are identified. Within one (1) business day following discovery of the problem, Contractor must submit a thorough description of each problem and its expected impact on ongoing operations, produce a corrective action plan as necessary, describe the potential impact of the plan on program operations and other Contractors, and provide an estimate of the time required to resolve the problem.

* 1. **Contractor Availability and Responsiveness**

Business operations personnel must be accessible to program stakeholders Monday through Friday from 8:00 am to 5:00 pm, Local Time, excluding State holidays.

The Contractor must provide a high level of customer service to the program stakeholders who interface with and rely on information, reports, and processes of the financial management system and conduct an annual customer service evaluation.

The Contractor must have a customer service plan that includes responding to phone calls and emails within one (1) business day. Additionally, this plan must provide for meeting the needs of families and providers with communication issues such as lack of proficiency in English or hearing impairment.

The Contractor shall implement a comprehensive, accurate, efficient, and timely system and process for logging, tracking, and reporting to the State all verbal and written complaints received by, or referred to, the Contractor from any source. This system shall also be used to facilitate and document timely follow-up by the Contractor in the resolution of complaints and to generate statistical reports on the complaints, complaint patterns, and their resolution.

* 1. **Financial Responsibilities**

The Contractor shall assure that funds provided through this Contract will only be used to implement and support the administration of CCDF and Pre-K voucher processing, and no other programs.

The Contractor must provide an independent auditor to conduct all necessary audits including an annual SSAE16 audit of the fiduciary responsibility of the Contractor. The Contractor shall assume responsibility for all costs of the audit and make all audit reports available to the State in a timely fashion. The State reserves the right to amend or terminate this contract based on the audit findings.

* 1. **High Level System Requirements**

The Contractor must provide for an electronic method for capturing and tracking of real-time time attendance data using a remote web-based device.

Attendance capture must include actual check in and checkout times. Check in and checkout times should be initiated by parents or authorized users unless under specific circumstances authorized by the State. Except for “back-swipes,” the terminal time shall be used for checking-in and checking-out.

Please note that a Pre-K Check-In for a given child on a given date is allowed when there is also a voucher Check-In/out transaction, and vice versa. CCDF and Pre-K attendance are mutually exclusive.

The Contractor must address methods of capturing time and attendance when hard wired connectivity is unavailable including when transportation is offered by the child care program, allowing families to swipe in on a bus or other vehicle. The State is currently using wireless POS terminals.

Time and attendance data must be tracked through the web-based system and used for calculating provider payment based on State business rules.

* + 1. **High-Level Card Requirements**

If proposing a continuation of the current card capturing method, the Contractor must provide any necessary swipe cards, and an effective and timely method of activating and deactivating these cards. The Contractor must allow for up to four (4) authorized users (cards) per CCDF household. The Contractor must supply a mechanism for authorized users to create their own unique Personal Identification Number (PIN). PIN mailers shall not be used.

Authorized users will access the system through the use of a swipe card and a PIN and/or manual entry of the card number and PIN. The method of entering attendance must be user-friendly and processing time per transaction should not exceed 30 seconds.

Cards shall be ordered from the Contractor by the State quarterly at no cost and shipped to the local Intake Agent locations within five (5) business days of the receipt of the order.

The Contractor is responsible for the activation and deactivation of the remote devices. The Contractor should activate and deactivate remote devices upon State notification with no more than one (1) business day elapsing between notification and Contractor action.

The Contractor must provide data as requested to support State investigations and in response to subpoenas, court hearings, and similar proceedings.

* + 1. **System Availability**

The Contractor’s system and related website(s) must be available to users 99.8% of the scheduled-up time. Scheduled up time means that the website is available 24 hours per day, 7 days a week, 52 weeks a year, except for routine, scheduled maintenance. Routine maintenance must be scheduled during non-peak transaction times as defined by the State. The State shall be notified 48 hours in advance scheduled down time and this down time must be approved by the State. Failure to maintain these standards is subject to damages. See Section 7.15 for related performance measures.

* + 1. **User-Friendliness**

The Contractor’s system and related website(s) must be designed to reduce obstacles for CCDF clients to enter attendance times and for providers to receive payment. The system must:

1. Minimize the number of steps necessary to complete a transaction;
2. Make available clear and comprehensive identification of authorized children and providers;
3. Provide training and instructions for all users including those with disabilities, limited education and language barriers;
4. Make prompts available on the devices used to collect time and attendance data;
5. Comply with the Americans with Disabilities Act of 1990 and all subsequent amendments; and
6. Be mobile-friendly.
   1. **Equipment Requirements**
      1. **System Hardware and Equipment**

The Contractor must provide for the selection, acquisition, and installation of all hardware needed to support the system solution approved by the State. The Contractor may provide the option for providers to self-install hardware and equipment; however, the Contractor must provide installation services to any provider who does not specifically elect to self-install. Self-installation does not relieve the Contractor of any duties related to ensuring that equipment performs according to contractual requirements. Any replacements to hardware will be with equipment that meets or exceeds the functionality of the replaced equipment.

The Contractor must, if necessary, maintain the appropriate inventory and distribution records for any specialized equipment needed for the operation of the system.

The Contractor must investigate new technology and techniques which would enhance the Contractor’s operation and improve service delivery, advising the State of such developments, the possible implementation and any additional cost of such technology.

* + 1. **Remote Device Enrollment**

The Contractor shall be responsible for enrolling all providers approved by the State to the CRO system. Enrollment forms shall be delivered by the Contractor in a method approved by the State to the provider within one (1) business day of the State notification of the assignment of the first CCDF authorized child.

Enrollment shall include the completion of necessary bank account information to enable direct deposit, the selection of provider holidays, the completion of provider agreements, the information necessary to access the secure provider website, and other forms as required by the State. Enrollment forms must be completed and signed by the provider before installation of the devices.

Child Care provider enrollments are valid for twelve (12) months.

Approved child care providers who have no active CCDF vouchers assigned to them do not need to complete a new enrollment form until their enrollment expires or is otherwise revoked.

* + 1. **Remote Device Requirements**

Remote devices must include the following minimum functionality if the Contractor’s solution includes remote devices:

1. Collect real time attendance data;
2. Maintain Store and forward capabilities for times when connectivity is interrupted;
3. Devices must receive updates from the database at regularly scheduled intervals;
4. Device must seamlessly adjust to daylight saving time;
5. Devices must process attendance transactions within 30 seconds;
6. Devices must be able to show broadcast and individualized messages;
7. Devices must require a secure sign in by the authorized user through either a card swipe or manual entry of an identification number and PIN;
8. Devices must provide for separate and secure user roles for providers and authorized users;
9. Devices must reflect error messages and error definitions;
10. Each device must be assigned to a unique location and carry a unique Vendor ID;
11. Allow authorized users to select for which child, or multiple children, time is being entered;
12. Provide authorized users with detail information on a previous check in without a corresponding check out and the ability to enter in a previous check out time according to State business rules;
13. Provide the authorized user with the ability to enter in previous time in or time out (back swipe) including entry of personal days according to State business rules;
14. Allow authorized users to correct a previous entry according to State business rules;
15. Allow authorized users to obtain detailed information on the balance of their personal days;
16. Allow authorized users to obtain detailed information on their child’s attendance during the current pay period;
17. Allow authorized users the ability to see the subsidy end date;
18. Allow providers the ability to run reports showing daily, weekly and bi-weekly child level attendance data for the current pay period, the previous pay period, and the second previous pay period;
19. Allow providers the ability to run a report showing a summary of payment detail for current, previous and second previous pay period;
20. Allow providers the ability to run a report showing voucher expiration dates for children assigned to that location; and
21. Allow providers the ability to run a report showing daily and weekly check ins without corresponding check outs for the current, previous, and second previous pay periods.
    * 1. **Pre-K-specific Remote Device Requirements**

For Pre-K remote devices, the remote device terminal load (and menu) shall also include:

1. Pre-K Check-In;
2. Previous Pre-K Check-In
3. SAF Pre-K Check-In
   * 1. **Remote Device Installation, Maintenance, and Recovery**

The Contractor shall be responsible for the delivery, installation, and maintenance of remote devices. Delivery and installation of the device(s) will be made to a newly authorized child care provider location within ten (10) calendar days of the receipt of the Provider’s signed enrollment forms. Repair or replacement, as necessary, is the responsibility of the Contractor and must be completed within five (5) calendar days. Requests for device reconfiguration must be completed with one (1) business day. Delivery, installation, and repair of equipment that fails to meet this standard is subject to damages.

The Contractor must furnish a minimum of one remote device to every eligible provider caring for authorized CCDF children if the Contractor’s solution includes remote devices. The State requires that there be a sufficient number of devices to ensure a smooth flow of families at pick up and drop off times. The ratio of children to devices shall not exceed an agreed upon level depending on the capacity of the device. The Contractor shall be responsible for delivering the appropriate number of devices at no charge to the provider.

Recovery of the devices and any costs associated with failure to recover the equipment are the sole responsibility of the Contractor. Contractual agreements between the Contractor and the child care provider shall be approved by the State prior to the implementation of the system.

Please note that if supplies, such as rolls of paper, are required by the remote device, the Contractor shall reimburse providers for the purchase of these supplies according to a schedule and rate approved by the State.

The Contractor must provide monthly reporting relevant to the devices required, including delivery, installation, repairs, and attendance processing times.

* + 1. **System and Remote Device Support**

The Contractor shall be responsible for training each user on the system, including State users, Intake Agents, child care providers, and families. Training content and delivery methods must be approved by the State and will be updated by the Contractor at least every three years or as needed. The Contractor shall be responsible for the drafting and updating as needed of user manuals that detail both the use of the devices and the website for State users, child care providers, and families. The Contractor shall be responsible for making these manuals available to users. The user manuals are to be maintained on-line; however, users must be provided with a hard copy manual upon request. See Section 7.2.2.f for training materials and manual information.

* + 1. **Data Quality and Adjustment**

The Contractor must provide and execute quality assurance procedures which ensure attendance data is accurately captured and documented on remote devices. In the event, data changes are requested by the State or approved State users, the Contractor shall develop documented procedures to change data. Procedures should include a method of logging change data requests for audit purposes. These procedures must be approved by the State prior to the completion of implementation.

* 1. **Website Requirements**

The Contractor shall house, manage, and maintain website(s) according to the Indiana Office of Technology standards.The Contractor shall provide either separate websites or pages for participant use and provider use. The websites will have protected access and secure passwords assigned to all users, and secured user roles need to be developed and assigned. State Users must have full access to provider and family pages.

This website must be user-friendly and must be compatible with a variety of platforms. Websites must be capable of being viewed and used on mobile devices. Web content must be approved by the State prior to posting.

The Contractor shall update the attendance and payment data on the website in real time.

* + 1. **Family Required Functionalities**

For CCDF families the website must provide at a minimum the following:

1. The ability to update preferred contact information (phone number, email);
2. The ability to reset or change a password based on State directives;
3. To ability to view historic voucher/attendance/payment data by either child or case;
4. The ability to view detailed voucher information including reauthorization date;
5. The ability to view balance and usage of personal days including anniversary date;
6. The ability to correct attendance information in accordance with State business rules;
7. The ability to view historic payment information, including an annual summary of benefits paid per child;
8. The ability to view messages and updates from the State;
9. The ability to view the contact information of their local Intake Agent and Child Care Resource and Referral Office;
10. The ability to download and print pertinent forms as defined by the State;
11. The ability to view training and user manuals on how to use the remote device and the website;
12. The ability to print in a user-friendly format the information displayed on the screen; and
13. The ability to access appropriate links to State approved outside web sources per State directives.

For the Pre-K voucher program, the shared parent web portal must also allow for the following:

1. Late Attendance Worklist must include Pre-K vouchers
2. Pre-K transaction types on applicable reporting screens
3. Voucher Payment Search and Payment Detail screens must incorporate Pre-K list of payment dates
   * 1. **Child Care Provider Required Functionalities**

The website for CCDF providers must provide at a minimum the following functionality:

1. To request attendance/payment adjustments per State directives;
2. To view all CCDF children assigned to their facility, including reauthorization dates and voucher details, both current and historic;
3. To view all data at provider and/or voucher level;
4. To view current and historic attendance data;
5. To view current and historic payment history;
6. To view personal day balances and usage for vouchers assigned to their location;
7. To download all relevant CCDF documents per State directives;
8. To update direct deposit information;
9. To enter provider holiday dates;
10. To update mailing address, phone number and email;
11. To reset or change a password per State directives;
12. To request repairs on hardware or new equipment as needed for program operation;
13. To view available training and user manuals on the remote device and website usage;
14. To view reports per State directives;
15. To print in a user-friendly format the information displayed on the screen;
16. To access to appropriate links to State approved outside web sources per State directives;
17. To print completed IRS tax form 1099 for the current and previous tax years per State directives; and
18. To request a written IRS tax form 1099 to be mailed for the current and previous tax years per State directives.

Optional website functionality includes the ability to chat with CRO help desk during help desk hours and other functionality that improves the system for users.

For the Pre-K voucher program, the child care provider web portal/website shall include a screen (or screens) as defined by the State, for those providers (and only those providers) participating in the Pre-K program. For those providers that have at least one (1) Pre-K child assigned to them, they must be able to view Pre-K vouchers, have a Pre-K attendance entry screen, and have Pre-K payment and settlement screens.

* 1. **Administrative System Access Requirements**

Contractor shall provide an administrative terminal system (“admin terminal”) to their system. The State must be able to define and assign secure user roles, create user names and passwords for access to the admin terminal. State Users shall have full access to the system as defined by the user roles.

* + 1. **Search Functionality**

State users must have the ability to search by the following criteria:

1. Provider name (first and last)
2. Provider address, including county
3. State issued Provider ID number
4. Provider EIN/SSN number
5. Cardholder name (first and last)
6. Card number
7. Client Recipient Identification Number (RID)
8. AIS Case number
9. Child name (first and last)
   * 1. **Admin Terminal Functionality**

The State must have the following minimum admin terminal functionality:

1. To view current real time and historical system, provider, and child level data including attendance and payments;
2. The ability to determine, on a real-time basis, the number & names of all children at a provider’s facility at any given moment.
3. To make adjustments to attendance and payments at the system, provider and child level;
4. To approve provider/authorized user attendance adjustments as needed;
5. To view provider level status updates on Contractor requirements including but not limited to provider enrollment packet delivery and completion, device delivery, device functionality, device activation and deactivation, service request and resolutions;
6. To download and print in a user friendly, State approved format the information displayed on the screen;
7. To sort and filter reports;
8. To access hyperlinks as needed by the State to simplify data retrieval and drill down to detailed information;
9. To create electronic messaging, both broadcast and individual, that is available to families and providers on both the website and the remote devices. Such messaging must be posted no later than 24 hours after the creation of a message; and
10. To request policy and procedure updates and other pertinent client and/or provider information to be posted on the home page of the provider/client website(s). Such requests shall be posted on the website within 48 hours of the request.
    * 1. **Pre-K-specific Admin Terminal Functionality**

For the Pre-K voucher program, State Admin Terminal must also include the following:

1. Use existing attendance screens to display Pre-K attendance distinguishable by a new Transaction Type, (e.g. ‘Pre-K Check-In’);
2. Pre-K-specific Payment Details screen;
3. Allow for Pre-K Settlement Report inquiries and report screen;
4. Allow for Pre-K-specific provider, statewide, and voucher payment adjustments
   1. **Help Desk**

The Contractor shall provide Help Desk services via toll-free number(s) to assist participant and provider users. Callers to the Help Desk shall be offered assistance related to general system information, assistance with use of the website and remote device, including passwords and swipe card concerns, PIN problems, payment inquiries, and problem resolution including equipment issues. It shall provide assistance for both the CCDF and Pre-K voucher programs.

All costs associated with the help desk are the responsibility of the Contractor.

This help desk must be available Monday through Saturday excluding the following holidays: New Year’s Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day, between the hours of 5:00 am and 10:00 pm Local Time, with a voice mail option after 10:00 pm. Voicemails must be returned within one (1) business day. Help Desk assistance must be offered in English and Spanish and must be adequately staffed with trained personnel to handle fluctuating call volumes. This is especially important during disaster events as call volumes greatly increase at these times.

To ensure that all calls are answered in a time sensitive and cost-effective manner, the Contractor must provide an Interactive Voice Response (IVR) system to answer initial calls to the help desk. The IVR must be responsive to keyed commands from callers using touch tone telephones. If the caller is not using a touch tone phone, the call shall be routed to a Customer Service Representative (CSR). Callers who are unsuccessful at entering an IVR prompt or whose issue cannot be resolved by use of the prompts shall be routed to a CSR within an appropriate amount of time.

Callers will be required to give identifying information as defined by the State before transaction details are released.

All calls shall be handled according to a State approved call procedure. The Contractor shall submit a Help Desk Procedures Manual for State approval no later than 90 business days from the contract execution. A Frequently Asked Questions (FAQ) section and scripts should be included. This manual must be updated annually and as needed. All updates must be approved by the State.

The Contractor must develop and implement scripted responses approved by the State in response to commonly asked questions. These scripts must be available to the Help Desk Customer Service Representative and other staff with regular contact with child care providers and/or clients. These responses must be updated on a regular basis and as needed in response to changes in the system or policy and procedure changes.

All calls received by the Help Desk shall be documented. All efforts at problem resolution must be tracked and the State must be notified of any unresolved issues according to State guidelines. The Contractor shall provide a monthly report to the State on the following:

1. Number of calls received
2. Average response times
3. Average wait times for calls placed on hold
4. Number of abandoned calls
5. Number of calls that go to voice mail
6. Number of voice mail messages returned and response time

Target response and wait times must be approved by the State. If the call center fails to meet the required service delivery metrics, additional call center staff will be hired and trained within a schedule approved by the State, at no additional cost to the State. See Section 7.15 for related performance measures.

* 1. **Provider Payments**

The Contractor is responsible for calculating provider payments and making payment to providers via ACH transfer. Payments shall be calculated according to State business rules, including voucher authorizations, maximum CCDF county reimbursement rates based on child’s age, provider type, and county of residence and amount of attendance time recorded through the remote device. Payment calculation must also consider co-payments and must allow for payment exceptions as authorized by the State.

The Contractor must regularly communicate with the State any updates and issues which affect reimbursements to providers.

The Contractor’s system must have the following functionalities related to payment processing and adjustment:

1. Ability to accurately process payments associated with overnight vouchers and parallel vouchers. Parallel vouchers are multiple vouchers for the same child during the same time period. The child with a parallel voucher may be assigned to one or more providers.
2. Ability to track provider holidays and child personal days, consider these days in payment calculation and communicate the use and balance of these days to families, providers, and the State.
3. Provide a mechanism for an eligible child care provider or Authorized State User to initiate an electronic request for payment adjustment per State directives.
4. Ability to process attendance errors that are identified and corrected according to State policy and procedures after payment has been issued to the provider but within the timeframe allowed. Payments must be recalculated with the attendance adjustment entered and payment must be adjusted as necessary.
5. Ability to make State requested adjustments to the payments including repayments owed, levies, garnishments, or other State ordered monies owed. Reporting of these offsets must be maintained and available to the State and to the provider impacted by an adjustment.
6. Ability to notify the State and providers of the outstanding claim balance. The system must have functionality that allows the State to enter payments received by providers through the State’s Financial Management Division. These payments must be reflected in the outstanding claim balance. The Contractor must follow and monitor compliance with written procedures to meet State and Federal guidelines for identifying overpayments, sending proper notification, collecting outstanding accounts receivable including manual intervention, and calculating interest on overpayments and select account receivables as directed by the State.

Payments will be made to providers via direct deposit on a schedule approved by the State and according to State business rules.

Detailed payment data must be reported and maintained according the State requirements. The payment system must provide a process to reconcile invoices against authorized care and child’s attendance and to reconcile when paid. Reporting must include, but is not limited to, claim and payment history at the system, provider and child level.

The Contractor must provide monthly bank statements and online access to financial information for State monitoring purposes to include the provider disbursement bank account. CCDF and Pre-K program funds must be kept in a separate, unique account.

The Contractor must have the ability to set up multiple fund accounts as required by the State.

The Contractor must execute and perform mass adjustment processing within ten (10) business days of receipt of the request or on the schedule agreed to by the State.

The Contractor must provide and execute quality assurance procedures to ensure that the system calculates, disburses, tracks, and accounts for payments accurately. Please see Section 4.2.9 for quality assurance requirements.

* + 1. **Pre-K-specific Payment Requirements**

The Payment calculation for a Pre-K providers payment is based on total number of hours that program is offered rather than each child’s actual attendance time. Unlike the CCDF voucher program, the Pre-K program does not utilize the rules for Daily and Hourly voucher rate type calculations.

The payment processes for CCDF and Pre-K currently run back-to-back on the same schedule, bi-weekly on a Sunday early in the morning. Please see Bidders’ Library for some information about Pre-K payment rules (Att. J – D.5). ACH deposits are written to the same ACH file in two different batches. Settlement between the State and Contractor currently occur every Tuesday following a payment cycle, and the provider payment ACH deposit file is released to bank network on the Wednesday following the payment cycle.

Adjustments will be separate from voucher adjustments.

* + 1. **Rejected Payments**

The State must be notified within 24 hours of any rejected ACH payment. Payments that cannot be successfully deposited in the provider’s account must be retained by the Contractor in a unique account, and the Contractor must make sufficient efforts to contact the provider and issue the payment. If these attempts are unsuccessful after a 90-day period, the payment amount shall be returned to the State. All accounting and attempts to make payment must be adequately documented for audit purposes.

* + 1. **Erroneous Payments**

The Contractor will be liable for the actual amount of all erroneous payments made using the system that are a result of incorrect Contractor action or inaccurate processing directly attributable to an error or omission on the part of the Contractor. The Contractor will be responsible for all costs associated with correcting the erroneous payments, including costs for re-processing, back-out processing, distribution of corrections and such activities. Additionally, the Contractor will be responsible for any costs associated with system and operations changes related to correcting any errors that caused erroneous payment, including the reasonable costs that the State incurs associated with system and staffing time needed to re-process the erroneous data.

On written notice to the Contractor, the State may offset all such amounts from any payments due to the Contractor under this Contract. With the approval of the State, the Contractor may seek recovery on behalf of the State from providers to whom erroneous payments are made using voluntary refund procedures, offset recovery, or other State- approved methods.

The Contractor must notify the State immediately upon discovery of any erroneous payments, irrespective of cause, and before initiating any recovery action. The Contractor must use the change request process to notify the State of any system errors that result in a potential provider erroneous payment.

If an erroneous payment is made to a provider and that payment is the result of the fault or failure of the Contractor, then the Contractor will be liable for the un-recovered balance of the erroneous payment when full recovery cannot be made using reasonable procedures. The Contractor must notify the State immediately upon discovery of any erroneous payments, irrespective of cause.

The Contractor must pay to the State any portion of an erroneous payment not recouped within six months of discovery. In addition to the amount of any erroneous payments, the Contractor will be liable for interest payments at the then current prime rate, beginning from the date of erroneous payment through the date of payment to the State. The Contractor must make all such payments to the State within seven calendar days after the expiration of the six-month period identified above.

The State will not be liable to the Contractor for any erroneous payments that are not recovered from the providers. The Contractor may only initiate independent recovery procedures and actions with the prior written approval of the State once the Contractor has completed its recoupment process with amounts remaining outstanding. The State will review proposed independent recovery procedures and, if the State believes they are reasonable, the State will provide the Contractor with written approval of them. If the State recovers any erroneous payments for which the Contractor has reimbursed the State, the State Project Representative will notify the Contractor, and the Contractor must then submit a standard State invoice for the returned amount, less expenses incurred by the State during the recovery process.

* + 1. **Forms and Invoices**

The Contractor must generate and provide an IRS tax Form 1099 annually for each child care provider paid during the tax year according to Federal and State regulations, no later than January 31st of each year. The Contractor must also provide a mechanism for the provider to submit an alternate mailing address and an online 1099 print option. Data to complete the 1099 must be compiled using the provider’s validated EIN (or SSN, as appropriate) number. The Contractor must research and respond to Federal and child care provider inquiries concerning 1099 information.

Contractors must create an invoice for FSSA Financial Management for child care provider payment by 3:00 pm on the day following each payment cycle and, no later than 8:00 am on the day prior to making payments, submit to the State a settlement report detailing, by county, the payments to be made. This report shall be the basis for the wire transfer of funds from the State to the Contractor in order to make payment. Contractor must have the ability to receive direct deposit from the State to a Zero Balance Transfer (ZBT) account and produce reports that meet the requirements of the Cash Management Improvement Act of 1990. Payment must be made to providers within 24 hours of the receipt of these funds. Contractor shall report all reconciliation issues between obligations and payments to the State within 24 hours. Failure to meet these standards is subject to damages.

* + 1. **Procedures and Plans**

The Contractor must develop and implement comprehensive written procedures including the documentation of all aspects of the financial management system and specific procedures followed by Contractor’s staff and management team.

The Contractor must supply an emergency plan for State approval within 60 days of contract execution to ensure timely payment to providers, including alternate forms of invoice and payments with a paper check.

* 1. **Reporting Requirements**

The Contractor is responsible for the production of reports as required by the State, including ad hoc reporting and as needed by the State to complete Federal reporting requirements. All reports should be made available both on line and electronically in the format required by the State.

Specific required reports include:

1. Provider Payment Inquiry searchable by EIN/SSN, provider name and settlement date
2. Under-utilized voucher
3. Void, previous and manual transaction reports at the voucher and provider level
4. Monthly Accounts Receivable reports at provider and system level
5. Provider Authorized Vouchers
6. Administrative Terminal Activity
7. 50-day Voucher Inactivity
8. System, Provider and Voucher Level Adjustments
9. Remote Device Activate/Deactivate
10. Remote Device Delivery
11. Swipe Card or ID Number Denial
12. Active Voucher Usage
13. Active Payments
14. County and State Funding Utilization
15. Provider Payment Detail by voucher and provider level
16. Provider Payment History by voucher and provider level
17. Invoice reporting
18. Voucher Zero Activity
19. Settlement Accounting
20. Provider ACH history
21. Voucher Level Payment History
    * 1. **Hourly and Real-Time Reports**

The Contractor must be able to produce batch summary reports of attendance and payment data and transfer to AIS hourly.

The Contractor must provide a system for on-line real time reports of CCDF program participation at the system, provider and child level.

* + 1. **Ad Hoc Reports**

The Contractor must have the ability to provide data and trend reports to the State as needed to maximize the integrity and performance of the CCDF program, including monthly reports that include system, provider and child level data including percentage of authorized hours used, percentage of attendance data entries completed through the remote device at the time of check in and checkout versus time entered through back swipes or adjustment, and other detailed time and attendance data as required by the State.

The Contractor must have the ability to generate reports using multiple variables, including date of service and eligible CCDF child’s name.

* + 1. **Weekly Reports**

The Contractor shall provide weekly payment detail reports at the system, provider and child level in a format that meets State needs. The Contractor must report monthly billing and payable information.

The Contractor must provide detailed weekly remittance advices (electronic and/or hard copy if requested) to providers that include child level detail. The Contractor must produce a monthly summary, by provider, detailing provider payment adjustments made during the month.

* + 1. **Monthly Reports**

The Contractor must provide monthly reports on performance metrics including system availability reports, help desk requirements, equipment installation and repair reports, and payment timeliness and accuracy reporting.

The Contractor must produce and provide to the State a monthly report of rejected electronic payments, including the resolution of said rejection.

The Contractor must produce provider payment accounts receivable balance reports after each pay cycle and make these reports available to the State. Contractor must also provide a monthly statement of individual and aggregate accounts receivable

* + 1. **Other Reports**

The Contractor must produce status reports related to the production and delivery of annual IRS tax form 1099s according to a schedule approved by the State. See Section 7.13.4 on Form and Invoice requirements. A separate IRS Form for Pre-K payments is NOT required. Voucher and Pre-K payments may be combined on a single Form 1099 for each provider.

The Contractor must provide the State with an annual year-end closeout report within State guidelines.

* + 1. **Pre-K-specific Batch Reports**

The following batch reports shall be provided in addition to those specified for the CCDF program:

1. Pre-K Settlement Report (by provider county);
2. Pre-K Provider Payment Detail Report (pdf, csv) (Group by Provider, Case#, Voucher#, Child Name, Payment Amount);
3. Pre-K Voucher Attendance Report (pdf, csv) (Case#, Voucher#, Child Name, Attendance Date);
4. Additional reports as defined during the Design Phase.
   1. **Scope-specific Performance Measures**

The State shall hold the Contractor accountable for performance according to requirements described in Attachment D, Section 4.4. This includes, but is not limited to, performance in accordance with the table of Performance Measures for Scope D (below).

| **#** | **Performance Standard** | **Performance Deficiency** |
| --- | --- | --- |
|  | **Conversion Performance Standards (Applies only if conversion is required)** |  |
| **1** | **Readiness for State User Acceptance Testing (UAT).** The Contractor must meet the timeframe once the start date of the UAT is established and agreed upon by the State. | Failure to begin User Acceptance Testing on the agreed upon date when such failure is caused by the Contractor. |
| **2** | **Database Conversion.** Once the database conversion date(s) are established and approved by the State, the Contractor must complete database conversion as scheduled with a 99% accuracy rate. | Failure to meet the database conversion accuracy rate. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week after conversion. |
| **3** | **Production Readiness.** At start-up, all network, communications, and system features must be ready to go live. | Failure to have all network, communications, and system features go live within the agreed upon timeframes. The Contractor must provide a report or other verifiable proof of meeting this requirement no later than one week after conversion. |
| **4** | **Project Implementation.** The Contractor shall correct any delayed project deliverable related to the implementation of the system within the timeframe agreed to by the parties. | One failure assessed for each instance in which any delayed project deliverable is not corrected within the timeline agreed to by the parties. |
|  | **System Operations** |  |
| **5** | **System Uptime.** The Contractor’s system must be available 99.8% of the time. This includes all system functions under Contractor control, either directly or through a subcontractor and is measured on a monthly basis.  The maximum unscheduled downtime during one episode before back-up systems are engaged is one hour. | One failure assessed for each month the system for collecting time and attendance is available less than 99.9% of the time (excluding scheduled downtime).  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **6** | **Updates, Patches & Repairs.** The Contractor must conduct regression testing to ensure all previous updates, patches and repairs are incorporated in the scheduled release and do not impact operations. | Failure to properly conduct regression testing. |
| **7** | **Host Response Time for Administrative System.**  Administrative System transactions that originate at the administrative terminal located in the State are subject to the requirements for a two-second response time. | Failure to meet host response time for the administrative system transactions 100% of the time as measured each calendar month.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **8** | **EBT Cardholder & Retailer Customer Service Response**  **Total Calls:** 90% of all calls must be answered (by a customer service representative or IVR system-not placed in queue) within 4 rings measured over a calendar month (4 rings are defined as 25 seconds). The remaining ten percent of calls must be answered within 60 seconds.  **IVR:** 99% of all calls for IVR system must be answered within two seconds, and 100% of all IVR menu selections must respond with the correct option within two seconds after menu selection measured over a calendar month.  **CSR:** 98% of all calls for CSRs must be answered within three (3) minutes measured over a calendar month. This requirement applies to both cardholder and retailer customer service help desks. | **IVR**  Failure to answer 99% of all calls for IVR within 2 seconds or failure of IVR to provide menu selections that respond with the correct option within two seconds after menu selection for 100% of the calls, measured over a calendar month.  **CSR**  Failure to answer 98% of all calls to CSRs within 3 minutes measured over a calendar month. The Contractor must provide a report or other verifiable proof of meeting the IVR and CSR requirements by the 10th calendar day of each month. |
| **9** | **Call Abandonment Rate.** Incoming customer service center call abandonment rate shall not exceed 5% of calls for the month. A call is considered abandoned if the caller hangs up after 120 seconds from the end of requesting to speak with a live CSR. | Failure to deliver a call abandonment rate of less than 5% averaged over the month. |
| **10** | **Equipment Installation.** 100% of remote devices shall be installed and operational within ten (10) calendar days of the Contractor’s receipt of the signed Provider enrollment packets. Provider caused delays will not be included. | Failure to deliver 100% of the remote devices within 10 calendar days measured over a calendar month. |
| **11** | **Equipment Replacement/Repair.** 100% of repairs or replacements (as necessary) of remote devices requested by providers will be completed within five (5) calendar days of the request. | Failure to repair/replace 100% of the remote devices within five (5) calendar days of the requests measured over a calendar month. |
| **12** | **Incident Reports.** Incident reports must be provided for every system problem. The incident reports must include the affected areas of the State and programs, date of report, date of incident, reference number, start and end times of the incident, problem type, problem impact summary, detailed description of the problem, cardholder impact, number of affected cardholders, immediate resolution, permanent solution, and who resolved the problem.  Initial incident reports must be provided within 24 hours from the start of the system problem. If the incident report does not include the permanent solution to the incident, that report must be updated every 24 hours to reflect the most current status of the incident until it is resolved. A follow-up incident report must be provided no later than 24 hours after the permanent solution has been defined. | Failure to provide the initial and follow-up incident reports within the specified timeframes.  The Contractor must provide a report or other verifiable proof of meeting this requirement by the 10th calendar day of each month. |
| **13** | **Reports/Files.** Daily reports and files shall be accurate and delivered to the State on the approved schedule.  Monthly reports shall be accurate and delivered to the State on the approved schedule. | One failure assessed for each business day following the deadline for which the reports and/or files are inaccessible to the State. |
| **14** | **Provider Payment – File Delivery.**  100% of payment calculations shall be made correctly as defined by the State approved business rules and data reported to the payment system. | One failure assessed for each payment calculation made incorrectly. |
| **15** | **Provider Payment – ACH Payment Accuracy.**  100% of ACH payments are accurate. | One failure assessed for each inaccurate ACH payment. |
| **16** | **Provider Payment – Payment Execution Period.**  100% of provider payments shall be made within one banking business day of the receipt of funds from the State. | One failure assessed for each instance provider payments are not made within one business banking day of receipt of funds from the State. |
| **17** | **Provider Payment –Adjustment and Claims Period 1.**  90% of all adjustments and claims will be resolved within 30 days of receipt. | One failure assessed for each month less than 90% of all adjustments and claims are resolved within 30 days of receipt. |
| **18** | **Provider Payment –Adjustment and Claims Period 2.**  100% of all adjustments and claims will be resolved within 45 days of receipt unless delay is caused by provider. | One failure assessed for each instance an adjustment or claim is not resolved within 45 days of receipt unless delay is caused by provider. |
| **19** | **Provider Payment – IRS Tax Forms.**  100% of provider IRS tax forms 1099 will be issued in accordance with IRS regulations. | One failure for each instance an IRS tax form 1099 is not issued in accordance with IRS regulations. |

1. For these retailers, the cardholder is not usually present (online) to enter a PIN or current card number at the time of a refund transaction. Instead, the online retailer identifies the specific purchase transaction that will receive a full or partial refund. The FNS-approved secure PIN-entry service provider matches the refund request back to the purchase transaction and ensures that the refunded value does not exceed the original amount. If there are multiple refunds for the dame purchase, the service provider ensures that the total value of all refunds does not exceed the original purchase amount. They deny any excessive refunds. The service provider submits the card number and FNS number from the original purchase transaction in the authorization request to the EBT processor. There may be instances where one or both of these values is no longer valid.

   Because there may be times (e.g., when a large order is cancelled) that a large refund would be warranted. This validation process described provides better controls and therefore is an acceptable replacement for the State-imposed refund limit. [↑](#footnote-ref-1)