

ADPICS NUMBER: N00R4400021

*Maryland’s Human Services Agency*

**STATE OF MARYLAND**

**Department of Human Resources**

**Office of Technology for Human Service**

**311 W. Saratoga Street**

**Baltimore, MD 21201**

**REQUEST FOR PROPOSALS (RFP)**

**FOR**

**Electronic Benefits Transfer SYSTEM AND SUPPORT**

**DHR AGENCY CONTROL NUMBER:**

**OTHS/EBT-14-001-S**

**IMPORTANT NOTICE:** Prospective Offerors who have received this document electronically via *eMaryland Marketplace* or DHR Web Page should immediately contact the Procurement Officer and provide their name, mailing address, and e-mail address in order that communications regarding this RFP can be sent to them. Any prospective Offeror who fails to notify the Procurement Officer with this information assumes complete responsibility in the event that they do not receive communications from the Procurement Officer prior to the closing date.

In order to receive a Contract award, a Contractor must be registered on *eMaryland Marketplace* (eMM). eMM registration is free of charge. The eMM website is<https://emaryland.buyspeed.com/bso/>.

The State of Maryland encourages Minority Business Enterprises to participate in this procurement process.

NOTICE TO OFFERORS: Questions or concerns regarding the MBE requirements of this solicitation must be raised before the receipt of initial Proposals.

Issued: **March 21, 2014**

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Maryland’s Human Services Agency

KEY INFORMATION SUMMARY SHEET

STATE OF MARYLAND

Request for Proposals

Electronic Benefits TRANSFER System and Support

DHR AGENCY CONTROL NUMBER:

**OTHS/EBT-14-001-S**

**RFP Issue Date: e-Maryland Marketplace –*March 21, 2014***

**DHR Webpage – *March 21, 2014***

**RFP Issuing Office: Department of Human Resources**

**Office of Technology for Human Services**

**Procurement Officer: Keosha S. Hall**

Procurement Officer

Office: 410-767-3390  
Fax: 410-333-0258

[keosha.hall@maryland.gov](mailto:keosha.hall@maryland.gov)

**Proposals are to be sent to: DHR**

**Procurement Division**

**311 W. Saratoga Street**

**Baltimore, MD 21201**

**Pre-Proposal Conference: DHRIS/OTHS**

**1100 Eastern Boulevard**

**Essex, MD 21221**

**Closing Date/Time: *June 20, 2014 at 4 p.m. EST***

STATE OF MARYLAND

NOTICE TO VENDORS/CONTRACTORS

To help us improve the quality of State solicitations, and make our procurement process more responsive and “business friendly,” we ask that you take a few minutes to complete this form. Please return your comments via fax or email to the Issuing Office see Section 1.2, with your bid, proposal or “no bid” as the case may be. Thank you for your assistance.

Proposal Number **OTHS/EBT-14-001-S** entitled **Electronic Benefits Transfer System and Support**

I. If you are not bidding, please indicate why:

[ ] Other commitments preclude our participation at this time.

[ ] The subject of the Contract is not in our business line.

[ ] We lack experience in the work / commodities required.

[ ] The scope of work is beyond our current capacity.

[ ] We cannot be competitive. (Please explain in REMARKS section below)

[ ] The specifications are either unclear or too restrictive. (Please explain in REMARKS section below)

[ ] Proposal requirements, other than the specifications, are unreasonable or too

risky. (Please explain in REMARKS section below)

[ ] Time for completion is insufficient.

[ ] Bonding/Insurance requirements are prohibitive. (Please explain in REMARKS section below)

[ ] Doing business with Government is simply too complicated.

[ ] Prior experience with State of Maryland Contracts was unprofitable or otherwise unsatisfactory. (Please explain in REMARKS section below)

[ ] Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

II. Please explain your response further, offer suggestions, or express concerns. (Use the back for additional information.)

REMARKS:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

OPTIONAL

Contractor Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address or email:­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SECTION I. OBJECTIVE OF REQUEST FOR PROPOSALS

## Summary Statement

The Department of Human Resources (Department or DHR) is the principal State Agency responsible for Social Services in Maryland. The Department’s Office of Technology for Human Services (OTHS) maintains a secure web based Electronic Benefits Transfer System (EBT) in order to implement its Temporary Cash Assistance (TCA) and Supplemental Nutritional Assistance Programs (SNAP) to DHR’s customers. Therefore, EBT is one of DHR’s mission-critical systems. It serves as the gateway mechanism through which over 300,000 Maryland households access SNAP benefits and over 40,000 access cash benefits. The successful Contractor shall have substantial experience in implementing and managing financial systems such as EBT, financial network services or transaction processing systems.

Only one Contract will be awarded as the result of this RFP, see **Attachment D Standard Services Contract**. The Contract will be awarded for a period of five (5) years with two 2-year options to be exercised at the sole description of the State. The EBT services require large information technology web tool support, which includes: equipment, software, telecommunications, service access, card production and issuance, card distribution, hosting transaction processing, fraud protection, training, call center management, and help desk support. The successful Contractor shall also be responsible for enhancements to operational performance, improvements in baseline functionality, optimization of system software and network communications, improved customer service, security strengthening, performance optimization and reductions in service delivery costs.

## Issuing Office

The sole point of contact in the State for purposes of this RFP is the Procurement Officer at the issuing office presented below:

**Keosha S. Hall**

Procurement Officer

Department of Human Resources

311 W. Saratoga Street

Baltimore, Maryland 21201

Office: 410-767-3390  
Fax: 410-333-0258

[keosha.hall@maryland.gov](mailto:keosha.hall@maryland.gov)

The Procurement Officer may be changed at any time by written notice to the Contractor.

## Pre-Proposal Conference

A Pre-Proposal Conference will be held on or about April 2, 2014 beginning at 10 a.m. EST at DHRIS/OTHS 1100 Eastern Boulevard, Essex, MD 21221.

Attendance is not mandatory, but may facilitate the Offeror’s understanding and ability to meet the State’s Minority Business Enterprise (MBE) goals.

In order to assure adequate seating and other accommodations at the Pre-Proposal Conference, it is requested that by March 27, 2014 all potential Offerors planning to attend call the Procurement Officer (ref. Section 1.2 Issuing Office) or send in **Attachment Z, Pre-Proposal Conference Response Form**. In addition, if there is a need for sign language interpretation and/or other special accommodations due to a disability, provide at least 5 days notice of such need and DHR will make reasonable efforts to provide such special accommodation. Directions to the Pre Proposal conference are shown in **Attachment AA, Pre-Proposal Conference Directions**.

The Pre-Proposal Conference will be transcribed. As promptly as is feasible subsequent to the Pre-Proposal Conference, a copy of the transcript of the Pre-Proposal Conference, a summary of the Pre-Proposal Conference (Conference Agenda) and all questions and answers known at that time will be made available to all prospective Offerors known to have received a copy of this RFP, free of charge, via *eMaryland Marketplace,* [**https://emaryland.buyspeed.com/bso/**](https://emaryland.buyspeed.com/bso/)and the DHR web page,[**www.dhr.state.md.us**](http://www.dhr.state.md.us).

## Electronic Procurement Authorization

1. The following transactions are authorized to be conducted by electronic means on the terms described. “Electronic means” refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes facsimile, electronic mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g. eMarylandMarketplace.com), and electronic data interchange.
2. The Procurement Officer may conduct the procurement using *e-Maryland Marketplace*, DHR web page, e-mail or facsimile to issue:
3. the solicitation (e.g. the RFP);
4. any amendments;
5. pre-proposal conference documents;
6. questions and responses;
7. communications regarding the solicitation or proposal to any Offeror including requests for clarification, explanation, or removal of elements of an Offeror's Proposal deemed not acceptable;
8. notices of award selection or non-selection; and
9. the Procurement Officer’s decision on any protest or Contract claim.
10. An Offeror or potential Offeror may use e-mail or facsimile to:
11. ask questions regarding the solicitation;
12. reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer's request or direction to reply by e-mail or facsimile, but only on the terms specifically approved and directed by the Procurement Officer;
13. request a debriefing; or
14. submit a “No Proposal” response to the solicitation.
15. The Procurement Officer, the State Project Manager and the Contractor may conduct day-to-day Contract administration, except as outlined in Section B of this subsection utilizing e-mail, facsimile or other electronic means if authorized by the Procurement Officer or State Project Manager.
16. The following transactions related to this procurement and any Contract awarded pursuant to it are *not authorized* to be conducted by electronic means:
17. submission of initial proposals;
18. filing of protests;
19. filing of Contract claims;
20. submission of documents determined by DHR to require original signatures, e.g. Contract execution, Contract modifications, etc.); or
21. any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor or Offeror be provided in writing or hard copy.
22. Any facsimile or electronic mail transmission is only authorized to the facsimile numbers or electronic mail addresses for the identified person(s) as provided in the RFP, the Contract, or at the direction from the Procurement Officer or State Project Manager.

## Questions and Inquiries

All questions shall be submitted to the Procurement Officer only, preferably via email. Answers applicable to all Offerors will be distributed to all Offerors who are known to have received a copy of the RFP, posted on the Department’s website and *eMaryland Marketplace*.

Answers can be considered final and binding only when they have been answered in writing by the State.

Should a potential Offeror identify alleged ambiguities in the specifications or Contract provisions included in the RFP, or should there be doubt as to the meaning or intent of any section or subsection herein, the potential Offeror shall request clarification from the Procurement Officer prior to the Proposal due date. Failure to do so may prevent consideration of a future protest (see COMAR 21.10.02.03).

## Closing Date

Proposals are due to the Procurement Officer no later than June 20, 2014 at 4 p.m. (ref. **Key Information Summary Sheet)**. Requests for extension of this date or time will not be granted. Offerors mailing Proposals shall allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02, Proposals or unsolicited amendments to Proposals received by the Procurement Officer after the due date and time will not be considered.

Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in this section for receipt of Proposals.

**Oral, electronic mail or facsimile Proposals will not be accepted.**

## No Proposal Statement

Offerors not responding to this solicitation are requested to complete and submit the Notice to Vendors/Contractors form that includes the company information and the reason for not responding, e.g., too busy, cannot meet mandatory requirements, etc. This form is located immediately after the Key Information Summary Sheet.

## Duration of Proposal Offer

The content of this RFP and the Proposal of the successful Offeror will be included by reference in any resulting Contract. All prices, terms and conditions in the Proposal shall remain fixed and valid for **180** days after the closing date for receipt of Proposals or the closing date for receipt of Best and Final Offers (if requested), or the date any protest concerning this RFP is finally resolved. This period may be extended by written mutual agreement between the Offeror and the requesting Department. Any Offeror opposing the duration timeline shall send a letter to the Procurement Officer stating the reasons.

## State Project Manager

The State Project Manager for this Contract is:

**Joe May**

Electronic Benefits Transfer Director

Department of Human Resources

Office of Technology for Human Services

1100 Eastern Boulevard

Essex, MD 21221

Office: 410-238-3563  
Fax: 410-238-3569

[joe.may@maryland.gov](mailto:joe.may@maryland.gov)

After Contract award, this person will serve as the primary point of contact for the Contractor in regards to the Contract resulting from this RFP. However, for certain Contract related actions; the Procurement Officer may communicate with the Contractor. In the event the State Project Manager is unavailable for an extended period of time, the secondary point of contact is:

**Kenyatta Powers**

Chief Information Officer

Department of Human Resources

Office of Technology for Human Services

1100 Eastern Boulevard

Essex, MD 21221

The State Project Manager and secondary point of contact may be changed at any time by written notice to the Contractor.

## Glossary of Terms

| **Term or Acronym** | **Description** |
| --- | --- |
| ACH | Automated Clearing House. A network and format governing electronic financial transactions. |
| Active/Billable Case | A single case for which one or more financial transactions have been posted during the billing month for one or more programs. |
| ADA | Americans with Disabilities Act |
| ADP | Automated Data Processing |
| ASAP | Automated Standard for Application Payments |
| Administrative Terminal | An input/output device to be made available to local agencies and designated State and Federal Offices. The device will perform the functions of standard data terminal equipment for communication to and from the Contractor’s web-based EBT System. |
| ANSI | American National Standards Institute |
| ATM | Automated Teller Machine |
| Authorized Representative | An individual designated by a customer to have access to his or her benefits. |
| BAFO | Best and Final Offer |
| Balance Inquiry | A non‑financial transaction that permits the customer to obtain the amount of benefits in food supplement and cash accounts. |
| BIN | Bank Identification Number. The number assigned by the American Bankers Association that is required for electronic interchange. |
| CARES | Client Automated Resource Eligibility System |
| CFR | Code of Federal Regulations |
| CIS | Client Information System |
| COMAR | Code of Maryland Regulations |
| Concentrator Bank | The bank where the settlement money is sent. Currently both food supplement and cash settlements are sent to one account. This same account is used to settle with the banks/retailers doing business with our customers. |
| Contract | The agreement (the form of which is at Attachment D) to be entered into between the Department and the Contractor at the conclusion of this solicitation. |
| Contractor | The successful Offeror to whom the Contract is awarded to perform services specified in the RFP at the prices quoted in its Proposal. |
| CPCM | Cost Per Case Month (CPCM) |
| CPU | Central Processing Unit |
| CSES | Child Support Enforcement System |
| CSR | Customer Service Representative |
| Customer | Any person who receives assistance benefits from DHR. |
| DBA | Database Administrator |
| DBMS | Database Management System |
| Department/DHR | Department of Human Resources of the State of Maryland |
| DGS | Department of General Services. An agency within the State of Maryland. |
| Direct Deposit | The process that results in electronic depositing of funds into a customer’s checking or savings account. |
| DHRIS | Department of Human Resources Information System |
| Dormant Account | A benefit account not accessed by the customer by debit transaction for 180 calendar days or longer. |
| EBT | Electronic Benefits Transfer (EBT) |
| EBT Processor | The company that actually carries out the ACH transaction on behalf of another company or government agency. |
| EFT | Electronic Funds Transfer |
| EPEAT | Electronic Product Environment Assessment Tool |
| FNS | Food and Nutrition Service. A subdivision of the United States Department of Agriculture that has administrative responsibility for the Supplemental Nutrition Assistance Program. |
| FMS | Financial Management Service. A division of the United States Department of Treasury. |
| ISO | International Standards Organization |
| IVRS | Interactive Voice Response System |
| LAN | Local Area Network |
| LDSS  Manual Transaction | Local Department of Social Services  An alternative method for accessing benefits. |
| MBE | Minority Business Enterprise |
| NACHA | Electronic Payments Association, formerly the National Clearing House Association |
| NTE | Not To Exceed |
| NTP | Notice to Proceed |
| Offeror | An entity that submits a Proposal in response to this RFP |
| OIG, USDA | The Office of Inspector General, United States Department of Agriculture |
| OTHS | The Office of Technology for Human Services, a unit within the Department. |
| PAN | Primary Account Number |
| PIN | Personal Identification Number |
| PMBOK | Project Management Institute (PMI) Project Management Body of Knowledge |
| POS | Point of Sale Terminal |
| Proposal | An Offeror’s response to the RFP. |
| QA/QC | Quality Assurance/Quality Control |
| Quest | Uniform operating rules that govern the EBT environment nationwide. |
| Retailer | A Supplemental Nutrition Assistance Program certified retailer. |
| RFP | Request for Proposal |
| SDLC | System Development Life Cycle |
| SSAE No.16 | Statement on Standards for Attestation Engagements Audit |
| SNAP | Supplemental Nutrition Assistance Program. A federal program that provides food assistance for individuals and families that meet the eligibility requirements. |
| SOC | Service Organization Control |
| STO | State Treasurer’s Office |
| TANF | Temporary Assistance to Needy Families. A Federal program that provides cash assistance to families with minor, dependent children residing in the household. |
| TCA | Temporary Cash Assistance. The State equivalent to the TANF program. |
| TPP Agreement | Third Party Processor Agreement |
| USDA | United States Department of Agriculture |
| VSBE | Veterans Small Business Enterprise |

## Governing Rules and Regulations

Contractor shall comply with all rules and regulations applicable to its activities and obligations under the Contract, including but not limited to:

1. Quest Operating Rules, Version 2.0 (December 2008) (as revised), https://www.nacha.org/s/quest/-operatingrules.html
2. USDA Food and Nutrition Services, SNAP Regulations, CFR Title 7 and the following additional SNAP and EBT websites and reference materials:
3. http:/www.ecfr.gov
4. http://www.fns.usda.gov/snap/ebt

**NOTE: All EBT regulatory citations changed as of June 11, 2010, per the *SNAP Regulation Restructuring: Issuance Regulation Update and Reorganization to Reflect the End of Coupon Issuance Systems* Direct, 75 CFR Part 18377 (April 12, 2010). References in this RFP are to the 7 CFR Part 274 and the revised numbering scheme.**

1. Corresponding Federal regulations, 7 CFR Parts 274, 277, and 278.5.
2. Statement on Standards for Attestation Engagements (SSAE) No. 16, Service Organization Control (SOC 1 and 2), requiring that States with EBT systems ensure an examination of their EBT transaction processing is conducted at least annually, 7 CFR § 274.1(i)(2).
3. Adjustment Rule revising SNAP regulations pertaining to a State agency's ability to make adjustments to a household's account in an EBT system. 7 CFR § 274.7(c).
4. Interoperability Rule implementing legislation requiring interoperability of SNAP EBT systems and portability of electronically-issued benefits nationwide,7 CFR § 274.8(b) (10).
5. EBT Welfare Reform Rule implementing EBT provisions of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), 7 CFR Part 274.

8. EBT issuance system approval standards,7 CFR § 274.8.

1. SNAP Reauthorization regulations pertaining to the standards for approval of EBT systems, the participation of retail food stores and wholesale concerns, and State agency liabilities and Federal sanctions, www.fns.usda.gov/snap/ebt/.
2. Information Reporting for Payments Made in Settlement of Payment Card and Third Party Network Transactions I.R.S. 26 CFR Parts 1, 3, and 301.
3. Middle Class Tax Relief and Job Creation Act of 2012,Spending Policies for Assistance under State TANF Programs, Public Law 112-96, 126 Stat. 156(2012)**,** Title IV **§** 4004.
4. State of Maryland Information Security Policy V 3.1(**Attachment V**): <http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>
5. DHR’s System Development Life Cycle Methodology:<http://doit.maryland.gov/SDLC/COTS/Pages/Phase01Multiple.aspx>
6. FNS Handbook 901, Advanced Planning document Handbook, August 2007 http://www.fns.usda.gov/apd/Handbook\_901/HB901\_2007.htm
7. The approved waivers to the Federal SNAP regulations are listed below:
8. Retailer Participation, 7 CFR § 274.3(b) - Waiver so that POS deployment is not required for retailers with redemptions less than $100 per month.
9. Fees for POS Installation, 7 CFR § 274.3(a)(2) - Waiver to allow Contractor to charge retailers a fee to re-install a POS device that was originally installed at government expense.
10. Retailer Initiated Debit Adjustments, 7 CFR § 274.2(g)(2)(ii) - Waiver for "no hold" to be placed on a client’s SNAP EBT account balance for the amount of the retailer-initiated debit adjustment.
11. PIN Selection via IVRS, 7 CFR § 274.8(b)(3)(ii) (c) - An initial request to waive PIN encryption from the point of entry and using an IVRS for PIN selection via touch-tone phone.

**NOTE**: DHR has made every effort to ensure all referenced material sited is accurate and complete; however, at the time of this release, information provided may be out-of-date. Contractor shall keep current and is responsible for independently verifying the accuracy of the latest revisions.

If there is a conflict within the governing regulations and guidelines regarding a specific standard, DHR, in consultation with the Contractor, will determine the appropriate standard. The final decision will remain with DHR.

SECTION II. GENERAL INFORMATION

1. Purpose

The overall purpose of this RFP is to provide information to Offerors interested in preparing and submitting Proposals to meet the requirements for providing a secure web-based EBT system in order to deliver Cash and SNAP benefits to DHR’s customers through ATMs and POS devices.

1. Revisions to the RFP

If it becomes necessary to revise this RFP, amendments will be provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments made after the due date for Proposals will be sent only to those Offerors who submitted a timely Proposal.

The Transmittal Letter accompanying an Offeror’s Proposal must contain an acknowledgement of all amendments to this RFP issued prior to the Proposal due date. Acknowledgement of the receipt of amendments to the RFP issued after the Proposal due date shall be in the manner specified in the amendment notice. Failure to receive or acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

1. Cancellation of the RFP

The State may cancel this RFP, in whole or in part, whenever this action is determined to be fiscally advantageous to the State or otherwise in the State’s best interest. If the RFP is canceled, a notice of cancellation will be provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP.

1. Acceptance of Proposal and Terms and Conditions

The State reserves the right to accept or reject any and all Proposals, in whole or in part, received in response to this RFP, or to waive or permit cure of minor irregularities to serve the best interests of the State of Maryland.

By submitting a Proposal in response to this RFP, an Offeror shall be deemed to have accepted all the terms, conditions, and requirements set forth in this RFP unless otherwise clearly noted and explained in its Proposal as an attachment to the Transmittal Letter as required in Section 4.2, Volume 1-Technical. A Proposal that takes exception to these terms may be rejected.

1. Additional Information

Offerors who submit Proposals may be required to provide additional information orally or in writing or to submit to a site inspection by State representatives in order to clarify or document their Proposals.

1. Incurred Expenses

The State will not be responsible for any costs incurred by any Offeror in preparing and submitting a Proposal in response to this RFP, including making an oral presentation, holding discussions, making a presentation or conducting an on-site inspection.

The State will not be responsible for any expenses incurred by any Contractor due to changes or mandates in Federal and State laws and regulations once awarded..

1. Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's Proposal for meeting the requirements of this RFP.

1. Alternate Proposals

An Offeror shall not submit an alternate Proposal in response to this RFP.

1. Multiple Proposals

An Offeror shall not submit more than one Proposal in response to this RFP.

1. State Supplied Services and Facilities
2. The State will provide the space for the Contractor’s personnel necessary to perform the agreed upon work during the Transition-In Period only at the below location:

Department of Human Resources Information Systems Center

1100 Eastern Boulevard

Essex, Maryland, 21221

The Contractor’s personnel are required to abide by the State’s policies, procedures and security guidelines when visiting State facilities, see Section 3.33, State Facility Security.

1. The State will make available the following items for the Contractor’s staff during the Transition-In Period:
2. Identification badges – Cost associated with background checks, application procedures, and replacement badges will be the responsibility of the Contractor.
3. A work space with:

* Office furniture (desks and chairs)
* Telephone and fax equipment (local use only)
* Networked printer(s)
* Internet Service

Unless otherwise determined by the State Project Manager, the Contractor shall provide its own computer or laptop. Contractor equipment shall meet or exceed DHR’s standards for virus protection and security and shall be compatible with the DHR’s software and operating environment. Contractor may be required to submit its laptop for DHR inspection. The Contractor shall comply with and adhere to the **Attachment V,** **State of Maryland Information Security Policy V3.1**.

1. DHR will also provide space for training of its staff. Hands on training for up to 75staff can be conducted at DHRIS, 1100 Eastern Blvd., Baltimore MD in multiple training sessions. DHR will make other training facilities available to the Contractor for training.
2. Working Hours and Location

The Contractor shall obtain space with which to house its primary EBT facilities, to include space, equipment, and supplies for all personnel to perform duties as needed. The Contractor’s facility shall be located within the continental United States and be operational 7 days a week, 24 hours a day and 365 days per year.

DHR has sufficient staff available to support this project. However, Proposals shall be based on the requirements of this RFP, with minimal DHR technical staff assistance. The presence or lack of DHR resources will not be considered as justification for the selected EBT Contractor’s failure to complete Deliverables and satisfy the requirements of this RFP.

1. Inspection

The State Project Manager, employees, agents, or representatives may visit the Contractor’s primary facility, or any other place where the services are being performed, announced or unannounced. Further, the State Project Manager, employees, agents or representatives shall have access, upon one day notice, to interim drafts of Deliverables or work-in-progress. Upon one day’s notice, DHR’s representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed. Any expenses incurred by State personnel or representatives for on-site inspections will be borne by DHR.

1. Contract Term

The Contract awarded as a result of this solicitation shall be for a period of five years (Base Period), which includes a one year Transition-In Period. The Contract also contains two, 2-year options exercisable at the sole discretion of the State.

1. Multi-Year Contract
2. This is a multi-year Contract. The required services as provided for in Section III Specifications shall be provided for the entire Contract period.

Cost per Case month (CPCM) pricing shall be given for the service and the CPCM shall not increase throughout the term of the Contract. This represents the fixed price to deliver the specified category of services to an Active Case for one month.

1. The multi-year Contract shall be canceled automatically if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the first. Funding for any Contract resulting from this RFP is dependent upon appropriations from the Maryland General Assembly, the Federal government, and/or USDA.
2. The Procurement Officer will notify the Contractor in a timely manner if the funds are not available for the continuation of the Contract for each succeeding fiscal period.
3. Options

The Contract contains two 2-year options to renew at the sole discretion of the Department. Options, if exercised, shall contain the same terms and conditions as the Base Period of the Contract.

The Contractor shall include pricing to reflect option periods as provided in **Attachment A, Pricing Proposal.**

1. Bid/Proposal Affidavit

The **Attachment B, Bid/Proposal Affidavit** shall be completed by all Offerors responding to this RFP and submitted with the Technical Proposal. This Affidavit includes commercial nondiscrimination, minority business enterprise, anti-bribery, non-collusion, debarment, and tax payment affirmations.

1. Corporate Registration

All corporations doing business in Maryland are required by law to be registered with the State of Maryland, Department of Assessments and Taxation, Comptroller’s Office as well as with the Department of Labor, Licensing and Regulation and shall have a resident agent. The resident agent shall be either an individual (not the corporation itself) with an address within the boundaries of Maryland or a corporation which represents other corporations as a resident agent.

Any potential Offeror who is not sure of resident/foreign corporate status is advised to contact the Maryland Department of Assessments and Taxation, at 410-767-1340. It is strongly recommended that any potential Offeror be completely registered prior to the due date for receipt of Proposals. **An Offeror’s failure to complete registration with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.**

1. Compliance with Law

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, agrees that it will comply with all Federal, State, and local laws and regulations applicable to its activities and obligations under the Contract. By submitting a Proposal in response to the RFP, the Offeror shall be deemed to represent that it is not in arrears in the payment of any obligation due and owing the State of Maryland or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and if selected for award, that it shall not become so in arrears during the term of the Contract. It is understood and agreed that Contractor shall comply with the following Federal laws:

1. Drug-free Workplace regulations, 7 CFR § 3021
2. Clean Air, Clean Water, and EPA regulations, 7 CFR § 277.14(j)(8)
3. Electronic Benefit Transfer Issuance System Approval Standards, 7 CFR § 274.1
4. Copeland “Anti-Kickback” Act, 18 U.S.C. 874
5. Americans with Disabilities Act, 42 U.S.C. 12101, et seq.
6. Anti-Lobbying laws, 45 CFR § 93
7. Union Based Wages, 7 CFR § 277.14(j)(5)
8. Equal Opportunity, 7 CFR § 277.14(j)(3)

Due to revisions to the Internal Revenue Service (IRS) tax code, the EBT vendor shall create and distribute IRS-1099 forms to EBT-only retailers and third party processors (TPP) that perform more than 200 transactions totaling $20,000 or more during any calendar year. Offerors may find the requirements at 26 CFR Parts 1, 31 and 301, “Information Reporting for Payments Made in Settlement of Payment Card and Third Party Network Transactions”.

1. Contract Affidavit

The **Attachment C, Contract Affidavit** shall be completed and submitted by the selected Offeror when notified of recommendation of award. This affidavit includes the financial, political and drug and alcohol free work place affirmations and a reaffirmation of the Bid/Proposal Affidavit. This Affidavit shall be provided within ten (10) business days of notification of proposed Contract award.

1. Public Information Act Notice

Offerors shall give specific attention to the identification of those portions of their Proposals that they deem to be confidential, proprietary information or trade secrets and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination as to whether the information shall be divulged to the party. **A blanket statement declaring the entire Proposal confidential is not acceptable.**

1. Document Ownership

In the event of Contract award, all data and documentation produced as part of the Contract will become the exclusive property of the Department and may not be removed by an employee of the Contractor or subcontractor(s) or used, sold, reproduced or duplicated in any way for any purpose by the Contractor or subcontractor(s) without the written permission of the Department. Technical Proposals received from Offerors in response to this RFP and the corresponding Financial Proposals from qualified Offerors will become the property of the Department, and will not be returned to the Offeror except as otherwise provided in Section 5.3, Qualifying Proposals.

1. Procurement Method

This procurement is being conducted in accordance with COMAR Title 21.05.03, Procurement by Competitive Sealed Proposals.

1. Contract Type

The Contract that results from this RFP shall be an indefinite quantity firm fixed-price Contract per COMAR 21.06.03.02(A), that includes a time and material component per COMAR 21.06.03.05.

1. Payment Terms/Billing
2. The successful Contractor shall bill the Department ***monthly,*** by the 15th calendar day of the following month (e.g., June’s invoice shall be submitted by the 15th of July). The Contractor shall provide a monthly invoice for all work performed to the State Project Manager, electronically and in hard copy. One hard copy will be provided with original signatures.
3. Each invoice shall include an **Attachment BB, Agency Acceptance of Deliverable Form (AADF)**.Payment for each invoice will be made after acceptance of the Deliverable, as determined by the State Project Manager. SeeSection 3.27, Deliverables.

C. Invoices submitted without the required information will not be processed for payment until the Contractor provides the required information and will not be accepted by DHR until such time as the required information is provided.

Invoices shall be addressed to:

Joe May

EBT Director

Department of Human Resources

Office of Technology for Human Services

1100 Eastern Boulevard

Essex, MD 21221

[joe.may@maryland.gov](mailto:joe.may@maryland.gov)

The monthly invoice shall include, at a minimum, the following:

1. Name and Address of the Contractor
2. Contractor Assigned Account Number
3. Agency Acceptance of Deliverable Form
4. Invoice number and date
5. Billing period/service period
6. Description of services provided
7. Total current charges
8. Remittance address, ship to and sold to address
9. Telephone number or contact name, email, and phone number for billing inquiries
10. Federal Identification Number
11. All original signatures and date
12. SLA Reports/Metrics
13. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, are prohibited. The final payment under the Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.
14. In the event the Contractor does not provide the Department with all required Deliverables within the time frame specified, fails to perform in a satisfactory manner, or otherwise materially breaches the terms and conditions of the Contract, the Department reserves the right to reduce or withhold Contract payment until such time as the Contractor meets performance standards as established by the Procurement Officer pursuant to this Contract.
15. Electronic Funds Transfer (EFT)

Electronic funds transfer will be used by the State to pay Contractor for this Contract and any other State payments due Contractor unless the State Comptroller’s Office grants Contractor an exemption. Upon notification of selection for award, the selected Offeror shall register using the attached form COT/GAD X-10, see **Attachment E, Vendor Electronic Funds Registration (EFT) Request Form**. If your organization has previously registered for EFT with the Comptroller’s Office, unless there has been a change, there is no need to re-register. If previously registered, indicate that information on the COT/GAD X-10 form and return the form to the Procurement Officer upon notification of selection for award. Any request for exemption must be submitted to the State Comptroller’s Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

1. Contract Award

Award of a Contract, if any, will be subject to appropriate Federal and State approvals. The Contract shall be awarded to the qualified Offeror whose Proposal is determined to be most advantageous to the State based on the results of the Technical and Financial evaluations.

1. e-Maryland Marketplace (eMM) Registration

eMM is an electronic commerce system administered by the Maryland Department of General Services. In addition to using DHR’s website ([www.dhr.state.md.us](http://www.dhr.state.md.us)) for transmitting the RFP and associated materials, the summary of the Pre-Proposal Conference, Offeror’s questions and the Procurement Officer’s responses, and addenda will be provided via eMM.

In order to receive a Contract award, a Contractor shall be registered on *eMarylandMarketplace*. Registration is free. Go here to register: [**https://emaryland.buyspeed.com/bso/**](https://emaryland.buyspeed.com/bso/). Click on "Registration" to begin the process and follow the prompts.

**NOTE: *eMaryland Marketplace* registration is active for one year and must be active at the time of Contract award.**

1. Protests

An Offeror may protest the proposed award or the award of a Contract for this procurement. Any protest must be filed in accordance with Title 15, Subtitle 2 of the State Finance and Procurement Article, Annotated Code of Maryland, and COMAR 21 (State Procurement Regulations), Subtitle 10, Administrative and Civil Remedies.

1. Minority Business Enterprise (MBE)

MBEs are encouraged to respond to this solicitation.

1. Minority Business Enterprise Participation

An Offeror shall structure its procedures for the performance of the work required in this Contract to attempt to achieve the MBE goal stated in this RFP. MBE performance must be in accordance with the MBE requirements as authorized by COMAR 21.11.03. Contractor agrees to exercise all good faith efforts to carry out the MBE requirements set forth in this RFP.

1. Minority Business Enterprise Participation Goal(s) and Sub-Goal(s)

A MBE subcontract participation goal of **10%** of the total Contract dollar amount has been established for this procurement. By submitting a response to this solicitation, the Offeror agrees that this dollar amount of the Contract will be performed by MBEs.

1. Minority Business Enterprise Participation Requirements
2. DEFINITIONS

As used in this Solicitation, the following words have the meanings indicated.

1. “Certification” means a determination made by the Maryland Department of Transportation that a legal entity is a Minority Business Enterprise.
2. “MBE Liaison” is the employee designated to administer this Department’s MBE program.
3. “Minority Business Enterprise” or “MBE” means any legal entity, other than a joint venture, organized to engage in commercial transactions, that is:
4. At least 51-percent owned and controlled by one or more individuals who are socially and economically disadvantaged; and
5. Managed by, and the daily business operations of which are controlled by, one or more of the socially and economically disadvantaged individuals who own it. A Minority Business Enterprise also includes a not-for-profit entity organized to promote the interests of physically or mentally disabled individuals. A MBE shall be certified in order to participate in the Department’s MBE program.
6. CONTRACTOR’S RESPONSIBILITIES

1. Offerors agree to exercise all good faith efforts to carry out the requirements set forth in this Solicitation. An Offeror shall:

1. Identify specific work categories within the scope of the procurement appropriate for subcontracting.
2. Solicit minority business enterprises in writing at least 10 days before proposals are due, describing the identified work categories and providing instructions on how to bid on the subcontracts.
3. Attempt to make personal contact with the MBEs solicited and to document these attempts.
4. Assist MBEs to fulfill, or to seek waiver of, bonding requirements.

2. Each prime Contractor given solicitation documents as part of procurement under the MBE subcontract method can obtain the electronic version of the MBE Directory at [www.mdot.state.md.us](http://www.mdot.state.md.us) for purposes of soliciting subcontract quotations, bids, or offers from certified MBEs.

3. A minimum certified MBE participation goal has been established for this procurement (see Section 2.30, Minority Business Enterprise Participation Goals and Sub Goals). Contractor agrees that at least this amount of the Contract will be performed by certified MBEs.

1. SOLICITATION AND CONTRACT FORMATION
2. An Offeror shall include with its offer a completed **Attachment F, MDOT Certified MBE Utilization and Fair Solicitation Affidavit,** whereby the Offeror:
3. acknowledges the certified MBE participation goal or requests a waiver, commits to make a good faith effort to achieve the goal, and affirms that MBE subcontractors were treated fairly in the Solicitation process; and
4. responds to the expected degree of Minority Business Enterprise participation as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of submission. An Offeror shall specify the price and/or the percentage of Contract value associated with each MBE subcontractor identified on the MDOT Certified MBE Utilization and Fair Solicitation Affidavit.

**If an Offeror fails to submit Attachment F with its Proposal as required, the Procurement Officer shall determine that the offer is not reasonably susceptible of being selected for award.**

1. Within ten (10) working days from notification that it is the apparent awardee or from the date of the actual award, whichever is earlier, the apparent awardee shall provide the following documentation to the Procurement Officer:
2. **Attachment G, Outreach Efforts Compliance Statement**
3. **Attachment H, Subcontractor Project Participation Certification**
4. If the apparent awardee believes a waiver (in whole or in part) of the overall MBE goal or of any sub goal is necessary, a fully documented waiver request (see D below) that complies with COMAR 21.11.03.11; and
5. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the certified MBE participation goal.

**If the apparent awardee fails to return Attachment G and Attachment H within the required time, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for Contract award. If the Contract has already been awarded, the award is voidable**.

1. WAIVER

If for any reason, an Offeror is unable to achieve the Contract goal for certified MBE participation, an Offeror may request, in writing, a Waiver to include the following:

1. A detailed statement of the efforts made to select portions of the work proposed to be performed by certified MBEs in order to increase the likelihood of achieving the stated goal;
2. A detailed statement of the efforts made to contact and negotiate with certified MBEs including:
3. The names, addresses, dates and telephone numbers of certified MBEs contacted;
4. A description of the information provided to certified MBEs regarding the plans, specifications, and anticipated time schedule for portions of the work to be performed;
5. As to each certified MBE that placed a subcontract quotation or offer that an Offeror considers not to be acceptable, a detailed statement of the reasons for this conclusion;
6. A list of minority subcontractors found to be unavailable. This list should be accompanied by **Attachment ­I**, **Minority Contractor Unavailability Certificate** signed by the minority business enterprise or a statement from an Offeror that the minority business refused to give the written certification;
7. The record of the apparent successful Bidder's or Offeror's compliance with the outreach efforts required under Regulation .09C(2)(a)—(e) of this chapter; and
8. If the request for a waiver is for a certain MBE classification within an overall MBE goal, the Bidder or Offeror shall demonstrate reasonable efforts to meet the overall MBE goal with other MBE classification or classifications.
9. AMENDMENT OF MBE DUE TO UNFORESEEN CIRCUMSTANCES

Any changes to the MDOT Certified MBE Utilization and Fair Solicitation Affidavit prior to or after Contract executionshall receive approval in accordance with COMAR 21.11.03.12. The apparent awardee shall immediately notify the Procurement Officer regarding MBE changes before execution of a Contract. Contractors shall immediately notify the State’s Project Manager regarding MBE changes after execution of a Contract.

1. CONTRACT ADMINISTRATION REQUIREMENTS

Contractor shall:

1. Submit monthly to the **State Project Manager and DHR MBE Liaison** a report listing any unpaid invoices, over 30 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made using **Attachment J, Prime Contractor Unpaid MBE Invoice Report.**
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit monthly to the **State Project Manager and DHR MBE Liaison** a report that identifies the prime Contract and lists all payments received from the Contractor in the preceding thirty (30) days, as well as any outstanding invoices, and the amount of those invoices using **Attachment K, Subcontractor Payment Invoice Report**.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records shall indicate the identity of certified minority and non-minority subcontractors employed on the Contract, the type of work performed by each, and the actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants shall be retained by the Contractor and furnished to the Procurement Officer on request.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State’s representatives verifying compliance with the MBE participation obligations. The Contractor shall retain all records concerning MBE participation and make them available for Department inspection for a period of three years after final completion of the Contract.
5. At the option of the Procurement Officer, upon completion of the Contract and before final payment and/or release of any retainage, if any, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

**NOTICE TO OFFERORS: Questions or concerns regarding the MBE requirements of this solicitation must be raised before the receipt of initial proposals.**

1. Late Payment of Subcontractors – Prompt Payment Policy
2. If a Contractor withholds payment of an undisputed amount to its subcontractor(s), DHR at its option and in its sole discretion, may take one or more of the following actions:
3. Not process further payments to the Contractor until payment to the subcontractor is verified;
4. Suspend all or some of the Contract work without affecting the completion date(s) for the Contract work;
5. Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due;
6. Place a payment for an undisputed amount in an interest-bearing escrow account; or
7. Take other or further actions as appropriate to resolve the withheld payment.
8. An “undisputed amount” means an amount owed by a Contractor to a subcontractor for which there is no good faith dispute, including any retainage withheld, if any, and includes an amount withheld because of issues arising out of an agreement or occurrence unrelated to the Contract under which the amount is withheld.
9. An act, failure to act, or decision of a Procurement Officer or a representative of DHR, concerning a withheld payment between a Contractor and its subcontractor(s) under this policy directive, may not:
10. Affect the rights of the contracting parties under any other provision of law;
11. Be used as evidence on the merits of a dispute between DHR and the Contractor in any other proceeding; or
12. Result in liability against or prejudice the rights of DHR.
13. The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the MBE program.
14. To ensure compliance with certified MBE subcontractor participation goals, DHR may, consistent with COMAR 21.11.03.13, take the following measures:
15. Verify that the certified MBEs listed in the MDOT Certified MBE Utilization and Fair Solicitation Affidavit actually are performing work and receiving compensation as set forth in the MDOT Certified MBE Utilization and Fair Solicitation Affidavit.
16. This verification may include, as appropriate:
    * + - 1. Inspecting any relevant records of the Contractor
          2. Inspecting the jobsite; and
          3. Interviewing subcontractors and workers.
          4. Verification shall include a review of:
17. The Contractor’s monthly report listing unpaid invoices over 30 days old from certified MBE subcontractors and the reason for nonpayment; and
18. The monthly report of each certified MBE subcontractor, which lists payments received from the Contractor in the preceding 30 days and invoices for which the subcontractor has not been paid.
19. If DHR determines that a Contractor is in noncompliance with certified MBE participation goals, then DHR will notify the Contractor in writing of its findings, and will require the Contractor to take appropriate corrective action.

Corrective action may include, but is not limited to, requiring the Contractor to compensate the MBE for work performed as set forth in the MDOT Certified MBE Utilization and Fair Solicitation Affidavit.

1. If DHR determines that the Contractor is in material noncompliance with MBE contract provisions and refuses or fails to take the corrective action that DHR requires, then DHR may:
   * + - 1. Terminate the Contract;
         2. Refer the matter to the Office of the Attorney General for appropriate action; or
         3. Initiate any other specific remedy identified by the Contract, including the contractual remedies stated above regarding the payment of undisputed amounts.
2. Upon completion of the Contract, but before final payment or release of any retainage, if any or both, the Contractor shall submit a final report, in affidavit form under the penalty of perjury, of all payments made to, or withheld from MBE subcontractors.
3. Insurance Requirements

Workers’ Compensation -- The Contractor shall maintain such insurance as necessary and/or as required under Workers’ Compensation Acts, U.S. Longshoremen’s and Harbor Workers’ Compensation Act, and the Federal Employers’ Liability Act, as well as any other applicable statute.

The Contractor shall require that any subcontractors that are utilized to fulfill the obligations of the Contract obtain and maintain similar levels of insurance and shall provide the State with the same documentation as is required of the Contractor.

The State of Maryland must be named as an Additional Named Insured on all liability policies (Workers’ Compensation accepted) and certificates of insurance evidencing this coverage shall be provided within ten (10) days after recommendation of award. Such certificate(s) will contain a forty-five (45) day prior notice of cancellation.

The following type(s) of insurance and minimum amount(s) of coverage are required:

General Liability - The Contractor shall maintain the following minimum insurance protection for liability claims arising as a result of the Contractor’s operations under this Contract.

Commercial General Liability

$5,000,000 - General Aggregate (other than products/operations completed)

$2,000,000 – Products/completed operations

$150,000 – Each Occurrence

$300,000 - Personal and Accidental Injury

$ 50,000 - Damage to Premises rented to you

$150,000 - Motor Vehicle Liability per occurrence.

$150,000 - Each Motor Vehicle Occurrence

$ 5,500 - Medical Expense

Errors and Omission Insurance- The Contractor shall maintain an errors and omissions policy with limits of not less than Fifteen Million Dollars ($15,000,000.00). Such policy shall be in force and effect one week prior to the Contract start date and automatically remain in place for one year after the Contract expires (or renewal option period, if exercised) which shall indemnify the State for any loss which may be incurred due to: Contractor error or omissions during the period of time that computer systems and applications are to be operational; systems error; or any error or omission caused by the Contractor, its officers, employees, agents, subcontractors or assigns, regardless of negligence.

Upon execution of a Contract with the State, current certificates of insurance will be provided to the State; and, thereafter at each Contract anniversary date, the Contractor shall provide the State Project Manager with current certificates of insurance.

The State shall receive written notification of non-renewal and/or cancellation from the issuer of the insurance policies at least forty-five (45) days before the expiration of said policies. Notice shall be sent to the State Project Manager. In the event the State receives a notice of non-renewal and/or cancellation, the Contractor shall provide the State Project Manager with an alternate comparable insurance policy from another carrier at least thirty days (30) prior to the expiration of the non-renewed insurance policy, and within thirty (30) days of notice of cancellation with coverage starting on or before the date of cancellation. Failure to provide proof of insurance may result in the Contract being terminated for default.

1. Certification Regarding Lobbying

Section 319 of Public Law 101-121 prohibits the use of Federal funds for lobbying Federal officials, including members of Congress, in conjunction with a specific Contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. The law also requires the disclosure of lobbying efforts using other than Federal funds. Each Proposal shall include a completed **Attachment L, Certification Regarding Lobbying.**

1. Oral Presentations

Offerors who submit a Proposal in response to this RFP may be required to make an oral presentation of the Proposal to the Evaluation Committee, possibly on short notice. All representations made by an Offeror during an oral presentation, not included in the Offeror’s Proposal, shall be reduced to writing. All such written representations will become part of the Offeror’s Proposal and are binding if the Contract is awarded.

1. Confidentiality

Except in accordance with a court order, Contractor shall not use or disclose any information concerning a recipient of the services provided under this Contract for any purposes not directly connected with the administration of such services, except upon written consent of the State providing the information and the recipient or his or her responsible parent, guardian, or legal representative or as required in §10-611 et. seq., State Government Article and Title 1, Subtitle 2, Human Services Article - Maryland Annotated Code and COMAR 07.01.07.

Nothing in this Contract shall prevent the Contractor from using and disclosing statistical data derived from information concerning a recipient of the services provided under this Contract so long as that statistical data does not identify any recipient of such services.

1. False Statements

Offerors are advised that Section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

1. In connection with a procurement Contract a person may not willfully:
2. Falsify, conceal, or suppress a material fact by any scheme or device;
3. Make a false or fraudulent statement or representation of a material fact; or
4. Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
5. A person may not aid or conspire with another person to commit an act under subsection (a) of this section.

A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding $20,000 or imprisonment not exceeding 5 years or both.

1. Living Wage Requirements

A solicitation for services under a State contract valued at $100,000 or more may be subject to Title 18, State Finance and Procurement Article, Annotated Code of Maryland. Additional information regarding the State’s Living Wage requirement is contained in this solicitation see, **Attachment M, Living Wage Requirements for Service Contracts and Affidavit of Agreement. If the Offeror fails to complete and submit the required Living Wage documentation, the State may determine an Offeror to be not responsible.**

Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least **$13.19 per hour**, if State Contract services valued at 50% or more of the total values of the Contract are performed in the **Tier 1 Area**. If State Contract services valued at 50% or more of the total values are performed in the **Tier 2 Area**, an Offeror shall pay each covered employee at least **$9.91 per hour**. The specific Living Wage rate is determined by whether a majority of services take place in a **Tier 1 Area or Tier 2 Area** of the State. The **Tier 1 Area includes Montgomery, Prince George’s, Howard, Anne Arundel, and Baltimore counties, and Baltimore City**. The **Tier 2 Area includes any county in the State not included in the Tier 1 Area**. If the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

The Contract resulting from this solicitation will be a **Tier 1**Contract. The Offeror shall identify in the Proposal the location from which services will be provided.

**Additional Living Wage information pertaining to reporting obligations may be found by going to the Department of Labor, Licensing and Regulations’ (DLLR) website –** [**http://www.dllr.state.md.us**](http://www.dllr.state.md.us) **and clicking on Living Wage.**

|  |
| --- |
| **NOTE: The Living Wage rates are subject to annual adjustments by DLLR. Contractors may not increase prices because of any Living Wage increase.** |

1. Hiring Agreement

By submitting a Bid or Proposal in response to this solicitation, the Offeror agrees to execute and comply with the enclosed (DHR) **Attachment N, Hiring Agreement.** The Hiring Agreement is to be executed by the Offeror and delivered to the Procurement Officer within ten (10) business days following the receipt of notice by the Offeror that it is being recommended for Contract award. The Hiring Agreement will become effective concurrently with the award of the Contract.

1. Required Bonds

2.40.1 Performance Bond

The successful Offeror shall submit a Performance Bond in the form of **Attachment II , Performance Bond**, or other suitable security as identified within COMAR 21.06.07, in the amount of Five Million ($5,000,000.00) for the period of the Contract. The cost of this bond or other suitable security is to be included in the total prices proposed and will not be recoverable as a separate cost item. The Performance Bond or other suitable security shall be delivered to the State by the successful Offeror within ten (10) days of notice of Contract award.

Assistance in obtaining bid, performance and payment bonds may be available to qualifying small businesses through the Maryland Small Business Development Financing Authority (MSBDFA). MSBDFA can directly issue bid, performance or payment bonds up to $750,000. MSBDFA may also guaranty up to 90% of a surety’s losses as a result of a Contractor’s breach of Contract, MSBDFA exposure on any bond guaranteed may not, however, exceed $900,000. Bonds issued directly by the program will remain in effect for the duration of the surety’s exposure under the Contract. To be eligible for bonding assistance, a business shall first be denied bonding by at least one surety on both the standard and specialty markets within ninety (90) days of submitting a bonding application to MSBDFA. The applicant shall employ fewer than 500 full-time employees or have gross sales of less than $50 million annually, have its principal place of business in Maryland or be a Maryland resident, shall not subcontract more than 75% of the work, and the business or its principals shall have a reputation of good moral character and financial responsibility. Finally, it shall be demonstrated that the bonding or guarantee will have a measurable economic impact, through job creation and expansion of the State’s tax base. Applicants are required to work through their respective bonding agents in applying for assistance under the program. Questions regarding the bonding assistance program should be referred to:

Maryland Department of Business and Economic Development

Maryland Small Business Development Financing Authority

826 E. Baltimore Street

Baltimore, Maryland 21202

Phone: (410) 333-4270

Fax: (410) 333-6931

2.40.2 Bid bond

Each Offeror shall submit with its Proposal, a Bid Bond in the amount of Five Hundred Thousand ($500,000.00) to guarantee for 180 days after the Proposal submission date, the availability of the equipment and services at the offered price. The bond shall be in the form provided in **Attachment P, Bid Bond** and issued by a surety company licensed to do business in the State and subject to approval by DHR.

2.40.3 Fidelity Bond

The Contractor shall submit to the Procurement Officer, within ten (10) business days after notice of recommended Contract award, a Fidelity Bond in the amount of Three Million Dollars ($3,000,000.00) covering any loss to the State due to any fraudulent or dishonest act on the part of the Contractor, and any officer, employee, subcontractor, or assignee of the Contractor. The bond shall be in the form of a policy or certificate issued by a surety company licensed to do business in the State and shall be subject to approval by DHR. The Fidelity Bond shall be maintained throughout the term of this Contract and any renewal option period, if exercised. Evidence of renewal of the Fidelity Bond and payment of the required premium shall be provided to DHR.

1. Warranties
2. General Warranties

During the term of the Contract, the Contractor covenants, represents and warrants to DHR as follows:

1. The Contractor shall perform all services in accordance with high professional standards in the industry.
2. The Contractor shall use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services.
3. The Contractor shall use its commercially reasonable efforts to use efficiently any resources or services necessary to provide the services.
4. The Contractor shall use its commercially reasonable efforts to perform the services in the most cost-effective manner consistent with the required level of quality and performance.
5. The Contractor has duly authorized the execution, delivery and performance of the Contract.
6. The Contractor shall maintain all equipment and software for which it has maintenance responsibilities in good operating condition and will undertake all repairs and preventive maintenance in accordance with applicable manufacturer’s recommendations.
7. The Contractor shall not insert or activate any disabling code in the systems used to provide the services without the State’s prior written approval.
8. The Contractor warrants that, in performing the services and delivering any Deliverables called for by this Contract, Contractor shall not violate any intellectual property rights of any third party, including, but not limited to, patent rights, copyright rights, trade secret rights, trademark and service mark rights, which warranty shall survive the expiration or termination of this Contract.
9. Any Deliverables produced by or on behalf of the Contractor shall conform in all material respects to the mutually agreed specifications.
10. Any technical documentation provided by the Contractor for the EBT System pursuant to any Work Plan or otherwise will describe the technical details of the EBT System, and the procedures for operating and maintaining the system, in terms reasonably understandable to a suitably trained and experienced information technology professional.
11. The Contractor shall use its commercially reasonable efforts to ensure that no viruses, harmful code or similar items are coded or introduced into the System by or through the fault of any Contractor personnel.
12. Software Warranties

For software developed specifically for DHR, and for integration of all software into DHR’s environment, the Contractor shall provide a warranty for the duration of the Contract, beginning after full operational capability is declared by the State Project Manager. The warranty support shall include analysis and diagnosis of all problems, problem correction, integrated testing of any warranty repair to ensure that it is complete and appropriate, regression testing to avoid other problems created by the warranty repair, and continued support should further utilization of the system determine that the problem solution has not effectively resolved the issue.

The Contractor shall follow the State’s System Development Life Cycle (SDLC) methodology, <http://doit.maryland.gov/SDLC/Pages/SDLCHome.aspx>for the correction of application defects and all associated processes. For all warranty items, the Contractor shall correct the source code so that it performs as designed. The system problem or issue is deemed under warranty if the problem is:

1. Part of the project scope and the requirement was identified in any project documentations (Project Management Deliverables, SDLC Deliverables, or meeting notes;
2. Any new or existing codes (programs, subroutines, modules, methods and etc.) that the Contractor modified; or
3. Any modifications to the EBT system that caused unexpected defects/bugs or problems relating to the EBT functionality, data and/or system performance.

The warranty period begins for defect correction when the system fix, change or enhancement is initially installed in production. Warranty resolution is performed at no additional cost to DHR.

1. Roles and Responsibilities of DHR Leadership
2. **Chief Information Officer (CIO)** – The CIO is the senior technical spokesperson for the Department and the project, and is responsible for ensuring that the needs and accomplishments within the technical area are widely known and understood. The CIO is also responsible for ensuring that adequate technical resources to address the technical area needs are made available in a timely manner, and is responsible for setting the technical direction for DHR and this Contract.
3. **State Project Manager** – The official designated in Section 1.9, State Project Manager or such official’s designee, responsible for overseeing and monitoring the day-to-day operations of the Contract, Deliverable sign-offs, reports, scheduling and other duties to ensure that the Contractor is meeting the terms of the Contract.
4. **Procurement Officer** – The official designated in Section 1.2, Issuing Office herein or such official’s designee, authorized to formulate, enter into, or administer the Contract or make written determinations and findings with respect to this Contract.
5. Contractor’s Responsibilities

The selected Contractor shall be responsible for all services as required by this RFP. Subcontractors, including those used to meet MBE subcontracting requirements, shall be identified and a complete description of their role shall be included in the Proposal. Notwithstanding the use of subcontractors, the State will consider the selected Contractor to be the sole point of contact with regard to contractual matters, including but not limited to, payment of any and all costs resulting from the Contract. Upon request, the Contractor shall provide DHR evidence that all sub-contracts have been executed in support of this Contract.

After award, the Contractor shall not subcontract the delivery of all or any part of the services under the Contract without the express prior written consent of DHR’s Project Manager. DHR’s approval of a subcontractor shall not relieve the Contractor of its obligations under this Contract.

The Contractor agrees to bind every subcontractor to the terms and conditions of this agreement, as far as appropriate and applicable. The Contractor shall be fully responsible to DHR for the acts and omissions of its agents, employees, representative, independent contractors or subcontractors whether under the direct or indirect authority and control of the Contractor. Additional information regarding MBE subcontractors is provided under Sections 2.28-2.32herein.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror, such as, but not limited to, references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror’s Proposal shall contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.

A parental guarantee of the performance of the Offeror under this Section will not automatically result in crediting the Offeror with the experience and/or qualifications of the parent under any evaluation criteria pertaining to the Offeror’s experience and qualifications. Instead, the Offeror will be evaluated on the extent to which the State determines that the experience and qualification of the parent are transferred to and shared with the Offeror, the parent is directly involved in the performance of the Contract, and the value of the parent’s participation as determined by the State.

1. Notice Of Delays

Whenever the Contractor encounters any difficulty that delays or threatens to delay the timely performance of this Contract (including actual or potential labor disputes), the Contractor shall promptly give notice thereof in writing to the State Project Manager stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by DHR of any rights or remedies to which it is entitled by law or pursuant to provisions of this Contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay.

1. Federal Funding and Transparency Act

All Offerors are required to maintain a valid Dun & Bradstreet Data Universal Numbering System (DUNS) number and current registration in the Central Contractor Registry (CCR) prior to award. The registration procedure for the CCR can be found at [**www.ccr.gov**](http://www.ccr.gov/)**. Offerors** can request a DUNS number or modification to an existing DUNS record by using the online web form process at [**http://fedgov.dnb.com/webform**](http://fedgov.dnb.com/webform)(for US and International locations) or they can call 866-705-5711. The toll free number is for US locations only.  By submitting a Proposal in response to this solicitation, the Offeror agrees to complete the **Attachment O, Transparency Act Reporting and Federal Sub-Award Determination Form**. The Sub-Award Determination Form is to be completed by the Offeror and delivered to the Procurement Officer within ten (10) business days following the receipt of notice by the Offeror that it is being recommended for Contract award.

1. Iranian Non-Investment

Offerors are required to complete the Investment Activities in Iran Certification. Language verifying this certification is included in **Attachment B, Bid/Proposal Affidavit**.

1. Visual and Non-Visual Access

By submitting a Proposal, the Offeror warrants that the information technology offered under the Proposal (a) provides equivalent access for effective use by both visual and non-visual means; (b) will present information, including prompts used for interactive communication, in formats intended for both visual and non-visual use; (c) if intended for use in a network, can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired; and (d) is available, whenever possible, without modification for compatibility with software and hardware for non-visual access. The Offeror further warrants that the cost, if any, of modifying the information technology for compatibility with software and hardware used for non-visual access shall not increase the cost of the information technology by more than five percent. For purposes of this Contract, the phrase “equivalent access” means the ability to receive, use and manipulate information, and operate controls necessary to access and use information technology by non- visual means. Examples of equivalent access include keyboard controls used for input and synthesized speech, Braille, or other audible or tactile means used for output.

The Non-visual Access Clause noted in COMAR 21.05.08.05 and referenced in this solicitation is the basis for the standards that have been incorporated into the Maryland regulations, which can be found at: <http://doit.maryland.gov/policies/Pages/NVAGuidance.aspx>

1. Non Disclosure Agreement

Certain existing documentation may be available for potential Offerors to review at a reading room. Offerors who review such documentation shall be required to sign a **Non-Disclosure Agreement, see Attachment DD (F1)-Offeror**. Please contact the Procurement Officer of this RFP to schedule an appointment.

In addition, certain documentation may be required by the Contractor awarded the Contract in order to fulfill the requirements of the Contract. The Contractor, employees, and agents who review such documents shall be required to sign a **Non-Disclosure Agreement, see Attachment DD (F2) - Contractor**.

1. Veterans Preference
2. PURPOSE

The Contractor shall structure its procedures for the performance of the work required in this contract to attempt to achieve the Veteran-Owned Small Business Enterprise (VSBE) goal stated in this Contract. VSBE performance shall be in accordance with this section and **Attachment EE through HH**, as authorized by COMAR 21.11.13. The Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this section and:

* + - * **Attachment EE, Veteran Owned Small Business Enterprise Utilization Affidavit and Participation Schedule**
      * **Attachment FF, VSBE Subcontractor Project Participation Statement,**
* **Attachment GG, Maryland Department of Human Resources Veteran Small Business Enterprise (VSBE) Participation (Prime Contractor) and**
* **Attachment HH, Maryland Department of Human Resources Veteran Small Business Enterprise (VSBE) Participation (VSBE Subcontractor)**.

1. VSBE GOALS

A VSBE subcontract participation goal of **1%** of the total Contract dollar amount has been established for this Contract. By entering into this Contract, the Contractor agrees that this percentage of the total dollar amount of the contract shall be performed by verified veteran-owned small business enterprises.

***If an Offeror fails to submit Attachment EE – HH with the Proposal as required, the Procurement Officer may determine that the Contractor is not responsible, and therefore, not eligible for Contract award. If the Contract has already been awarded, the award is voidable.***

1. Mercury and Products That Contain Mercury

This solicitation and resulting Contract requires that all materials used in the performance of the Contract and subsequent Purchase Orders shall be mercury-free products. An Offeror shall submit a Mercury Affidavit with its Technical Response found in **Attachment CC, Mercury Affidavit**.

1. Purchasing and Recycling Electronic Products

A new State law effective October 1, 2012 (HB 448, Chapter 372) requires State agencies purchasing computers and other electronic products in categories covered by the Electronic Product Environmental Assessment Tool (EPEAT) to purchase models rated EPEAT Silver or Gold unless the requirement is waived by the Maryland Department of Information Technology (DoIT). This information is located on the DGS web site: <http://www.dgs.maryland.gov/Procurement/Green/Guidelines/desktops.html>

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SECTION III. SPECIFICATIONS

1. Background

The Department is soliciting proposals from Offerors to deliver, operate, and maintain a web based EBTsystem for the Public Assistance and SNAP benefits in accordance with applicable Federal and State laws and regulations, as well as the Quest Operating Rules. EBT is one of DHR’s largest automation initiatives to date and a mission-critical system. As the principal State agency responsible for social services in Maryland, DHR is mandated to serve a wide range of people with complex economic and social needs. The EBT system supports this mission by serving as the gateway mechanism through which over 300,000 Maryland households’ access SNAP benefits and over 40,000 access cash benefits.

1. Objective(s)

DHR’s objective in issuing this RFP is to engage a Contractor with information technology and project management expertise to:

1. Provide a fully tested and functioning EBT system;
2. Provide continuous support of the EBT system;
3. Improve the quality, efficiency and effectiveness of services provided to the public;
4. Provide error free and timely access to benefits via a debit card;
5. Provide best price for services;
6. Ensure customer satisfaction; and
7. Reduce the risk of fraud in EBT transactions.
8. Scope of the Project

The State requires that the selected Contractor provide a fully tested, functioning, and supported statewide EBT system for the delivery of cash and SNAP benefits through ATMs and POS devices to support EBT objectives for continuous efficiencies and optimal services. The service requested under this RFP includes a large information technology component, including, equipment, software, telecommunications, service access, card production and issuance, card distribution, hosting, fraud protection, training, help desk support and on-going operational support required to enhance, implement, operate and maintain the web-based EBT system.

The Contractor’s EBT system shall use existing commercial networks, installed ATMs and POS terminals. All FNS-approved SNAP retailers shall have the opportunity to participate in EBT. **Attachment T, POS Terminal Locations – Current Deployment and Attachment U, POS Terminal Locations – FNS Formula** identifies the existing SNAP retailers and POS locations. Also, the selected Contractor shall assure that cash assistance customers have adequate access to ATMs and POS terminals to obtain cash benefits. In this regard, the Contractor shall employ a network that fulfills the FNS Formula for terminal placement. Contractor shall adhere to 7 CFR § 274.3(b) for POS deployment.

The successful Offeror shall also provide transaction processing, retailer management, customer service, and all services, supplies and functions for the EBT system to include the following:

1. Provide accurate timely distribution, availability and tracking of public benefits.
2. Provide all FNS-approved SNAP retailers an opportunity to participate in EBT.
3. Provide a secured system environment, support and operational procedures designed to prevent fraud and foster accuracy in business processes.
4. Obtain all EBT operating software, application software, security systems, telecommunication software/equipment, and any other products necessary to maintain the EBT processing environment.
5. Provide network connectivity between DHR and EBT from primary and backup sites.
6. Establish POS terminals and peripheral equipment for an EBT only retailer.
7. Provide equipment refresh which applies whether or not there is a change of EBT Contractor.
8. Provide access to the host system through a browser-based administrative application.
9. Execute any necessary agreements with the STAR and/or other ATM networks to ensure that cash assistance customers have access to ATMs to obtain cash benefits using existing commercial networks and installed ATMs and POS terminals.
10. Implement an EBT System to include all phases of operations: Design, Development, Transfer and Operations and Maintenance.
11. Maintain and support all development, testing environments and production releases for enhancements, and upgrades during all operational phases.
12. Manage EBT account processing, card production, PIN selection, reporting, transaction history retention, and manual voucher authorization and purchases.
13. Develop and execute retailer participation agreements with TPPs, direct connect retailers and EBT-only retailers.
14. Add new retailers and deleting decertified retailers as advised by FNS.
15. Provide on-going support to EBT-only retailers in terms of training, equipment maintenance, and general problem solving.
16. Establish and operating a 24-hour per day, 7 day per week, Customer Service Call Center for customers to obtain account balances, report lost or stolen EBT cards, file claims on problem transactions, and obtain general information or guidance. Also include a 24/7 retailer support structure for authorizing manual voucher purchases and for providing assistance for equipment problems and settlement/reconciliation problems.
17. Establish and provide a problem escalation and resolution procedure for reporting, tracking, problem escalation, notification, resolution and root cause analysis.
18. Host a secure web portal for EBT customers to check their balances, view the Maryland EBT brochure, and check recent transactions and access general EBT information.
19. Train staff on the operation of the EBT system, and updating all procedures manuals for all transactions, processes and/or reports used by the staff and users.
20. Agree to provide additional services to the State through the time and materials process which could include, for example, enhancements to the system.
21. Provide metrics for performance to show service level criteria required.
22. Minimum Offeror Requirements

An Offeror submitting a Proposal in response to this RFP shall have a minimum of three (3) years of experience in developing, implementing and managing financial systems such as EBT, EFT and financial network services, and transaction processing.

1. Transition In/Out Period
2. Transition-In Period

The Contractor shall complete the Transition-In Period of the new EBT system within 12 months of the Contract start date. An Offeror shall clearly outline the approach to Transition-In activities in its Proposal. The approach shall describe the Offeror’s strategy to successfully accomplish a seamless transition between the incumbent contractor’s team and the Offeror’s team, to include, hiring staff, working with the incumbent contractor to develop a transition and interim support plan, purchasing and installing equipment, creating/installing software programs and/or policies and procedures, establishing necessary supporting contracts, training for its own staff, customers, merchants, third party providers, etc., who shall access or participate in the EBT program.

The Transition-In Plan shall specifically address in detail:

1. Milestones and key deliverable dates, as shown in the Project Work Plan (PWP), see Section 3.26.2.H.2.(a);
2. The key transition personnel and their respective roles;
3. The reporting mechanism for providing, at a minimum, weekly reports during the transition;
4. Transition methodology;
5. Any experience and concerns considered important and relevant from prior transitions and/or implementations;
6. The required involvement of the incumbent Contractor, the State Project Manager, and staff, other State resources, and any third-party or subcontract required during the transition;
7. Risk assessment and mitigation recommendations/solutions; and
8. Bank Account Structure; see Section 3.25, Bank Requirements.
9. Transition-In Expectations

During the Transition-In Period, the Contractor shall:

1. Work with the incumbent contractor, DHR, and DHR’s management-consulting contractor to ensure a smooth transition of operations. The management-consulting contractor will monitor the Transition-Inactivities and provide reports of progress. Both the Contractor and the incumbent contractor shall work in full cooperation with each other as well as with the management-consulting contractor to ensure that all status reports of transition activities are accurate and forthright.
2. Work during the Transition-In period as if time is of the essence, because this period of time provides an opportunity for the new Contractor staff to gain a full understanding of the technical environment in order to provide all the services outlined in this RFP and thereby support all system users.
3. Become familiar with DHR’s processes, reports, and metrics and become familiar with processes and services provided by DHR, its staff and its other contractors and contracts.
4. Within thirty (30) calendar days of the NTP, conduct a Transition-InKick-Off Meeting at DHRIS location. The Contractor shall present an overview of the Transition-InPlan including the project schedule, plans for submitting key transition deliverables, plans for monitoring DHR’s review and approval of deliverables, plans for all transition activities, and other areas of coordination between Contractor, the incumbent contractor, and DHR.
5. Within thirty (30) calendar days of the NTP, submit a Comprehensive Test Plan. The test plan shall include all aspects of the project’s implementation to demonstrate achievement of knowledge transfer and successful transition. The plan shall also clearly delineate Contractor responsibilities and DHR responsibilities.
6. Conduct weekly status meetings with DHR and the incumbent contractor. The Contractor Project Manager shall attend all status meetings with DHR and the incumbent contractor. The Contractor shall generate a status report in preparation for the status meeting. In the status report, the Contractor shall address:
7. Project schedule (current status of all tasks)
8. Near term activities
9. Key Milestones and Training Activities
10. Deliverables (submitted, due, overdue, approval status, and payment status)
11. Knowledge Transfer
12. Staffing levels
13. Project risks (including mitigation status)
14. Quality assurance (tasks and status)
15. Issues (log of identified issues with status of each)
16. Action items (log of items with status of each)
17. Other topics requested by DHR
18. Generate minutes for all status meetings and distribute the minutes via e-mail within two business days after the meeting for DHR’s review and approval.
19. Complete a review of all systems documentation prior to the completion of the Transition-In Period.
20. Attend question and answer sessions with the incumbent contractor and advise the State Project Manager of any areas of concern based on previous presentations, and reviews of documentation. The incumbent contractor, DHR and the Contractor shall conduct technical interchange meetings as requested by either DHR or the Contractor. The purpose of these meetings is to quickly resolve key technical issues that arise by assembling the appropriate DHR and Contractor staff to understand and resolve the issue.
21. Participate in a Performance Readiness Review (PRR). The PRR shall be comprised of a compliance review of the subtasks and Deliverables included in the Transition-InPeriod. Each Deliverable shall be checked for total compliance with all required specifications of the task. The State Project Manager shall confirm that all staff proposed for the additional tasks listed in the Contract has been oriented to DHR processes and procedures.
22. Transition-Out Period

Offeror’s Proposal shall clearly outline the approach to Transition-Out activities, and describe the strategy to successfully accomplish a seamless transition between the Offeror (as the outgoing Contractor) and the incoming Contractor. The Contractor shall:

1. Submit, at one year (365 calendar days) before the end of the base contract period, to the State Project Manager the Transition-Out Plan, to include a turnover resource plan. The Plan shall include a specific approach and schedule to transition between the Contractor’s team and EBT services and the new contractor’s team and EBT services and clearly identify the tasks and level of effort. The Plan shall include a clear breakdown of tasks and responsibilities, including those tasks that will be the responsibility of DHR during the transition.
2. Report any outstanding deliverables and/or tasks and time frames for completion.
3. Provide a strategy for ensuring that all records and documents resulting from the services provided under the Contract have been updated to reflect all changes, enhancements, and modifications. All documentation and records shall be written in English, provided in hardcopy, and at least one electronic copy on CD in PDF format and a copy on CD in MSWord at time of turnover.
4. Provide access to operating systems for new contractor training during normal working hours or extended hours as required including nights, weekends, and holidays.
5. Cooperate with facilitating the transfer of operations prior to the expiration of the Contract.
6. Submit a final turnover plan that contains a description of the resources that the Contractor shall commit and the functions that the Contractor shall perform, along with time frames, in transferring the operation to the successor contractor.
7. Complete all turnover activities as provided for in the Contractor’s turnover plan and within DHR-approved timeframes that will enable the successful transfer of the operation with no delays or decreases in services.
8. Cooperate with the incoming contractor and provide requested documentation by the defined deadline, participate in meetings, complete assigned tasks in accordance with the incoming contractors work plan, and behave in a courteous, and professional manner at all times in order to effectuate a seamless transition.
9. Have written procedures and policies relating to the protection and control of confidential system media that is transported from one location to another or when there is a change in custody of the media. These policies shall be made available to DHR or its agents and representatives upon request.
10. Have written procedures and policies in place that protect against the inadvertent release or destruction of State data. At the direction of the State or in accordance with the records retention provisions in the RFP, the Contractor shall only dispose of, sanitize, or destroy electronic storage media in accordance with NIST SP800-88 *Guidelines for Media Sanitization*. The Contractor shall provide documentation of the destroyed media. (See, [www.doit.maryland.gov/publications/doitsecuritypolicy](http://www.doit.maryland.gov/publications/doitsecuritypolicy) and www.ncircle.com/NIST80053)
11. Transition Out–Expectations

During the Transition-OutPeriod, the Contractor shall be expected to work cooperatively and proactively with the incoming contractor to facilitate a smooth and efficient transition of services. The Contractor shall:

1. Participate fully in all meetings called by the incoming contractor as well as the State Project Manager; accomplish all tasks assigned to it; and wherever possible, offer guidance, subject matter expertise and other consultancy services to the process.
2. Work with DHR’s management-consulting contractor, who will be monitoring the Transition-Out activities and providing status reports of progress that are accurate and forthright.
3. Work during the Transition-Out period as if time is of the essence, because this period of time provides an opportunity for the new Contractor staff to gain a full understanding of the technical environment in order to provide all the services outlined in this RFP and thereby support all system users.
4. Ensure sufficient staff and Key Personnel be maintained for the duration of the transition.
5. Implementation of the EBT System

The implementation of the Contractor’s EBT System is divided in to three parts: Design, Development, and Transfer. All areas of work needed up to and including transfer or conversion of the data shall be completed during these phases. Once conversion is completed, any new development efforts will be done during the Operations and Maintenance Phase. The Contractor shall address each of the phases in the PWP.

1. Design Phase
2. Functional Design Document

Within thirty (30) calendar days of the NTP, the Contractor shall provide a Functional Design Document that, at a minimum, shall describe the requirements for the following system functions:

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

Within forty-five (45) calendar days of the NTP, the Contractor shall provide a Detailed Design Document that describes the total system configuration including system hardware, functionality, file layouts, message and file flows, IVRS scripts, data elements, system interfaces, settlement and reconciliation functions, and the system security plan. This detailed design document shall contain design specifications for the POS refresh of EBT-only retailers.

1. Life Cycle Testing Approach

Within thirty (30) calendar days of the NTP, the Contractor shall provide a SDLC Testing Plan. The basic premise of the life cycle testing approach is that any changes made, either by the Contractor or DHR shall be properly tested prior to being introduced into the production environment. The plan shall include at a minimum, the tests identified in Section 3.6.1.4, Test Plan.

1. Test Plan

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

1. System Functional Demonstration
2. System Acceptance
3. System and Network Capacity
4. IVRS
5. System Interface Test
6. Back-Up and Recovery Plans

Within thirty (30) calendar days of the NTP, the Contractor shall provide an evaluation of the types of service interruptions that may impact the EBT system’s operations, and therefore, require the use of a back-up and recovery process. For each potential interruption type, the Contractor shall, at a minimum, have a plan that details the steps to be taken to survive and recover from the interruption.

1. System Security Plan

Within thirty (45) calendar days of the NTP, the Contractor shall prepare an EBT System Security Plan detailing, at a minimum, the security provisions and proposed user profiles established within the EBT system.

1. Training Plan

The Contractor shall prepare and submit a Training Plan within thirty (30) calendar days of NTP that identifies the proposed deadlines and supportive tasks for planning, design, development, production and distribution of all training materials. The training shall address the timeline for creation of the deliverables as noted in **Attachment X, Deliverable Chart**, and the timeframe for training the State staff and retailers.

1. Retailer and Third Party Processor Agreements

The Contractor shall provide a sample copy of the retailer and TPP Agreement with its Proposal. All retailer and TPP Agreements shall be approved by DHR and FNS. The Contractor shall provide the State with a list of all FNS approved Retailers with the TPP agreements and an updated listing shall be provided to the State quarterly. The first updated listing shall be due four months after end of the Transition-InPeriod.

**NOTE:** The Contractor shall complete participation agreements for a minimum of 85% of the current retailer population, **Attachment T, POS Terminal Locations – Current Deployment** prior to completion of the database transfer.

1. Anti-Fraud Plan/Fraud Analysis

Within thirty (30) calendar days of NTP, the Contractor shall prepare and submit an Anti-Fraud Plan in accordance with Section 3.22.6, Fraud Analysis and Prevention.

1. Development Phase

The Development Phase shall commence following approval and completion of the Design Phase and during any EBT system upgrade or enhancement effort performed under the Contract. During this phase the Contractor shall configure and test the EBT system according to the system specifications defined and agreed upon in the Design Phase. The Contractor shall complete system testing and provide the final training materials during the Development Phase.

1. System Testing

The Contractor shall perform testing on all components and functional areas of the EBT system before and after delivery of the system. Contractor shall provide system test scripts detailing step-by step instructions on the actual tests and system functions to be demonstrated. Test scripts shall also describe the desired system outcomes and test results. Contractor shall develop and control test data and update the Test Plan as appropriate.

The Contractor shall conduct the following system tests and demonstrations:

1. Functional Demonstration – this test shall provide State and Federal representatives the opportunity to review and observe planned EBT system operations.
2. Interface Test – this test shall be conducted between DHR’s EBT interface system and the Contractor’s EBT system to ensure that all files sent between the two systems are properly received, accepted and processed.
3. System Acceptance Testing – this test shall provide the State and Federal representatives the opportunity to test the EBT system functionality and ensure compliance with the system design requirements.
4. Performance Testing – this test is to ensure that there is sufficient capacity within the Contractor’s EBT system to handle the expected transaction volume.
5. Test Reports

The Contractor shall provide reports describing the results of each test that is performed, as well as any additional re-testing that is required to satisfy the test objectives.

1. Updates to Detailed Design Document

The Contractor shall revise the Detailed Design documents to reflect any system modifications identified and made as a result of the system testing.

1. System Operations/Interface Procedures Manual

The Contractor shall provide a manual on Systems Operations and Interface Procedures. This manual shall discuss batch file transfers and confirmations, administrative terminal configurations, and problem resolution and escalation relating to file transfers.

1. Report Manual

The Contractor shall provide a Reports Manual describing all standard reports, **Attachment W, EBT Required Reports** to be generated by the Contractor. The Reports Manual shall also provide a brief description of the data files provided to DHR for internal report generation.

1. Settlement/Reconciliation Manual

The Contractor shall provide a Settlement/Reconciliation Manual that provides guidance and procedures to DHR on performing a daily reconciliation of the Contractor’s EBT System.

1. EBT Administrative Terminal Manual

The Contractor shall provide an EBT Administrative Terminal Manual that provides guidance and procedures for State staff on the functionality of the EBT System.

1. Transfer PHASE

The Transfer Phase consists of activities required to convert the EBT customer and retailer database from the current contractor to the selected Offeror. Design and testing of data conversion scripts and processes should be accomplished in parallel with system development in order to provide good test data to support the development testing process. Production data transfer shall not be performed until the transfer process has been carefully tested and approved by the State Project Manager. The data to be covered within the Transfer Phase consist of the following:

1. SNAP EBT-Only Retailer Terminal Conversion
2. Customer Database Conversion, which includes:
   1. Transaction History
   2. Customer Card and Demographic Data
   3. Benefit Data

The Contractor shall perform the database conversion (conversion from existing database to new database) overnight and on the weekend. The State will analyze monthly transaction volumes and select a weekend when the fewest number of retailers and cardholders would be impacted by the transfer of data. **The State shall have final approval of the overall approach to conversion, including the date and time selected.**  The entire conversion shall be completed in twelve (12) hours or less. During conversion, no stand-in, manual vouchers or transactions will be allowed.

1. OPERATIONS and maintenance Phase

Once the Transfer Phase is completed and the system is in production, the Operations and Maintenance Phase begins, which represents the beginning of operational support and shifts full responsibility for all ongoing activities and tasks under the Contract to the awarded Contractor. The Contractor shall:

1. Provide ongoing operational and maintenance support for all efforts regarding the EBT system and adhere to all requirements in this RFP.
2. Ensure ongoing communications with DHR on EBT operations and provide immediate notification of any issues or system problems.
3. Provide Status Reports on the system operation, per the System Performance Reports, see **Attachment W, EBT Required Reports**.
4. Give the State Project Manager no less than 36 hours advance notice of any scheduled system downtime or scheduled maintenance, to include, upgrades, updates, testing, and fixes.
5. Maintain Maintenance and Change Requests procedures for handling any changes during the Operations Phase.
6. Update key design plans and operations manuals approved during the Design and Development phases. These documents include:
   1. Detailed Design Document
   2. Back-up and Recovery Plans
   3. System Security Plan
   4. System Operations/Interface Procedures Manual
   5. Reports Manual
   6. Settlement/Reconciliation Manual
   7. EBT Administrative Terminal Manual
7. Provide updated manuals to the State Project Manager for approval prior to implementing system and operational modifications into production.
8. EBT System Requirements
9. EBT System
10. The Contractor shall provide a secure fully redundant web-based EBT system that complies with all Federal and State laws, regulations, and DHR’s SLAs. No circuits shall be installed in a DHR facility. The EBT system shall be operational, 7 days a week, 24 hours a day, 365 days per year.
11. The Contractor shall have a contingency plan for circumventing communication outages of longer than five (5) minutes.
12. The Contractor shall provide a security process to ensure that access to the EBT system is not compromised by any unauthorized access. Contractor shall provide DHR with the capability to assign user passwords and a web interface for active users to securely reset their own password and the logging of failed log-in attempts. Contractor shall comply with the most current specifications in State of Maryland Information Security Policy or the FNS Security Policy, whichever is more stringent. The Contractor shall also provide DHR with the ability to create groups with custom security roles.
13. The Contractor shall allow for the following update capabilities in the EBT system:
14. Enable/disable account access
15. Allow for updating demographics
16. Provide memo field to add notes for case comments, to include date stamp
17. The Contractor shall provide FNS online access at the implementation of Maryland’s EBT system.
18. System Interface Requirement
19. The Contractor’s EBT system shall support both batch and online, real-time transmissions between the Department’s mainframe systems and Contractor’s EBT database.
20. The Contractor shall develop a system that allows for the transfer of authorized EBT benefits from the Department’s eligibility file, the return of benefit utilization information and other data and reports. All costs associated with the development, testing, and on-going operation, maintenance and upgrading of this interface telecommunications link shall be the responsibility of the Contractor.
21. The Contractor agrees and understands that DHR will make no modifications to its systems to accomplish this interface. See **Attachment R, EBT Interface File Layouts**.
22. The Contractor shall be responsible for determining, in conjunction with DHR telecommunications staff, the appropriate design and capacity of the interface link to ensure that all transmissions are completed within the performance parameters set forth herein. All batch transmissions between systems shall be confirmed by the receiving party with a confirmation message, one per file transmission.
23. The Contractor shall demonstrate that it has appropriate control procedures to ensure that all transmitted data was accurately and completely received so as to prevent the processing of incomplete and/or duplicate data.
24. EBT Card

The Contractor shall provide or produce an EBT card that complies with the most current specifications in the Quest Operating Rules, the International Standards Organization (ISO), and the American National Standards Institute (ANSI) relating to cards used for financial transactions. The State plans to continue use of the current Maryland EBT card design. Maryland’s current BIN number for EBT cards is 600528.

1. EBT CARD SPECIFICATION

The Contractor shall demonstrate that it can comply with the following EBT card specifications:

A. The following shall be printed on the EBT card:

1. “USDA is an Equal Opportunity Provider and Employer.”(Non-discrimination statement in accordance with 7 CFR § 274.2(e)(5)).
2. Customer and Retailer Customer Service numbers.
3. “Do Not Write Your PIN Number On This Card”“If found, return to EBT Fiscal office, Room 925, 311 W. Saratoga St., Baltimore, MD 21201”
4. “TTY(Telecommunications Relay Service for Hearing/Speech Impaired): 1-410-767-7000.”
5. The following shall be printed on the EBT card sleeve:

1. “Buying, selling, or otherwise misusing SNAP benefits is a Federal crime. To report suspected abuse, visit [www.usda.gov/oig/hotline.htm or call 1-800-424-9121](http://www.usda.gov/oig/hotline.htm%20or%20call%201-800-424-9121).”

2. Customer Service Call Center number: 1-800-997-2222

3. Customer Web Portal address.

1. Provide card security features to deter counterfeiting and the lifting of data from the EBT card. At a minimum, the card security features shall meet Quest Operating Rules.
2. EBT Card Issuance
3. The Contractor shall be responsible for all card production, to include, initial card issuance, card replacement, vault cards, card activation, PIN selection, inventory, and maintenance of a card issuance database that shall be accessible to DHR 24/7 via password.
4. Additionally, the Contractor shall:
5. Permit the continued use of cards currently in use by DHR customers until the card is reported lost, stolen or damaged or a replacement card is issued. The current PIN shall also remain functional until a new card is issued or the PIN is changed by the customer via the IVRS.
6. Allow multiple cardholders to have access to the SNAP account. However, only one EBT card holder shall have access to a cash account. Each card shall contain unique identifying data and use an owner selected PIN while accessing the same benefit account(s).
7. All card mailers shall be written in English, Spanish, Vietnamese and Russian.
8. Ensure that, when mailing a card to an authorized representative, the primary cardholders name appears on the card mailer.
9. Initial Card Issuance
10. The Contractor shall mail cards, by First Class mail through the United States Postal Service, to the customer no later than the next business day after the Contractor receives customer information from DHR.
11. The Contractor shall change EBT cards that are returned to the Contractor by the Postal Service to an “undeliverable” status.
12. The Contractor shall generate a daily electronic Card Returned Report for DHR.
13. The Contractor shall activate EBT cards and allow for PIN assignment via the IVRS.
14. The Contractor shall mail all initial cards to include the EBT brochure along with the EBT card, card sleeve and card mailer. Historic card issuance data by jurisdiction is provided in **Attachment A**, **Pricing Proposal.**
15. Customer Protective Password

The Contractor shall provide a Customer Protective Password solution that will prevent other individuals from changing the PIN or Status of a card.  At a minimum the Customer Protective Password solution shall:

1. Be auto-generated by the EBT system
2. Contain random letters and numbers
3. Require a CSR to request a customer protective password before the card status can be changed or a PIN selected
4. Allow only the EBT Project Office Staff to generate passwords via a request from the LDSS.
5. Replacement Card Issuance
6. The Contractor shall deactivate all EBT cards that are reported lost, stolen, or non-functioning (damaged) and shall issue a new card.
7. The Contractor shall, via the Customer Service Call Center, replace a lost, stolen, or damaged card if the customer’s address on the EBT system is the customer’s current address as verified by the CSR.
8. If the address or security requirements are not met or do not match what is in the EBT system, the Contractor shall instruct the customer to contact the LDSS to update their information.
9. The Contractor shall deliver all replacement EBT cards by First Class mail through the U.S. Postal Service. A replacement card shall be mailed no later than the next business day after the old card is reported lost, stolen, or damaged and the address and security requirements for customer information have been verified.
10. The Contractor shall provide the customer with one free replacement card within a 12-month period. All other replacement cards have a fee of $2.00 per replacement. The card replacement fee is to be taken from the SNAP account first, then the cash account. If there is no benefit available, the fee shall be taken from the next month’s benefits only. All replacement cards mailed shall include an EBT card sleeve and mailer.
11. Vault Card Issuance

Vault cards are issued by LDSS to customers with emergency situations who cannot wait for mail delivery of their EBT card. The Contractor shall provide pre-embossed vault cards and card sleeves to all LDSS offices for issuance in emergency situations.

1. Card Activation, PIN Selection, Invalid PIN Attempts
2. The Contractor shall allow for card activation and PIN selection/change via the IVRS.
3. The Contractor shall automatically disable or invalidate an EBT card, not the benefit account, after four consecutive, inaccurate PIN attempts at an ATM or POS terminal. The invalidated card remains blocked from all EBT transactions until 12:01 AM the following day. However, in the case of accounts with multiple cards, all other cards shall be allowed continued access to any remaining available benefits.
4. EBT Card Inventory/Tracking
5. The Contractor shall provide an automated inventory control system to effectively manage vault card assignments.
6. The Contractor’s inventory control system shall track cards received, issued, and voided at the LDSS. It also shall include prompts for low inventory/reorder conditions and appropriate management reports.
7. The Contractor’s inventory control system shall also include a card issuance database that includes, at a minimum, cards issued, activated, undelivered and canceled.
8. The Contractor’s inventory control system, including the database shall be accessible to DHR via secure password. DHR will determine inventory levels in each jurisdiction after award.
9. Customer Service Call Center
10. The Contractor shall provide a Customer Service Call Center to assist EBT customers and retailers accepting the Maryland EBT card.
11. The Customer Service Call Center shall consist of an IVRS and a Help Desk staffed with CSR’s.
12. The Customer Service Call Center shall be available toll-free, 24 hours a day, 7 days a week.
13. The Contractor shall provide support from the IVRS and Help Desk in English and Spanish.
14. The Contractor shall utilize the current 1-800-997-2222 number for EBT customers.
15. The Customer Service Call Center shall be located within the boundaries of the United States. Please see **Attachment Y, Customer Service Call Center - Historical Data.**
16. The Contractor shall have the Customer Service Call Center operational and available when the Operations Phase begins.
17. Interactive Voice Response System (IVRS)
18. The Contractor shall provide an IVRS that allows customers and retailers to obtain information using an automated system.
19. The IVRS shall comply with the ADA and provide TTY capability for customers and retailers with hearing disabilities.
20. The IVRS shall:
21. **For Customers**
22. Provide access to the IVRS via public telephone
23. Provide an option to report a claim from the main menu
24. Permit access to account balances and transaction history
25. Permit card activation/PIN assignment
26. Provide Help Desk assistance to report a lost/stolen card, to request a replacement card, and for problem resolution
27. **For Retailers**
28. Provide manual authorization approval
29. Provide Help Desk assistance for problem resolution
30. The Contractor shall submit the IVRS scripts during the Transition-In period for review and written approval by the State Project Manager.
31. The Contractor shall seek pre-approval of any changes to the scripts in writing, by the State Project Manager.
32. Help Desk

The Contractor shall provide a 24/7 help desk with live CSRs. At a minimum, the help desk shall provide assistance in the following areas:

A. **For Customers**

1. General information
2. Mechanism to report lost, stolen or compromised cards
3. Problem resolution
4. Transaction disputes

B. **For Retailers**

1. General EBT-related inquiry or support
2. Manual Authorization approval
3. Daily deposit inquiries/settlement data
4. Equipment failure reporting or maintenance needs
5. Account problem resolution
6. Data Processing Technical Support Help Desk
7. The Contractor shall provide Data Processing Technical Support Help Desk services to DHR 24 hours a day, 7 days a week in order to resolve technical and system problems, locate files, and address transmission issues, etc.
8. The Data Processing Technical Support Help Desk shall also monitor the system, and transmission line performance real time, and proactively resolve issues.
9. EBT PortalS
10. CUSTOMER PORTAL
11. The Contractor shall have clear approaches to providing a Customer Portal which can be accessed by Maryland customers via the internet.
12. The Contractor shall ensure that individual customer records are available only to an authorized user of the Customer Portal and that all data and information housed by the system are fully protected against hacking and other unauthorized access.
13. The Customer Portal shall provide capabilities for EBT customers to authenticate themselves by using secure Web protocols, User IDs and Passwords.  These customers shall be able to create passwords and change passwords through the customer portal in accordance with State of Maryland Information Security Policy.
14. At a minimum, the Customer Portal shall allow the customer to:
15. Obtain current account balances
16. View the benefits that have been posted to the EBT account but are not yet available
17. View the details of transactions
18. View and print transaction history
19. View the issuance schedule for SNAP and Cash benefits
20. View DHR program information
21. The Contractor shall provide reports on usage of the Customer Portal. The reports shall include the total number of customers accessing the portal during a reporting period and a breakdown of the number of users that access the portal provided by the functions they use, see **Attachment W, EBT Required Reports.**
22. Retailer Portal
23. The Contractor shall develop and maintain a Retailer Portal which can be accessed by Maryland retailers via the Internet.
24. The Contractor shall fully describe the functions that will be available through its proposed Retailer Portal, including recommendations for additional transactions and/or uses of the portal which would represent an effective and economical application of this technology.
25. At a minimum, the Retailer Portal shall:
26. Provide access to transaction history
27. Check ACH deposits
28. Allow access to informational materials such as, State issuance schedule, Quick Reference Guide, etc.
29. Training
30. The Contractor shall provide hands-on training to all DHR EBT and fiscal staff and all LDSS EBT staff trainers.
31. The Contractor shall also provide training to designated LDSS staff. This training does not need to be a hands-on training but needs to be presented in a manner that shall ensure that this group receives sufficient and appropriate training for successful system inquiry.
32. The Contractor has the sole responsibility for the training of retailers.
33. The Contractor’s training materials shall alert customers, retailers, and staff to the functions and capabilities, as well as the consequences of abuse or misuse, of the EBT system.
34. The Contractor’s training materials and live trainings shall emphasize that intentional misuse or abuse of the system shall result in investigations by State and/or Federal authorities, and that sanctions shall be imposed for documented violations. Sanctions may include administrative disqualification, recovery through recoupment/restitution, dismissal from employment, and/or referral for criminal prosecution. The message during training shall clearly state that it is a crime to defraud the EBT system.
35. The Contractor shall submit, for DHR approval, any and all training programs including training aids prior to their use and shall retain ownership of any documentation that is developed and used in training.
    * 1. Customer Training
36. The Contractor shall provide all current EBT customers with training materials prior to data transfer. The training materials shall be written in easy to understand language, at the 5th grade reading level, and in compliance with SNAP Regulations. Training material shall be prepared in English, Spanish, Vietnamese and Russian. At a minimum, the training pamphlet shall include the following topics:
37. Use of the Maryland EBT card at the POS, including the type of benefit transactions that can be processed at POS terminals
38. Use of the Maryland EBT card at ATMs, including the type of benefit transactions that can be processed at the ATMs and related fees
39. Use and safeguarding of the card and PIN
40. Card replacement and related fees
41. PIN change methods and procedures
42. Guidance on reporting problems with the card or its use and on reporting a lost or stolen Maryland EBT card
43. Use of transaction receipts to track balances
44. Use of the Customer Service Call Center
45. Customer service functions, including a prominent display of the toll-free Customer Service Call Center number
46. Non-discrimination statement per 7 CFR § 274.2(e)(5), “USDA is an Equal Opportunity Provider and Employer”
47. Information on requesting and the processing of adjustments against a customer’s EBT account
48. Adherence to FNS policy regarding misuse of benefits
49. SNAP benefits shall not be used to pay for any eligible food purchased prior to the time at which an EBT card is presented to authorized retailers or meal services
50. SNAP benefits cannot be sold for cash or exchanged for non-food items
51. The Contractor shall include the EBT printed training material with all new card mailings.
52. In addition to the written training materials, the Contractor shall also develop an EBT training video for the purposes of LDSS training of customers. The EBT training video and printed training material shall be distributed to the State Project Manager and copies to every LDSS. The LDSS office addresses can be found in **Attachment S, DHR Office Locations**. The training video shall be no more than 15 minutes in length and shall cover the same topics listed in Section A above for the written training materials. The training video shall be directed at a 5th grade education level, and shall be provided in English, Spanish, Vietnamese, and closed-captioning.
53. The Contractor shall provide all updates and maintain a supply of required training materials and videos to DHR throughout the period of the Contract. Materials shall comply with ADA requirements.
    * 1. Retailer Training

The Contractor shall be responsible for all aspects of training of retailers. Contractor shall develop a Retailer User Manual and a Quick Reference Guide for distribution to all retailers participating in the EBT system.

* + 1. DHR Staff Training

The Contractor shall be responsible for the initial training of approximately 100 EBT Trainers, 50 Fiscal Staff, and 4 EBT Project Office Staff. This training shall include hands on instruction in the new web-based EBT system.

Additionally, the Contractor shall train approximately 100 administrative staff from a variety of internal operating departments. These staff persons are located in different LDSS locations as listed in **Attachment S, DHR Office Locations**. These staff members shall require a general training overview as well as function-specific training associated with their specific areas of responsibility (e.g. fraud/security, settlement, system performance, inventory control).

The Contractor shall develop an EBT Administrative Terminal User Manual for distribution to all DHR staff trained in the new EBT System.

1. POS Terminals Installation and Maintenance

The Contractor shall have specific approaches to the following:

* 1. Providing all approved FNS retailers the opportunity to participate in the EBT system. The Contractor shall supply, on DHR’s behalf, POS terminals to all FNS-approved retailers who do not choose to purchase their own equipment. This equipment shall be restricted to EBT use only. Retailers who have less than $100/month in SNAP sales shall be required to use a manual voucher process.
  2. Procuring and maintaining retailer POS equipment at all FNS retailer locations requesting and qualifying for Contractor supplied terminal(s) as determined by the FNS formula. **Attachment U, POS Terminal Locations – FNS Formula**, lists the current locations and number of EBT- Only POS terminals deployed as of July 2012 including an additional 60 EBT-Only POS terminals deployed beyond the FNS formula. The Contractor shall complete deployment, installation, and training before converting to the new EBT system.
  3. Replacing any defective or malfunctioning POS equipment that Contractor provides to retailers. At a minimum, a defective or malfunctioning POS terminal shall be repaired or replaced by the close of the retailer’s business day following the day it was reported. The Contractor shall provide same day service between 8AM to 5 PM if the retailer has only one terminal to process EBT transactions. POS terminals shall, at a minimum, have:

1. A display screen for messages;
2. A key pad for data entry, including PIN entry;
3. A card reader (Magnetic Stripe and/or Bar Code); and
4. A two-part paper printer for receipts and messages

The terminal shall not display PIN input in the clear on any screen nor shall the customer's full account number be printed on any receipt/validation. The balance may not be displayed on the screen of the POS unless it is a “Balance Only POS”. Refer to the Quest Operating Rules, Chapter 9, and 7 CFR § 274.8(b)(6)(7) for additional information.

* + 1. POS Equipment Related Supplies and Consumables

The Contractor shall provide reimbursement for all POS supplies to retailers with Contractor-installed POS terminals.

* + 1. telecommunications Lines for Pos equipment

1. The Contractor shall be responsible for the installation and operational costs of EBT dedicated telephone lines needed to connect Contractor-installed POS terminals to the EBT system.

**NOTE:** If a retailer initially elects to receive Contractor-supplied POS equipment and telecommunication services restricted to EBT use, and then decides to use the POS and telecommunication lines for general business purposes, the retailer shall either purchase the Contractor-installed equipment or purchase other equipment and request de-installation of the Contractor-installed equipment.

In either situation, the retailer shall assume responsibility for the telecommunication costs. The Contractor may develop a procedure to assess a reasonable charge to the retailer for de-installation of Contractor-supplied POS terminals. This procedure and charge shall be specified in the Retailer Agreement referenced in Section 3.6.1.8, Retailer and Third Party Processor Agreements **,**herein**,** and is subject to both DHR and USDA approval.

As of March 2014, there were 31 phone lines provided to retailers by the current Contractor. The selected Offeror shall have no responsibility for telecommunication costs for lines connecting any retailer-owned and maintained POS terminal to the EBT system.

1. The Contractor shall have procedures and backup facilities to circumvent communication outages within the network and between local communication controllers and the EBT system. Such backup procedures shall include a provision for retailer authorization floor limits when they are forced to operate off-line due to system unavailability. Unavailability is defined as “when the system is no longer receiving and processing any transactions”. The State in collaboration with the Contractor shall determine timelines for when the floor limit goes into effect. The off-line floor limit is $40 per case per day. The retailer is liable for any transactions over the $40 floor limit. The State is not liable for any retailer’s amount paid over the floor limit. The Contractor is liable for up to the $40.00 floor limit in the event the customer does not have enough funds to cover the $40.00 limit.
2. Access To Cash Benefits
3. The Contractor shall describe in its Proposal its methodology for ensuring that EBT customers have access to their cash benefits through retailers or ATMs.
4. The Contractor shall maintain a database consisting of retailers providing cash back.
5. The Contractor shall describe in its Proposal its methodology for ensuring that special circumstance retailers (i.e., farmers markets, mobile vendors and other retailers for whom typical POS terminals may not be appropriate) will participate in the EBT program, and shall make available the equipment necessary for the retailers to participate.
   * 1. Prohibited Transactions

The Contractor shall have clear approaches to blocking access to TANF benefits at ATM and POS terminals in accordance with the Middle Class Tax Relief and Job Creation Act of 2012, Spending Policies for Assistance under State TANF Programs, Public Law 112-96, 126 Stat. 156(2012)**,** Title IV **§** 4004. Customers shall not be permitted to use their EBT card at the following:

1. Any Casinos, gambling casinos, gaming establishments;
2. Adult entertainment venues where performers disrobe or perform in an unclothed state for entertainment; and
3. Liquor stores that sell exclusively or primarily intoxicating liquor. This does not include a grocery store that sells both liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food Nutrition Act of 2008).

DHR will notify the Contractor of any locations that are prohibited from using the EBT system to transact cash benefits, for example, Group Living Arrangements.

* + 1. Group Living Arrangements/Meal Services

The Contractor shall enter into agreements for the deployment of POS equipment with USDA/FNS approved group living arrangements/meal services. The State currently has 60 group living arrangements/meal services with POS equipment.

* + 1. Direct Deposit

The Contractor shall:

1. Provide, at no cost to the customer, the capability to have cash benefits deposited directly into the customer’s checking or savings account via ACH. Maryland currently has an average of 114 customers who elect direct deposit of their cash benefits. For additional historical data, see **Attachment A, Pricing Proposal – Historical Data.**
2. Comply with appropriate NACHA guidelines for pre-note and monetary transaction processing.
3. Correct direct deposit rejects in a timely and expeditious manner to ensure that customer benefits are made available as soon as possible.
4. Transaction Processing

The Contractor shall:

1. Be responsible for the authorization of customer-initiated SNAP and cash transactions. The EBT system shall have the capability to receive and process customer transactions from both ATM and POS terminals. The EBT shall only accept SNAP transactions from POS terminals of FNS approved retailers.
2. Allow for cash to be accessed through participating ATMs and POS terminals.
3. Ensure that benefits within the EBT account are distributed on a first in, first out basis.
   * 1. Interoperability
4. The Contractor shall support the Federal requirement of processing interoperable SNAP transactions, including SNAP transactions performed at a State of Maryland retailer where the customer has benefits issued by a state other than Maryland.
5. The Contractor shall also demonstrate that it has the capability of accepting and processing customer transactions occurring at out-of-state (non-Maryland) retailers.
   * 1. POS Transactions types
6. The Contractor’s EBT system shall be able to accept EBT transactions from POS terminals for both SNAP and cash benefits.
7. The Contractor shall process, at a minimum, the following SNAP transaction types:
8. SNAP Purchases
9. SNAP Returns
10. Manual Authorizations
11. Voucher Clears
12. Balance Inquiries
13. Voids or Cancellations
14. Reversals
15. The Contractor shall process, at a minimum, the following cash transaction types:
16. Cash Purchase
17. Purchase with Cash Back
18. Cash Withdrawal
19. Balance Inquiry
20. Voids and Cancellations
21. Reversals
22. The Contractor shall accept and process EBT transactions where the card number has been manually entered (key-entered) into the POS terminal. Transactions may be key-entered at times when a card presented by a customer is damaged and/or the POS terminal is unable to read the magnetic stripe. PIN entry by the customer is still required on key entered transactions.

**NOTE:** DHR reserves the right to remove key entry capability at individual retailer locations if the function is abused.

* + 1. ATM Transaction Types

1. The Contractor shall maintain an EBT system that will process and authorize cash withdrawal transactions originating from ATMs. The EBT system shall deny transactions if the balance of the cash account will not support both the requested withdrawal/transaction and all allowable charges/fees.
2. The Contractor shall have the capability to process the following ATM transaction types:
3. Withdrawals from Cash Account
4. Balance Inquiries from Cash Account
5. Cancellations
   * 1. Manual Voucher Process

The Contractor shall process manual SNAP transactions when electronic transactions are not available. For example:

1. POS equipment is not functioning
2. The TPP system is down
3. The host computer is down and it cannot accept communication from the retailer’s POS device or TPP
4. A retailer is a manual issuance retailer

The Contractor shall ensure the process works according to the following:

1. A retailer shall properly complete a manual voucher, including the customer’s signature on the voucher. The customer’s signature is substituted for the customer’s PIN. A retailer shall always obtain an approval number from the EBT retailer Help Desk prior to dispensing the purchased goods. In the event approval is not obtained and goods are dispensed, the retailer is liable for the full transaction amount.
2. Manual transactions shall also be available to those retailers described in 7 CFR § 274.3(a)(1)(i) and other food retailers authorized under 7 CFR § 278.1. FNS approved retailers transacting $100 or less in SNAP benefits per month shall also utilize manual vouchers.
3. Retailers shall clear the manual voucher within fifteen (15) calendar days of the voucher approval, electronically on the POS terminal or by mail, if a manual voucher only retailer. If the retailer does not clear the manual voucher within fifteen (15) calendar days after receiving telephone approval, the approval number expires and the funds return to the customers EBT account. The liability for the transaction will then rest with the retailer.
   * 1. BENEFIT TRANSACTION POS FUNCTIONS

The Contractor shall provide POS terminals that support the following benefit transaction related POS functions:

1. **Retailer Log-on and Log-off Security Functions** - The retailer’s staff shall interact with EBT security processes in order to access the system using the POS terminal. The Contractor’s procedures and software shall control staff access via authority level and define management controls to access system.
2. **Settlement Processing** - The POS terminal shall allow the retailer to access the system to process the various close of business functions required, as described in Section 3.15, Retailer and Financial Institution Account Processing.
   * 1. Financial Transaction Processing
3. The Contractor shall identify those networks that will be included in the EBT system and shall be responsible for insuring that all ATMs accessible by Maryland customers display the Quest logo.

**The Contractor’s EBT system shall process (i.e. identify and capture) both on-line and off-line financial transactions including:**

1. On-line EBT transactions executed on the financial network
2. On-line transaction processing related to customer accounts initiated at access terminals
3. On-line transaction processing related to retailer and financial institution accounts, initiated at access terminals
4. System initiated transactions
5. On-line processing interactions
6. Off-line transaction processing-manual voucher transactions
   * 1. Customer Account Processing
7. The Contractor shall comply with the following DHR functional requirements for processing and accessing customer benefits within the EBT system. Entitlement benefits are funded through various state and Federal sources, with varying levels of Federal Financial Participation for cash assistance.
8. The Contractor’s EBT system shall accurately track and report specific accounting information for each dollar issued. Appropriate system controls shall be in place that will disallow duplicate issuance of funds.
   * 1. Daily Benefit Transmission From DHR

On each State workday, DHR will transmit to Contractor, according to a mutually agreed upon schedule, a file of Cash and SNAP benefits. Although described as one file, this transmission may actually consist of several files differentiated by cash and SNAP benefits, and by recurring and one-time benefits. This file will contain a payment date and time, which represents the first day and time of day these particular benefits can be accessed by the customers. The Contractor shall:

1. Validate the file by assuring that the record totals and benefit amount totals agree with the summary totals provided by DHR.
2. Perform a pre-processing check of the file to make sure the file is structured correctly to prevent duplicate processing and to check that there is nothing unusual in the file. Once everything is checked, the file shall be processed and a processing summary report shall be sent back to the State. This summary shall show the total number of cases processed, the total dollar amount, and a listing of any case demographic or issuance that was rejected. The file will consist of the following information:
3. Account number (nine-digit CIS individual number)
4. Issuance number
5. Issuance type
6. Payment name
7. County number/record number/category/grant group
8. Payment date and time of availability to customer
9. Benefit amount
10. DHR account code
11. Establish new accounts for each new customer. If an account already exists, benefits are to be credited to that account, but are not to become available before the payment date. An account may receive one or more different benefits on any payment date or transmission.
12. Retain the identity of each individual benefit stored in the account.

**NOTE:** The Contractor’s EBT system shall permit DHR to close and reopen accounts (case numbers).

* + 1. Tracking Benefit Withdrawals

The Contractor shall design an EBT system that is capable of the following:

1. Tracking and retaining the identity of each individual whole benefit, as well as the first withdrawal from a benefit. If only parts of the funds of a benefit are withdrawn, then the remaining amount is referred to as a partial benefit.
2. Ensuring that there is only one partial benefit per account at any one time.
3. After a whole benefit is accessed and a part of those funds withdrawn, ensuring that every subsequent withdrawal from that account is charged against that partial benefit until it is totally withdrawn.
4. Upon a withdrawal, determining which whole benefit to access on a first in, first out, concept. (An account may contain multiple whole benefits at one time.)
5. If two or more whole benefits are received on the same day, selecting the oldest benefit from which to begin accessing for withdrawals. As noted above, all funds from the first benefit accessed shall be withdrawn before the EBT system accesses any other benefits of the same type.
6. Reporting the tracking and reporting of benefit access to DHR in an electronic format that is compatible with the Department’s Accounting system.

**NOTE:** DHR will not make any system modifications to accommodate this or any other processing requirement.

* + 1. Whole Benefit Returns

If a whole cash benefit or whole SNAP is not accessed within 180 calendar days from the availability date of that benefit, the Contractor shall return that benefit, and all others for that customer, to DHR through a daily return/monthly aging report file. All customer information originally contained on DHR’s benefit issuance file shall be included in Contractor’s daily return/monthly aging report file.

**NOTE:** The Contractor will not be responsible for any notifications to the customer of the benefit returned to DHR, except to provide appropriate funds unavailable/decline message at an ATM and/or POS terminal.

* + 1. Partial Benefit Returns

If some portion of a cash or SNAP benefit has been withdrawn, the remaining benefit is a partial benefit. If any partial cash or SNAP benefit is not accessed for 180 calendar days thereafter, the Contractor shall return the partial benefit on the daily return/monthly aging report file. The 180-day period begins on the date of last successful debit transaction.

The Contractor shall provide all benefit information originally provided by DHR related to that benefit on the daily return/monthly aging report file.

**NOTE:** The Contractor will not be responsible for any notifications to the customer of the benefit returned to DHR, except to provide an appropriate fund unavailable/decline message at an ATM and/or POS terminal.

* + 1. Multiple Benefit Codes

While only one benefit code is typically associated with a specific benefit type, a customer may receive more than one type of benefit on any given day. Therefore, more than one benefit code can be associated with a particular customer. These occurrences will be identified on the daily issuance files that are passed from DHR’s Systems to Contractor’s processor for creating customer EBT accounts. These benefit codes will be passed in a priority order.

The Contractor shall report the withdrawn portion of a benefit associated with a particular accounting code in the daily summary accounting reports to DHR, at the end of each day, as explained in Section 3.16, System Settlement and Reconciliation.

* + 1. Closing Out Accounts with Zero Balances

Many customers receiving recurring benefits may withdraw all benefits each month from their account resulting in a zero balance. However, since they will receive benefits again next month, the Contractor shall not remove their accounts from the active account database. The Contractor shall close accounts from the active database under the following two circumstances:

1. An account is reduced to a zero balance and remains at a zero balance for a period of 180 days. The 180-day count shall begin on the date when the account was first reduced to a zero balance. Any subsequent benefit authorizations shall reset the day count to zero.
2. An account with benefits not accessed for 180 days and resulting in the benefits being returned and a zero balance. Any subsequent benefit authorizations shall reset the day count to zero.
   * 1. Customer account transaction history

The Contractor shall provide on-line inquiry for all account benefit transaction activity for a minimum of 3 years from the date of the final withdrawal that closed out a benefit. On-line transaction activity for partial benefits shall remain available, as long as the partial benefit has not been returned. This on-line capability shall permit the inquiry of and receipt of account information in the following ways:

1. By account, summary credit, debit and current balance information;
2. By account, detailed information on all cash or SNAP transactions for a specified period of time, including the date, time, location, and amount;
3. By account, detailed information on all transactions for a specific retailer, POS terminal, or ATM;
4. By account, EBT card issuance and replacement history, including information such as account balances at time of replacement and summary totals of card replacements over specified time periods
5. By retailer, detail information on all cash or SNAP transaction for a specified period of time, listing such information as; account numbers, days, times, locations, terminals and amounts
6. By retailer, detail information on all transactions for a particular account

After the 3 year on-line inquiry period, the Contractor shall move transaction history to an off-line storage file for the duration of the Contract. This storage file shall include all pertinent information regarding the transaction, including the customer card and account numbers, the ATM/POS number and location, and the date and amount of the transaction. Access to the data shall be granted to DHR and other authorized government agencies as required for investigative and auditing purposes. At Contract termination, this file shall be delivered in a mutually agreed upon format to DHR’s new EBT contractor as part of the overall database transfer process. This off-line information retrieval shall provide for different sorting of the information. The following are requirements of how off-line history shall be stored:

1. By account, transactions occurring at out-of-state locations over a period of time;
2. By retailer and/or by store, summary transaction history over a specified period of time, calculated by day or month; and
3. By retailer and account, even dollar transactions over a variable threshold for a given period of time.
   * 1. ATM Cash Transaction Fee/Limits

The Contractor’s system shall allow up to three successful ATM cash withdrawals and unlimited inquiry transactions within a calendar month free of charge to each customer. DHR will pay only for the actual number of withdrawals performed. Free transactions are assessed per account, not per card. The monthly free transaction limit excludes unsuccessful cash transaction attempts, such as invalid PIN entry or transactions rejected for lack of funds.

Transactions beyond the initial three per month shall be subject to a not to exceed fee of $0.85 per successful transaction. The fee shall be debited from the customer's cash benefit account at the time of the transaction. The Contractor shall ensure that sufficient funds are available to pay the fee before authorizing the transaction. Contractor shall collect the ATM transaction fees and these fees shall be reflected in the transaction history for each account and reported in aggregate to DHR in a distinct account cost code on the daily settlement file. Historical information regarding the volume of cash transactions may be found in **Attachment A, Pricing Proposal**.

1. Retailer And Financial Institution Account Processing

For USDA/FNS approved retailers and financial institutions interested in participating in EBT as acquirers of cash financial transactions, the Contractor’s EBT system shall support the following functions to process the customer's accounts. The Contractor shall have clear approaches to the subsections below:

* + 1. System RecognitioN

1. The Contractor’s EBT system shall maintain control files that recognize a participating EBT retailer. Retailers, as well as financial institutions participating in EBT, shall house and operate either POS terminals and ATMs, or both.
2. The Contractor’s system shall allow transactions only from POS terminals and ATMs recognized by the control files. These files shall store information, such as store name, address, and Federal authorization number.
3. The Contractor shall use the FNS Retailer EBT Data Exchange (REDE) system.
4. The Contractor’s EBT system shall disallow duplicate terminal identification numbers.

**NOTE:** As part of the initial set-up of a retailer account, a pre-note transaction shall be sent through the ACH network in order to verify the appropriate information (i.e. retailer’s bank ABA number, retailer bank account number) and to minimize rejected items. The Contractor shall comply with Section 3.25, Bank Requirements**,** and bank regulation requirements at 7 CFR§ 274.8(c)(1).

* + 1. Service Termination

When appropriate, the Contractor shall support termination of a retailer by FNS. The EBT system shall support a service termination function, such as a “hold status”, or termination status.

* + 1. ATM/POS Settlement Processing

1. The Contractor shall accomplish settlement for both cash assistance and SNAP benefits for electronic and manual voucher transactions. Terminal settlement shall reconcile out of balance situations.
2. Financial reimbursement for transactions performed at participating retailers and financial institutions shall be based on the daily Federal Reserve deadlines. Any transactions that are processed after the deadline for the current business day shall be credited to the following business day's totals.
   * 1. Funds Transfer
3. After settlement between the terminal and the EBT system, the Contractor shall transfer funds to the appropriate retailer or financial institution accounts for the value of the transactions executed for the business day. The actual transfer of funds occurs through the ACH process after system settlement for the business day.
4. All activity shall be reflected on daily settlement reports transmitted to DHR.
5. If a retailer’s refunds exceed its sales, a debit to the retailer account shall be generated and performed through the ACH process.
   * 1. Dispute Processing
6. The Contractor shall process disputes that arise when daily balancing totals at the retailer and financial institution level do not match those in the Contractor’s EBT system.
7. The Contractor shall also process disputes that arise when funds transferred or deposited to the retailer and financial institution accounts via the ACH do not match totals calculated independently by the retailer and financial institution.
8. Customer-retailer dispute resolutions shall meet the adjustment regulations in 7 CFR § 274.8(c)(i)(ii).
   * 1. Retailer Account Transaction History
9. The Contractor’s EBT system shall allow for on-line inquiry for all retailers and financial institution account transaction activity for a period of 3 years.
10. After 3 years, the Contractor shall move the transaction history to an off-line storage file for the duration of the Contract. Access to the data shall be made available to DHR and authorized government agencies for investigation and audit purposes in accordance with **Attachment D, Standard Services Contract**.
11. The Contractor’s history file shall include all pertinent information regarding the transaction, including the retailer or financial institution identifier, the ATM/POS number and location, the date, time, type, and amount of the transaction, and the customer card and account numbers.
12. The on-line inquiry shall provide access to daily ACH deposit information for each retailer and financial institution that conducts EBT transactions.
    * 1. RETAILER ACCOUNT MANAGEMENT

The Contractor shall:

1. Be responsible for managing retailer participation in the State of Maryland EBT program in accordance with USDA/FNS regulations and State requirements as set forth in this RFP.
2. Establish and maintain all agreements in order to establish a benefit delivery network to deliver customer benefits. This includes relationships with financial networks, food retailers, banks, check cashing operators, and any other retailer location where customers shall be able to use their EBT cards for cash purchases, cash withdrawals, and/or food purchases.
3. Notify, in writing, all retailers, check-cashing operators, and all other providers through which benefits are disbursed, that no fees may be charged to customers for accessing benefits. The only allowable transaction fees are those specified in Section 3.14.15, ATM Cash Transaction Fee /Limits.
4. Provide for periodic, planned meetings and communications with retailer and banking trade associations, as well as with user advocacy groups. DHR will facilitate such meetings and communications in order to evaluate system usage and discuss problems. Contractor shall be responsible for collecting any data, preparing an agenda, and providing any and all support materials for such meetings or communications. All materials and/or other forms of information shall be approved by DHR prior to distribution.
5. System Settlement and Reconciliation

The Contractor shall:

1. Assure that benefits received from DHR are accurately posted to customer accounts.
2. Accurately debit/credit customer’s accounts for withdrawals, fees, and refunds.
3. Accurately credit retailers and financial institutions for benefits disbursed.
4. Settle and reconcile accounts every banking business day at a time to be specified by Contractor, or as required by standard banking practice, and in accordance with applicable State and Federal regulations.
5. Conduct settlements for retailers, TPPs and ATM networks through the existing ACH infrastructure. The Contractor shall have an originating and receiving relationship with the ACH, either directly or through one of its subcontractors. Contractor shall also have access to the appropriate regional network(s) and be capable of settling both ATM and POS transactions.
6. For retailers, TPPs, or other benefit providers that are directly connected to the Contractor’s system, originate an ACH credit for the total balance due for EBT benefits provided during the EBT processing day being settled. The benefit provider credits shall be entered into the ACH for settlement on the next banking day. Credits due EBT benefit providers who are connected to the Contractor through a transaction switch, TPP, or national network shall settle utilizing the Quest Operating Rules.
7. For cash assistance, ensure the State Treasurer’s Office (STO) will provide the cash funds to cover the withdrawals on the morning of the first workday following the settlement. Thus, for a settlement at 3:00 PM on a Tuesday, the Treasurer will provide the necessary funds to the Concentrator Bank before 12:00 Noon on Wednesday.
8. Ensure that retailers receive SNAP credits within two (2) business days of system settlement. DHR will continue to settle on the business day after transactions are posted and processed in the overnight ACH cycle. All debits in the settlement shall be posted to DHR accounts in the overnight ACH cycle.
9. Support five main outputs of the settlement and reconciliation processes. Subsections 1-4 below are created and transmitted at every daily settlement, as defined above. The fifth output is processed at every daily settlement, but transmitted weekly. These files shall be transmitted electronically to one or more State agencies, or to other entities in the banking community as referenced in 1-5 below:
10. **Cash Benefits Extract** – The Contractor shall provide a daily file of all transactions processed through the EBT system. This file shall identify daily authorizations received from DHR and applied to the EBT system and shall also include daily cancels, withdrawals, direct deposits, refunds, voids, reversals, and remaining available balance (for each account). This file also shall identify all ATM administrative fees deducted from customer accounts. The file shall also summarize, by DHR account code (program), the total authorizations, cancellations, ending balances, terminal activity, benefit refresh, aged benefits, and administrative fees. OTHS will apply this file against the Department’s CARES system for reconciliation purposes.
11. **SNAP Benefits Extract** - The Contractor shall provide a daily file of all transactions processed through the EBT system. This file shall identify daily authorizations received from DHR and applied to the EBT system and include daily cancels, withdrawals, refunds, voids, reversals, repayments, and remaining available balance (for each account). The file shall summarize, by DHR benefit code (program), total authorizations, cancellations, ending balances, terminal activity, benefit refresh, repayments, and aged benefits. OTHS will apply this file against the Department’s CARES system for reconciliation purposes.
12. **Aged Benefits** – The Contractor shall automatically remove from customer’s accounts any benefit(including partially used benefits) which has not been used within 180 days from either the date of the initial authorization or the date of the last successful debit transaction. This process shall be run daily. A file of these aged authorizations shall be produced and used by OTHS for reconciliation purposes and to post aged benefit information to the CARES database.
13. **Retailer/Merchant/Financial Institution Credit Detail** – The Contractor shall create files of all cash and SNAP payments made by retailers and financial institutions via the ATM and POS networks. These files shall be transmitted to the appropriate Concentrator Bank(s) on a daily basis. The Concentrator Banks shall then initiate the appropriate transfer of funds to reimburse all retailers and financial institutions for transactions processed during the settlement period. Daily settlement reporting shall be provided to DHR’s Office of Budget and Finance summarizing by for each benefit program:
14. Total settled amount for each ATM network used;
15. Total amount direct deposited via ACH;
16. Total retailer ACH for cash programs; and
17. Separate total retailer ACH for SNAP programs.

The Office of Budget and Finance will use this daily settlement report as the basis for transferring funds to reimburse the Concentrator Banks. In the event that only one Concentrator Bank is involved for the settlement of both cash and SNAP, then the Contractor shall provide a settlement report summarizing for each benefit program, the total settled for cash programs, and a separate total settled for programs.

1. **SNAP Transfer File** - This file is a transfer file that provides a daily net transaction total by retailer authorization number. The Contractor shall transmit this file weekly or as subsequently required by the USDA, to the USDA SNAP Minneapolis Computer Support Center (MCSC).
2. Comply with the SNAP regulations at 7 CFR § 274.4 (a) and the SNAP reconciliation requirements to perform reconciliation for all EBT programs. At a minimum, the Contractor shall reconcile:
3. Customer account daily beginning balances and net draws versus the ending balance;
4. Customer net redemptions versus acquirer settlement values;
5. Total funds, entering, exiting, and remaining in the system each day;
6. Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding for all Government agencies; and
7. The net settlement value of all transactions to the sum of the net settlement values for all benefit programs.
8. Determine the total amount of Federal funds by program necessary to reimburse its account for the total credits due to EBT acquirers. The information generated during the system cut-off and balance processing shall be used by the EBT Contractor to prepare the daily settlement files. The EBT Contractor shall maintain audit trails throughout the settlement process.
9. Current Settlement Background/Summary

The current EBT settlement process is required unless and until it is changed by written agreement with DHR and STO. Accordingly, the Contractor shall, at a minimum, use the flow of funds as illustrated in the following scenarios:

1. SNAP Benefits – Financial Services (FISERV) technology is the current processor and accumulates the approved EBT transactions each day. FISERV distributes the transactions to the Concentrator Bank with credits to the merchant banks (accounts) and debits to the settlement (Concentrator) account.

**NOTE:** DHR receives the settlement report from its EBT processor, determines the amount of food benefits transactions and advises STO. The STO initiates a drawdown through the as soon as possible (ASAP) system against the food benefit letter of credit. When received, these funds are credited to the settlement account.

1. Cash Benefits – Transactions are processed through FISERV as described above. In the case of direct deposits, the credits are posted to the customer bank accounts rather than merchant bank accounts.

**NOTE**: DHR receives the settlement report from the EBT processor, determines the amount of cash benefit transactions (ATM, POS and direct deposits combined), and initiates a wire transfer to the settlement account. DHR also advises the STO of the Federal share of the amount of cash benefits. The STO initiates a drawdown through the SmartLink system against the cash benefit letter of credit. When received, these funds are deposited in the State Treasury to DHR’s credit.

3.16.2 Adjustment Processing

1. The Contractor and/or retailer/TPP shall make adjustments to resolve errors and out-of-balances related to system problems.
2. The Contractor shall have the capability to process the adjustment and have this reflected in the customer’s account.
3. The Contractor shall comply with Federal regulations regarding the recording, tracking, and processing of these types of adjustments. See 7 CFR § 274.2(g).
4. Adjustments made by the Contractor shall cause money to be moved either to or from the customer’s EBT account and will impact the daily settlement.
5. The Contractor shall provide notification to DHR of pending debit adjustments so that notification can be provided to the customer. All debit adjustments shall be approved by the State Project Manager.
6. Maintenance and Change Requests

The objective of a Change Request is to minimize service downtime by ensuring that requests for changes are recorded and then evaluated, authorized, prioritized, planned, tested, implemented, documented and reviewed in a controlled and consistent manner. At a minimum, the Contractor’s Change Request process shall:

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

The Contractor shall follow the change management process below for the implementation of any Change Request:

1. As part of any Change Request, the State Project Manager may request the Contractor to perform any testing, as defined in Section 3.6.2.1, System Testing, prior to implementation into the production environment. The Contractor shall provide the State Project Manager adequate documentation to demonstrate testing has been performed.
2. The Contractor shall schedule and coordinate the implementation of the Change Request with no impact to production environment or SLAs.
3. The Contractor shall have a release control process that ensures that changes are tested first in a test environment. The controlled release process of implementing releases in production shall have a fall back plan in place in case the release does not work as planned.
4. The Contractor shall obtain approval from the State Project Manager prior to implementation.
5. EBT Problem Management

The Contractor shall have specific strategies for problem management controls to include incident reporting, logging, tracking, problem escalation, notification, resolution, root cause analysis, and 24/7 hardware monitoring, as well as online batch and back-ups. The Contractor shall:

1. Track and correct system defects, which are malfunctions or functional deviations from approved system requirements. Additionally, the Contractor shall correct system performance issues identified by retailers, customers, or State staff. The Contractor shall take corrective and preventive action and ensure that the system performs as designed and required by the RFP.
2. Promptly document reported problems upon receipt and monitor controls, communicate, and report on each problem until resolved and/or completed correctly.
3. Maintain appropriate and timely communications with DHR and affected users on all problems from the onset through resolution. Updates will be provided to DHR at no more than 20 minute intervals until the problem is resolved. DHR will define the list of notifications after Contract award. Contractor may also be required to produce or assist DHR in the notification to customers or retailers as defined by DHR.
4. Provide a mechanism for expedited handling of problems that are of high business priority to DHR to include a Root Cause Analysis (RCA), as follows:
   1. A preliminary RCA is required for all Critical/Severity1 (SEV1) incidents within 24 hours of the incident, which needs to follow the problem management process for documenting severity levels.
   2. An Interim RCA shall be submitted every 24 hours with updated information. A final RCA is required no later than 72 hours after resolution is approved and completed.
   3. The RCA shall contain: details regarding the issue; a severity level timeline from inception to completion; corrective and preventive measure(s) taken; and updated report information.
5. Correct all problems within the reasonable scope of Contractor’s responsibility. A problem will not be considered to be corrected until the Contractor receives validation from DHR that the issue is resolved to DHR’s satisfaction.
6. Proactively provide to the State Project Manager appropriate reports on problems, including statistics on total number of problems, outstanding problems and resolution time.
7. Integrate and coordinate problem reporting processes and procedures with the EBT Project Manager.
8. Upon notification of an issue, the Contractor shall notify DHR and follow a Problem Management Process. The Contractor shall classify issues based on the severity levels described below, communicate appropriately until resolution, and provide a RCA. The severity levels are as follows:
9. **Critical/Severity 1 (SEV1)- trouble ticket has one or more of the following characteristics:**
10. The incident has a major business impact
11. Normal Business operations cannot be conducted
12. Multiple end-users cannot run a production application
13. The affected end-user is high profile (as defined by MD DHR/OTHS)
14. The incident cannot be circumvented
15. **High/Severity 2 (SEV 2**)- **trouble ticket has one or more of the following characteristics:**
16. The incident has a substantial business impact
17. Normal business operations are severely impeded
18. The application/system functions but usability is severely limited for multiple end-users
19. The application/system has experienced continual or repeated incidents
20. **Medium/Severity 3 (SEV 3**)- **trouble ticket has one or more of the following characteristics:**
21. The incident has a limited business impact
22. Normal business operations are minimally impeded
23. The end-user can run the application but has lost some functionality
24. The incident is not continual or repeated
25. **Low/Severity 4 (SEV 4**)- **trouble ticket has one or more of the following characteristics:**
26. The incident has no business impact
27. Normal business operations are not impeded
28. The end-user can run the application
29. The request is an end-user inquiry only

**NOTE**: The State Project Manager may modify the priority level and time-to-correct period if in his or her sole judgment it is in the best interest of the contract. The State Project Manager may waive, in writing, the Contractor's requirement to correct a reported deficiency if in his or her sole judgment, the deficiency has been incorrectly reported.

1. Report all defects or problems to the State Project Manager based on the priority assigned to the defect or problem. Problems or issues with the system shall be reported through an Incident Report and updated per the required notification process.
2. Monitor the EBT application, network devices, telecommunications, online activity and batch activity 24x7x365 and notify DHR of any issues. **Notification shall occur within 20 minutes of a suspected identification of a SEV1 or SEV 2 incident, and within 2 hours of a SEV3 or SEV 4 incident. Notification start time begins once the problem is reported.**
3. As part of the notification process to the State Project Manager, include in the notification, at a minimum, the following:
4. Date and time of incident;
5. Severity Level;
6. A detailed description of the problem;
7. The expected impact on operational functions;
8. A corrective action plan, and preventive action plan of future occurrences;
9. The expected time of problem resolution; and root cause analysis
10. Time resolved; and
11. Length of time to resolve
12. Security Risk
13. Contract Monitoring and Problem Resolution
14. The Contractor shall comply with all processes and requests made by the State Project Manager in conducting monitoring oversight activities during the term of the Contract.
15. The Contractor shall allow the State Project Manager to complete scheduled and unscheduled site visits, as appropriate, to assess performance, determine Contract compliance, and report on delivery of services required under this Contract.
16. The Contractor shall have clear approaches to the following:
17. Providing support to DHR and technical assistance to support batch execution in all of DHR’s key environments (operations) to meet SLAs as defined in Section 3.21, Service Level Agreements.
18. Performing all batch processing during non-prime time hours (between 7:00 PM and 7 AM).
19. Performing all online processing during prime-time hours (between 7:00 AM and 7:00 PM).
20. Providing 24x7x365 production support to DHR’s staff to meet SLAs as defined in Section 3.21, including:
21. Monitoring batch job specifications and providing technical support to ensure the successful batch execution.
22. Providing a method to define predecessors/successors relationships, deficiencies and efficiencies.
23. Scheduling procedures and applying necessary number of initiators and priorities for timely job execution.
24. Providing a method of accepting the batch, and returning accurate confirmation.
25. Providing daily activity files to DHR and accurate reports.
26. Documenting and maintaining a problem log of both batch and online issues encountered. The log shall include, at a minimum: date, time, problem type (batch or online), problem description and resolution. The log shall be delivered to the State Project Manager with the appropriate status report. The Contractor shall perform trend analysis on the issues and make recommendations for improvement as needed.
27. Describing specific policy and problem resolution procedures related to customer notification and service interruptions. Service interruptions shall not be scheduled during prime-time hours (between 7:00 AM and 7:00 PM). Notifications for any interruption of services shall be provided in writing to the State Project Manager and scheduled during agreed upon down-times. When the issue is resolved, the Contractor shall notify required staff of the resolution.
28. System Performance Requirements

System performance is an important aspect of a successful EBT system. Poor system performance adversely affects all user groups, especially the customers and retailers. System performance factors include system processing speed, availability, reliability, capacity (to absorb volume increases), and ease of use.

The Contractor shall provide an EBT system that, at a minimum, meets the performance standards consistent with Federal regulations in 7 CFR § 274.8(b) for:

1. **Availability**

The Contractor shall ensure that the EBT system is available and functioning for the processing of transactions. EBT system availability is the percent of time the system is functioning for the processing of transactions. Per 7 CFR § 274.8(b)(2)(i), the EBT system’s central computer shall be available 99.9 percent of scheduled up-time, 24x7x365. The total system shall be available 98 percent of scheduled up-time, 24x7x365.

1. **Reliability**

The Contractor shall ensure that the EBT system is reliable and accurate in the processing of transactions. EBT system transactions include the following: POS terminal and ATM initiated, system initiated, manual data-entered, credits and debits to retailer accounts, household accounts, and financial institutions processed through EBT system central or host computers. The EBT system’s central computer shall permit no more than 2 inaccurate EBT transactions for every 10,000 transactions processed.

1. **Performance, Processing Speed and Response Time**
   1. The Contractor shall ensure that the EBT system meets performance and technical standards, in accordance with 7 CFR §274.8(b) in the areas of system processing speeds.
   2. The Contractor shall meet the Response Time Standards (RTS) found at 7 CFR § 274.8(b)(1) for all on-line POS transactions. RTS are defined as the time between pressing "Enter/Send" at the input device and the receipt and display of the response.
   3. RTS for transactions originating at ATMs, the Customer Service Call Center and administrative terminal shall be in accordance with general industry standards. All EBT transactions shall be processed in accordance with 7 CFR § 274.8(b)(1).
2. **Transaction Volume Changes**

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

1. **Ease Of Use**

The Contractor shall provide a user-friendly EBT system that, at a minimum, complies with the requirements of 7 CFR § 274.8(b) (4).

1. Service Level Agreements

The capability of DHR to provide reliable service to its customers depends on the ability of the selected Contractor to provide timely and accurate information. Unreliable operation of DHR’s systems causes severe stress to the customers of DHR and a strong negative impact on the State’s reputation. As a result, it is critical that the Contractor understand DHR’s expectations around levels of system availability and timeliness of service and system performance.

DHR and the Contractor acknowledge and agree that pursuant to the terms of this Contract, the results of the calculations of the SLAs shall be adjusted for purposes of determining if a breach of this Contract has occurred, to take into account any excusable delay for which the Contractor is not responsible pursuant to the terms defined herein.

The Contractor shall provide service at or above the defined SLAs as outlined in **Attachment Q, Service Level Agreements,** and provide monthly metrics to show if these SLA standards are being met. Failure to meet some specified SLAs as defined in this RFP may result in liquidated damages, as outlined in **Attachment Q, Service Level Agreements**.

The Contractor shall have a comprehensive approach to measuring service levels in providing a functioning statewide EBT system for the delivery of cash and SNAP benefits through ATMs and POS devices. Approaches and methodologies shall encompass, at a minimum:

1. 24x7x365 production support services;
2. Problem determination and resolution;
3. EBT System analysis, including but not limited to transactions, queries, and job streams;
4. Customer Service;
5. Transaction processing; and
6. Benefit Availability
7. System Performance/Liabilities Issues

The EBT system’s central computer shall permit no more than 2 inaccurate EBT transactions for every 10,000 transactions processed. DHR requires this stipulation for both SNAP transactions and cash transactions. Associated liabilities for inaccurate transactions shall be the responsibility of the Contractor. These include, but are not limited to, the posting of benefit files to the EBT database, the processing of transactions permitted at POS terminals and ATMs that debit or credit customer accounts, and the processing of ACH files created from the EBT processor's settlement function that result in payment to the retail and financial institutions that participate in EBT.

Federal funds, as stipulated by the USDA, are not available for unauthorized SNAP transactions. Consequently, the EBT processor shall absorb the loss for incidents when benefits, both cash and SNAP, are debited from a customer account in excess of the account balance. Reference Section 2.41, Warranties, and Attachment D, Standard Services Contract.

1. General System Requirements

The Contractor shall:

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

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

2. State of Maryland Information Security Policy, including the Managerial Operational and Technical Controls contained within:<http://doit.maryland.gov/Publications/DoITSecurityPolicy.pdf>.

3. USDA/FNS Regulations in 7 CFR. § 274.8(b) (3) and 7 CFR. § 277.18(p)

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

5. Quest Operating Rules

1. Conduct a Risk Assessment of the System consistent with NIST Risk Management framework within ninety (90) days of operation.
2. Produce an EBT System Security Plan of the system consistent with NIST, DoIT and the FNS Security Guidelines before the system goes live; see Section 3.6.1.6, System Security Plan.
3. Perform and deliver Security Assessment and Authorization documentation prior to operations of the information system and every three (3) years thereafter.
4. Additionally the Contractor shall test controls annually (at a minimum) to assure that they are operating according to design.
5. Backup all current online transactions to an off-site facility on a daily basis. The Contractor shall provide encryption for all backups, while in transit and at risk with FIPS 140-2 Encryption.
6. Establish policies and procedures for Vulnerability Testing and Patch Management to ensure that application, system and network device vulnerabilities are evaluated and vendor supplied security is applied in a timely manner. All established policies and procedures relating to security shall be listed the EBT System Security Plan.
7. Specify that the Service Provider has protection against data contamination between customers (compartmentalization) if there is more than one customer. The Contractor shall protect against data contamination (compartmentalization) between customers other than DHR.
8. Provide security measures for the following areas:
9. Facilities Physical Security
10. System Security
11. System Data Security; and
12. Administrative and Personnel Security
13. Facility Physical Security

The Contractor shall:

A. Utilize physical security and access control systems to limit access to any facilities used to produce cards, process data, or house sensitive data.

1. Regulate access to primary and backup data centers in such a way that the flow of all persons can be monitored and controlled.
2. Implement physical security protection measures to deny unauthorized access to EBT data processing and telecommunications facilities.
3. Ebt System Security

The Contractor shall provide, at a minimum, systematic and procedural controls for the following areas:

1. **Control of Card Stock**: The Contractor shall be responsible and liable for all un-issued card stock until such stock is either received by DHR or mailed to customers.
2. **Control of PINs**: The Contractor shall be responsible for ensuring the confidentiality of the PIN during generation, issuance, storage, and verification. The Contractor shall incorporate an encryption standard equivalent to the FIPS 142-2regulations to control all PINs so that the number is never transmitted or stored in the clear. The Contractor shall, at a minimum, provide for authentication of data encoded on the card’s magnetic stripe and PIN offset, and the PIN controls listed in Chapter 9, Security, of the Quest Operating Rules.
3. **Computer/Communications Access Controls**: The Contractor shall provide communications software to control access to the EBT system. Communications access control software shall, at a minimum, provide the following capabilities which include:
   1. **User Identification and Authentication:** The Contractor shall require unique identification from each user to access the system (i.e., user ID and password), and support blind password display. The Contractor shall maintain a user identification and authentication system that, at a minimum:
4. Restricts access to files, databases, transactions, and programs to those personnel needing access to such data to meet professional responsibilities.
5. Authenticates data so that it cannot be accessed by any unauthorized user. The system shall also provide the capability of associating this identity with all actions taken by that individual subject to audit.
6. Maintains information for determining the authorizations of individual users.
7. Allows DHR the capability to assign user passwords and a web interface for active users to securely reset their own password. The Contractor shall also provide DHR with the ability to create groups with custom security roles.
8. Supports a lockout threshold for excessive invalid access attempts. The log on IDs and passwords of users no longer authorized to access the system shall be deleted on-line, real-time.
   * + 1. **Discretionary Access Controls**: The Contractor shall use identification and authorization data to determine user access to information and the level or type of information accessed to ensure that users without such authorization are not allowed access to data.
       2. **System Access Audit Controls**: The Contractor shall maintain an audit trail of access to the system and maintain and protect such records from modification, unauthorized access, or destruction. The Contractor shall have defined and controlled access between named users and named objects (including but not limited to, files and programs). The audit trail shall be able to record the following types of events: log on, log off, change of password, creation, deletion, opening and closing of files, program initiation, and all actions by system operators, administrators, and security officers. For each recorded event, the audit record shall identify date and time of the event, user, type of event, and the success or failure of the event.

For log on, log off, and password changes, the origin of the request (including but not limited to, terminal ID) shall be included in the audit record. For file related events, the audit record shall include the file's name. The system administrator (or system security administrator) shall be able to selectively audit the actions of one or more users based on individual identity.

* + - 1. **EBT Transaction Communications:** The Contractor shall provide controls to ensure that EBT transaction communications are safeguarded, and EBT transactions are processed only for properly executed transactions from authorized terminals.

1. Security Incidents and Reporting

A security incident is any event or condition that has the potential to affect the security of an Information Systems. These incidents may result from intentional or unintentional actions and may include loss or theft of computer media, introduction of malicious code, unauthorized attempts to gain access to information, or failure of the system security function to perform as expected. The Contractor shall establish and maintain incident management responsibilities and procedures to ensure a quick, effective, and orderly response to security incidents. Procedures shall cover all potential types of security incidents, including the following:

1. Discovered viral infection
2. Discovered malicious code (e.g., viruses, trap doors, logic bombs, worms, Trojan horses, etc.)
3. Uncovered hacker activity
4. Discovered system vulnerabilities
5. Unauthorized attempt, successful or not, to access and IS
6. Deviation from security policy
7. Other unusual activities
8. In addition to normal contingency plans (designed to recover systems or services as quickly as possible), the procedures shall also cover the following:
   1. Analysis and identification of the cause of the incident
   2. Planning and implementation of remedies to prevent recurrence, if necessary
   3. Collection of audit trails and similar evidence
   4. Communication with those affected by or involved with recovery from the incident
   5. Report of the action to the security administration function at the agency.
9. System Data Security

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

1. Ensuring that designated users from DHR may only access the system in relation to DHR system data and operations.
2. Ensuring that any sensitive information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract.
3. Providing for adequate internal controls through separation of duties.
4. Providing backup procedures to ensure the continuation of operations in the event of a temporary disruption (4 hours or less) in operations.
5. Providing backup procedures to allow benefit access when the EBT Contractor's computer, system terminals, or communications are not operational. Backup procedures shall include manual transaction processing of SNAP benefits.
6. Establishing contingency plans for benefit issuance in the event of catastrophic disruption of benefit delivery services. The EBT Contractor shall move to a backup system within 30 minutes of system disruption.
7. Maintaining adequate documentation of system operating procedures, and requirements.
8. Providing a security features user guide to describe the security features provided by the system, how to use them and how they interact with one another.
9. Ensuring that the application that enforces access controls is continuously protected against tampering and/or unauthorized changes.
10. Administrative and Personnel Security
11. The Contractor shall be responsible for ensuring the integrity of the EBT system operations, including personnel involved in system administration and security administration.
12. The Contractor shall ensure that appropriate screening is conducted of all Contractor and subcontractor personnel who are assigned to work on the EBT system.
13. Fraud Analysis and Prevention

Fraud and theft are major cost components in banking environments where large numbers of employees and customers have easy access to products and cash receipts of the business. By understanding what is normal and what is anomalous in daily operations, regional, store and risk managers can identify and proactively address fraudulent behavior to minimize loss. Fraud preparation and planning is crucial in providing a comprehensive framework for building effective anti-fraud measures.

The Contractor shall provide an Anti-Fraud Plan that includes locating and stopping fraud by actively and aggressively monitoring the activities of customers, employees, retailers and others for the purpose of identifying, at the earliest possible opportunity, evidence of fraudulent conduct.  The Contractor shall include the following in the Anti-Fraud Plan:

1. A description of Fraud Analysis techniques intended for fraud prevention of customers served through remote banking service systems. The Contractor shall ensure all data through business rules and analytical models are in near-real time or in batch so that suspicious activity may be spotted with greater accuracy. The Contractor shall state specific fraud analysis techniques and tools used to show a full comprehensive approach for the following:
   1. Detection and Alert Generation
   2. Fraud Data management
   3. Predictive and Prevention Analysis
   4. Alert Management
   5. Social Network Analysis
   6. Drill Down Dashboard
   7. Analysis Reports
   8. Risk Behavior
   9. Data Mining Techniques
2. Standardized and/or ad-hoc reports that shall be used by either DHR or the Contractor for the purpose of detecting and preventing fraud. These reports may be requested by DHR at any time during the length of the Contract.
3. A description of responsibility and procedures to refer any potentially fraudulent cases to the State Project Manager and cooperate with the Attorney General, the Office of the Inspector General, or any other law enforcement agency when requested, in investigating cases of alleged fraud.
4. An annual review of the Anti-Fraud Plan with DHR to include trends in the industry, current fraud detected, if any, counter measures taken to eliminate fraud and types of preventive measures implemented. The Contractor shall work with DHR to proactively identify additional or revised anti-fraud measures.  Measures will be monitored and reported on monthly and all measures are subject to DHR approval.
5. A description of the internal control framework (control environment, risk assessment, control activities, information and communications, and ongoing monitoring) to show the establishment and enforcement of a strong anti-fraud program and controls.
6. THIRD party Processors

USDA/FNS requires DHR to provide retailers the opportunity to use TPPs for EBT transactions, if they choose. TPPs shall meet the USDA/FNS requirements in 7 CFR § 274.3 (d). The Contractor shall:

1. Provide an EBT system interface for TPPs. TPPs are financial institutions, or cardholder authorization processors, that have contracted for EBT services. TPPs include food retailers using their own terminals that are capable of relaying electronic transactions to a central database computer for authorization.
2. Develop a written TPP certification standard to allow TPPs access to the EBT system. All TPP agreements shall be approved by DHR and USDA/FNS and include the following requirements:

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

2. Transactions -TPPs shall be able to support the entire transaction set included in the FNS regulations. The Contractor shall be able to process all of these transactions.

3. Interoperability - TPPs shall be able to process transactions for cards issued by all States for all POS equipment they support.

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

5. Servicing only FNS-authorized retailers - TPPs shall only route SNAP transactions for retailers authorized by FNS to redeem SNAP benefits.

1. Perform a certification test for each TPP requesting an interface with the EBT system. This test shall ensure that every TPP function, message, response, and error exception meets the TPP standard set forth by the Contractor as well as all applicable Quest and FNS operating rules. Contractor shall issue the TPP a test script, test cards, and required instructions prior to a scheduled test. Additionally, the certification shall include, at a minimum, performance testing (throughput and stress), and a review of system security, PIN encryption, and disaster recovery plans.
2. Settle all transaction disputes between TPPs and EBT customers.
3. Independent Audit and Certification
4. The Contractor shall cooperate and submit copies of its annual audits of its data processing, operations, disaster recovery, and security functions upon request by DHR. DHR shall be permitted to inspect, review, investigate and audit Contractor performance records concerning EBT and facilities engaged in EBT work.
5. The Contractor shall provide an Annual Written Certification stating that the Contractor and its subcontractors are in compliance with applicable banking regulatory requirements and EBT program specific requirements. These certifications shall be subject to independent verification and validation. The following EBT program specific requirements shall be addressed in the Contractor’s self-certification of compliance:
6. Banking and Financial Services Rules: The Contractor shall comply with banking, EFT, and other financial services industry rules that relate to the EBT application. Such rules include NACHA Operating Rules and Operating Guidelines, and the Department of the Treasury Financial Management Service Green Book Requirements and 31 CFR § 210.
7. Quest EBT Operating Rules.
8. Benefit Program Rules: For example, 7 CFR Parts 272, 274, and 276 through 278.
9. Internal controls and physical and personnel security requirements.
10. An evaluation of its compliance with the EBT program specific requirements, the applicable regulatory requirements, and the effectiveness of the internal control structure.
11. Written certification of compliance with the EBT program specific requirements and applicable bank, EFT, and financial services industry requirements related to the EBT application.
12. An explanation of how determinations were made, including bank examination, audit, and internal review.
13. An explanation of any exceptions and description of corrective actions taken or planned to address such exceptions.
14. The Contactor shall engage an independent auditing firm to conduct an annual Service Organization Controls (SOC) 1 and SOC 2 report in accordance with Statement on Standards for Attestation Engagements (SSAE) No. 16 on the issuance, redemption and settlement of SNAP benefits. Audits shall be performed at the Contractor’s expense and are subject to the following:
15. SOC 1 reports are designed to help service organizations that operate information systems and provide information system services to other entities, build trust and confidence in their service delivery processes and controls.
16. SOC 2 reports are intended to meet the needs of a broad range of users that need information and assurance about the controls at a service organization that affect  the security, availability, and processing integrity of the systems the service organization uses to process users’ data and the  confidentiality and privacy of the information processed by these systems.
17. SOC 2 audits of the Contractor’s EBT operations and computer systems software and hardware that delivers SNAP and cash benefits through ATM’s and POS devices shall be performed in accordance with audit guidance: Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (Guidance) as published by the American Institute SOC 2of Certified Public Accountants (AICPA) and as updated from time to time; or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization to assess the security of client data in an outsourced or cloud computing arrangement. The independent external auditing firm shall have prior experience in conducting SOC 2 Type 2 Report audits. The Annual **SOC audit shall** include:
18. A description of the Contractor’s system and the suitability of the design and operating effectiveness of controls relevant to one or more of the following trust principles [Security, Availability, Processing Integrity, Confidentiality, or Privacy] as defined in the aforementioned Guidance.
19. The identity of subcontractors that provide essential support for the services provided under the Contract. The Contractor shall have the right to audit each subcontractor’s performance pursuant to the SOC2 audit.
20. A final SOC 2 Report, provided directly to the State Project Manager within forty five (45) days after the State’s fiscal year end. The first audit shall be due on or before August 15, 2016, and every year thereafter.
21. In the event that deficiencies are identified in a SOC audit requiring a Corrective Action Plan (CAP), the State Project Manager will notify the Contractor in writing within thirty (30) calendar days. The Contractor shall submit the CAP to the State Project Manager within seven (7) business days after receipt of written notification that the CAP is required. The Contractor’s CAP shall describe in detail the remedial actions that will be taken by the Contractor to resolve the deficiencies and the time line (begin and end dates) for completing each action and shall be subject to review and approval by State Project Manager.
22. If the Contractor currently has an annual data security assessment performed that includes the operations, systems, and repositories of the services being provided to EBT, and if that assessment conforms to the content and objectives of the guidance for a SOC audit(s), the State Project Manager will determine, in consultation with the appropriate State government technology and audit authorities, whether the Contractor’s current audits are acceptable in lieu of a SOC audit.
23. If the Contractor fails at any time to obtain an annual SOC 1 and/or SOC2 Audit during the term of this Contract, the State Project Manager shall have the right to retain an independent audit firm to perform an audit of the Contractor’s EBT operations and computer systems software and hardware related to SNAP and cash benefits through ATM’s and POS devices, being hosted by the Contractor at the Contractor’s sole cost and expense. The Contractor shall allow the independent audit firm to access its facility for purposes of conducting the SOC 1 and 2 audits, and provide reasonable support to the independent audit firm in the performance of the audit. Such access includes the creation of cases and cards to be used by investigators and the posting of benefits. The State Project Manager will invoice the Contractor for all costs and expenses incurred for any auditing functions.
24. EBT Reports

Reports on EBT system operations are mandated by Federal agencies for oversight and review purposes. State agencies also require substantial report information to monitor system performance, perform internal reconciliation activities, and provide information to the Federal agencies. The Contractor shall provide the reports identified in **Attachment W, EBT Required Reports**. In addition, for SNAP, the Contractor shall meet the Federal report requirements found in 7 CFR § 274.4(c).

1. TRANSITION STATUS REPORT REQUIREMENTS

The Contractor shall provide the following reports for DHR to monitor the status of transitional activities and these reports shall be generated semi-monthly, unless DHR determines during the course of operations that the reports are required more frequently.

1. **Transition Activity Report** - This report is a summary, by task, completed activities and scheduled activities. The first report shall be generated two (2) weeks prior to the first task for database transfer, and shall specify the tasks for week number one and week number two of the transfer effort. The second report shall be generated at the end of week two of database transfer. This report shall specify the completed activities and scheduled activities for the next two-week period. Each subsequent report shall be generated at two-week intervals thereafter.
2. **Transition Problem Report** - This report is a summary of problems encountered, status, actions taken to resolve them, and support required from DHR and/or Federal agencies.
3. **Transition Delay Report** - This report is a summary of anticipated and unanticipated delays, reasons for the delays, and corrective actions taken. Any delays that require a change to the PWP shall be specifically noted and changed in the work plan. The modified work plan shall be provided with this report.
4. PRODUCTION REPORT REQUIREMENTS
5. The Contractor shall provide standard reports in the following report categories:
6. Financial
7. Operational Support
8. Security
9. Statistical/System Performance
10. Billing
11. The Contractor shall be required to provide new reports and/or make report formatting and content modifications mandated by Federal agencies at no additional expense to DHR.
12. Finally, if necessary, Contractor shall be required to convert the coding structure of its existing reports to conform with the structure that exists in the CARES system, or its successor application at time of system implementation, at no expense to DHR. All report modifications shall be reviewed and approved by DHR prior to production system implementation.
13. Data Warehousing

DHR believes that a comprehensive EBT Data Warehouse will accommodate its changing reporting requirements and ability for historical Data Mining. Data warehousing will be an additional enhancement to DHR’s reporting toolset, a powerful tool for retrieving off-line stored data and providing ad hoc reporting. DHR also expects that data warehousing will allow State investigators latitude in researching activities. Offerors shall describe their data warehousing options in full and comprehensive detail. Therefore, the Offeror shall fully describe the approach for providing reporting functionality including the data warehousing and robust ad-hoc reporting capability, as well as the Offeror’s approach to supporting changes in reporting requirements.

Additionally, the Contractor shall support DHR’s changing reporting needs by providing a data warehousing solution to the reporting requirements of DHR.

1. AD HOC REPORT REQUIREMENT
2. The Contractor shall provide DHR with a report writing capability to meet a variety of ad hoc informational requirements at no additional expense to DHR.
3. The Contractor’s ad hoc report solution shall support requests by DHR for information stored in both the on-line and off-line transaction history files, although any database or file may be involved. The ad hoc informational requirements generally involve a special request from Federal or State agencies for a customized report to be used for auditing or investigative purposes.
4. The Contractor’s ad hoc report solution, to the extent possible, shall serve as the clearinghouse for all such requests for information.
5. The Contractor shall return all requests for ad hoc information or reports, which will originate in writing from DHR, to the requestor based on priority. High priority requests shall be returned within 48 hours; Medium priority shall be returned within five (5) business days; and Low priority shall be returned within ten (10)business days or a mutually agreed upon time frame. The State reserves the right to change priority levels as needed.
6. Data Mining

DHR entered into a Memorandum of Understanding with the USDA/SNAP in February 2013, wherein DHR will share recipient data with SNAP for the purpose of fraud prevention. The goal for DHR is to continue to identify suspicious activities and spot patterns of misuse and eliminate all fraud activities. Therefore, DHR has implemented efforts to find people who sell their SNAP benefits for cash or otherwise defraud SNAP. All Marylanders who receive SNAP Benefits, as well as SNAP approved retailers that accept the benefits, will be monitored for possible fraud and illegal SNAP trafficking. In an effort to keep fraud at a minimum, Data Mining and Data Warehousing capabilities are crucial in ensuring fraud is at its lowest levels.

The Contractor shall provide EBT system reports and ad hoc reports, as well as cooperation to DHR, as requested.

1. Bank Requirements

The Contractor shall include its bank account structure in the Transition-In Plan. The banking structure shall be approved by the STO. Although the STO approves the Concentrator Bank, the successful EBT Contractor shall remain responsible for payments to the Concentrator Bank for services rendered. The Contractor shall remain as the single point of contact for problem resolution of issues arising from Concentrator Bank activities.

The following provides information on the tasks to be performed by the Concentrator Bank and forms the basis of the subcontract between the Contractor and the Concentrator Bank.

The minimum functions of the Concentrator Bank are as follows:

1. Receive from the Contractor a daily ACH tape or other crediting process approved by FNS, with information on SNAP benefits transacted and credited to each retailer.
2. Receive from the Contractor a daily ACH tape or other crediting process with information on cash assistance benefits paid out and credited to merchants and financial institutions.
3. Transfer the ACH tape or other crediting process to the Federal Reserve System or other entity.
4. Post debits to the State of Maryland account at the Concentrator Bank.
5. Accept reimbursement initiated by the STO from the appropriate U.S. Treasury account, via the ASAP System or other payment process approved by FNS. At the option of FNS, the State may designate another entity as the initiator of reimbursement for SNAP redemptions, provided the entity is acceptable to FNS.
6. Accept reimbursement from the appropriate State accounts, for cash assistance payouts.
7. Establish, in cooperation with the Contractor, a formal process and set of procedures to effect discrepancy reconciliation and error resolution when necessary. These procedures shall provide for resolution of errors within ten (10) business days of the report of errors by the retailer or financial institution.

**SPECIAL NOTE:** The Contractor shall be liable for any errors in the creation of the ACH tape or its transmission to the Concentrator Bank.

The Contractor shall provide DHR with inquiry access to the Concentrator Bank account(s). In the event software is needed to access the Concentrator account(s), the Contractor shall install the necessary software to the existing computer hardware located in the CARES Fiscal Unit at the Saratoga State Center at Contractor’s expense. The Department will be accessing the Concentrator account each business day to verify the processing of at least two required credits to the account. There will be one credit for SNAP activity, which the STO will initiate via wire transfers through the ASAP system, and one or more credits for cash activity, which the Department will initiate via wire transfer from Wells Fargo Bank.

1. Contractor’s Project Management

3.26.1 Staffing Plan

The Offeror shall deliver an initial Staffing Plan with its Proposal. The Staffing Plan shall include an organization chart showing how the Contractor proposes to staff the project. The Staffing Plan shall name Key Personnel and clearly describe all resource requirements (positions including, but not limited to, title, function, etc.) and roles and responsibilities.

3.26.2 EBT Project Manager

The Contractor shall designate an EBT Project Manager who shall be responsible for carrying out the tasks in this RFP. The Contractor’s proposed Project Manager is subject to DHR’s approval.

The Contractor may designate a different Project Manager for the Implementation Phase and the Operational Phase. In any event, the designated Project Manager(s) shall maintain regular and frequent contact with the State Project Manager and designated staff. Replacement of any Project Manager shall be in compliance with Section 3.27.4, Key Personnel.

The Contractor’s project management tasks shall encompass all duties associated with each of the following areas:

* + 1. Ensuring project conformity with the DHR environment, overall EBT strategic plan, and long-range vision of DHR’s objectives.
    2. Implementing the technical solutions and implementation plans.
    3. Managing the staffing resources
    4. **Status Meetings** - Conducting weekly status meetings with DHR. During these meetings, the Contractor shall provide both verbal and a brief written status update including activities completed, upcoming activities, issues, and risks to the project management office. The written status shall be submitted during the status meeting and follow an agreed upon format. The State Project Manager and the Contractor will work together to determine the recurring day and time for this meeting. Status meetings shall begin within thirty (30) calendar days from the NTP.

1. **Document Library –** Maintaining an electronic and hard copy project library**,** or project libraries, as applicable. DHR expects that these libraries shall contain copies of the RFP, Contractor’s Proposal, Contract, Deliverables (drafts, revisions, and final versions), and all final work products. These libraries shall be maintained throughout the duration of the Contract. In addition, these libraries shall contain all relevant project-related documentation, such as meeting minutes, meeting agendas, action item lists, risk assessments, reports, insurance certificates, problem escalation and resolution tickets, and any correspondence between the Contractor and State Project Manager. The Contractor shall deliver these libraries and an inventory of their contents to DHR upon conclusion of this Contract.
2. **Meeting Minutes** - Documenting the outcome of all key stakeholder meetings and publish meeting minutes within two (2) business days of the meeting.
3. **Monthly Status Reports** - Producing a monthly status report of activities by the 15th calendar day following the close of the month. If the 15th day falls on a weekend or holiday, the status report shall be delivered by the business day before the 15thcalendar day or as directed.
4. **Project Management Plan -** Developing a Project Management Plan (PMP) within thirty (30) calendar days from the NTP. The PMP shall define how the Contractor will apply its project management methodology to achieve maximum benefit for the State. The Contractor’s methodology and PMP shall be compliant with Maryland’s SDLC template **(**[**http://doit.maryland.gov/sdlc/Pages/SDLCHome.aspx**](http://doit.maryland.gov/sdlc/Pages/SDLCHome.aspx)**).** 
   * + 1. The components of the PMP shall address all ten (10) PMBOK areas and , at a minimum, cover the following activities:
   1. All required deliverables and how they will be achieved
   2. Transition- In /Out
   3. Automated tools, including application of software solutions
   4. Configuration management – approach and solution
   5. Document repository and control
   6. Calendar of events and deadlines
   7. Decision support and prioritization
   8. Project deliverable review procedures
   9. Customer/stakeholder relationship management
   10. Reporting of status and other regular communications with DHR, including a description of the Contractor’s proposed method of ensuring adequate and timely reporting of information
       * 1. The Project Management Plan (and components thereof) shall be reviewed and updated periodically as needed, but, in any event, at no less than six (6) month intervals and shall also include the following:
5. **Project Work Plan (PWP)**- The Contractor shall submit a preliminary PWP within thirty (30) calendar days of the NTP. DHR will review and comment on the PWP within ten (10) working days. The final PWP shall be submitted, for DHR approval, within ten (10) working days following the receipt of the comments from DHR.

The PWP shall establish the timeframes for the Deliverables and include a specific approach and schedule to transition from the current team to their own and clearly identify the tasks and level of effort. The PWP shall include a clear breakdown of tasks and responsibilities, including those tasks that will be the responsibility of DHR during the transition, and at a minimum, include fields to track the task, resource, planned start date, revised start date, actual start date, planned end date, revised end date, actual end date, percent complete, and task dependencies. The PWP shall also include a section detailing how planned development activity for implementation at a future time will be accomplished as well as a similar strategy for testing. The PWP shall include a validation effort with DHR’s management-consulting contractor to demonstrate the Contractor’s capability to deliver reliable service.

The PWP shall be developed using MS Project 2000 or later. The Contractor shall update its PWP on a weekly basis. A copy of the updated PWP will be provided to the State Project Manager.

1. **Final Staffing Plan** - The Contractor shall deliver a final Staffing Plan within thirty (30) calendar days from NTP.
2. **Communication Plan** - The Contractor shall be responsible for developing and maintaining a Communication Plan that serves as the guideline to manage communications across the enterprise including status reporting and other key communications. The final Communication Plan shall be issued within five (5) calendar days of the receipt of the State Project Manager’s comments.
3. **Risk Management Plan –** The Contractor shall be responsible for developing and maintaining a thorough Risk Management Plan. The plan shall include the Contractor’s approach to managing risk as well as describe the Contractor’s understanding of risk management and define those risks it perceives for the Contract and the related mitigating strategies.
4. **QA/QC Plan –** The QA/QC Plan shall describe the methods, procedures, and measures followed to implement quality installations, changes, and upgrades to existing and new systems in the DHR environment. The Contractor shall define how quality will be built into products, services, and Deliverables and how continuous improvement will be sustained and supported throughout the life of this Contract.
5. **Configuration Management Plan** - The Configuration Plan shall describe and address the methods and tools to be used for maintenance, problem reporting, and version control to maintain software as it is being developed, and/or maintained/enhanced. The plan will contain strategies for build deployment, procedures for roll-back in the event of anomalies that dictate such decisions, and recommendations for managing any system dependencies.
6. Deliverables
7. DELIVERABLE SUBMISSION RECEIPT

For every written Deliverable submitted, the Contractor may request that the State Project Manager acknowledge and confirm receipt of the Deliverable via email, See **Attachment X, Deliverable Chart.**

1. DELIVERABLE ACCEPTANCE

A final Deliverable shall satisfy the scope and requirements of this RFP for that Deliverable, including the quality and acceptance criteria for a final Deliverable as defined in Section 3.27.3, Deliverable Acceptance Criteria and Due Dates.

The State Project Manager shall review a final Deliverable to determine compliance with the acceptance criteria as defined for that Deliverable. The State Project Manager is responsible for coordinating comments and input from various team members and stakeholders. The State Project Manager will issue to the Contractor a notice of acceptance or rejection of the Deliverable, see **Attachment BB, Agency Acceptance of Deliverable Form**.

In the event of rejection, the State Project Manager will formally communicate in writing any Deliverable deficiencies or non-conformities to the Contractor. The State Project Manager shall describe those deficiencies to be corrected prior to acceptance of the Deliverable in sufficient detail for the Contractor to address.

The Contractor shall correct deficiencies and resubmit the corrected Deliverable for acceptance within the agreed-upon time period for correction. In the event an invoice is submitted prior to the acceptance of the Deliverable, payment for that Deliverable will be withheld pending acceptance of the Deliverable.

Subsequent reviews for a Deliverable containing deficiencies will be limited to the original deficiencies and the portions of the Deliverable that were dependent on the deficiencies.

Unless specified otherwise, written Deliverables shall be compatible with Microsoft Office, Microsoft Project and/or Microsoft Visio versions 2007 or later. At the Contract Manager’s discretion, the State Project Manager may request one hard copy of a written Deliverable.

A standard Deliverable review cycle will be elaborated and agreed-upon between the State and the Contractor. This review process is entered into when the Contractor completes a Deliverable.

1. DELIVERABLE ACCEPTANCE CRITERIA AND DUE DATES

The Contractor shall subject each written Deliverable to its internal quality-control process prior to submitting the Deliverable to the State. Each written Deliverable shall meet the following minimum acceptance criteria:

1. Be presented in a format appropriate for the subject matter and depth of discussion.
2. Be organized in a manner that presents a logical flow of the Deliverable’s content.
3. Represent factual information reasonably expected to have been known at the time of submittal.
4. In each section of the Deliverable, include only information relevant to that section of the Deliverable.
5. Be consistent with industry best practices in terms of Deliverable completeness, clarity, and quality.
6. Meets the acceptance criteria applicable to that Deliverable, including any State policies, functional or non-functional requirements, or industry standards.
7. Contain no structural errors such as poor grammar, misspellings or incorrect punctuation.

**NOTE:** A draft written Deliverable may contain limited structural errors such as incorrect punctuation, and shall represent and signify a level of completeness toward the associated final written Deliverable. The draft written Deliverable shall otherwise comply with the minimum Deliverable quality criteria above.

1. kEY PERSONNEL

The Contractor’s Key Personnel shall consist of, at a minimum, one individual in each of the following labor categories:

1. **EBT Project Manager**

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

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

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

1. **Lead Business Analyst**

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

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

1. **Lead Programmer**

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

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

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

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

1. Substitution of Key Contract Personnel

During the first 180 calendar days of the Contract, no substitutions of Key Personnel shall be permitted unless such substitutions are necessitated by an individual’s sudden illness, death, or resignation, or as otherwise approved by the State Project Manager. In any of these events, the Contractor shall promptly notify the State Project Manager.

After the initial 180 calendar day period, all proposed substitutions of Key Personnel shall be submitted in writing. The request to substitute a Key Personnel member shall be made at least fifteen (15) business days in advance of the proposed substitution. The State Project Manager and appropriate DHR Leadership must agree to the substitution in writing before such substitution shall become effective. The request shall be submitted to the State Project Manager with the information required below:

1. All proposed substitutions of Key Personnel shall have qualifications at least equal or better to that of the person initially proposed by the Contractor and evaluated and accepted by DHR. The burden of illustrating this comparison shall be the Contractor’s.
2. If one or more of the Key Personnel are unavailable for work under this Contract for a continuous period exceeding fifteen (15) calendar days, the Contractor shall immediately notify State Project Manager and propose to replace personnel with personnel of equal or better qualifications within fifteen (15) calendar days of notification.
3. All requests for substitutions shall include a detailed explanation of the circumstances necessitating the proposed substitutions, a resume of the proposed substitute, and any other information requested by the State Project Manager to make a determination as to the appropriateness of the proposed substitution.

The State Project Manager has the authority to request the Contractor or any subcontractor to remove a staff person (Key or otherwise) from the project at any time. In the event any staff is removed from the project pursuant to the request by the State Project Manager, the Contractor will have (30) business days to fill the vacancy with a staff person acceptable in terms of experience and skills, subject to written approval by DHR.

1. Performance Readiness Review (PRR)

The PRR Committee is a cross-functional group that shall be formed to evaluate the Contractor’s performance on an annual basis or as established by the State. The purpose of the PRR is to evaluate the Contractor’s performance, discuss progress and determine corrective actions, if any apply. DHR reserves the right to add PRR activities. The PRR shall consist of DHR staff and the management-consulting contractor staff. The PRR review is expected to last no longer than 4 days.

At DHR’s request, the Contractor shall be expected to participate in PRR activities which may include at a minimum:

1. Preparing and distributing agenda in collaboration with DHR;
2. Preparing and distributing meeting minutes;
3. Supporting on-site inspections;
4. Provision of evidence of compliance;
5. Distributing and following up on actions items, issues and risks;
6. Working with the applicable contractor review and document contract requirements against current services, perform inspection against contract requirements and to develop corrective action plans; and
7. Including PRR activity status in monthly progress reports until all open items and applicable corrective action plans are resolved to DHR’s satisfaction.

The Contractor shall have at least fourteen (14) calendar days notice prior to the kick-off of the annual PRR. The PRR response is considered a formal Deliverable.

1. Post-Award Orientation Conference

Within two (2) weeks of approval of the Contract by the BPW, see Section 1.9, State Project Manager, the Contractor and the Contractor’s Project Manager, and any other State and Contractor staff deemed appropriate shall attend a Post-Award Orientation Conference. The purpose of the Post-Award Orientation Conference is to discuss the NTP, service delivery, invoice processing, monitoring and other Contract terms and conditions. The date, time and location of the Post-Award Orientation Conference will be indicated to the successful Offeror after award.

1. Long-Range Planning

The Contractor shall have specific strategies for:

1. Assisting in the development and updating of the long-range, comprehensive plan for DHR’s EBT information technology systems, processes, technical architecture and standards. While DHR will be primarily responsible for the Long-Range Plan, the Contractor shall serve as a key collaborator. The Long-Range Plan shall be updated on an annual basis, and shall include a rolling three (3) year projection of anticipated changes (subject to DHR business and planning requirements).
2. Helping to understand, develop, and confirm DHR’s future business and IT requirements.
3. Identifying candidates and requirements for the deployment of new technology or automation of tasks associated with the services and/or DHR business processes. Proactively submitting recommendations and options regarding new technology and automation to DHR for its review and approval.
4. Seeking proactively to automate manual tasks.
5. Supporting DHR in the discussion and presentation of potential new technology product and service offerings.
6. Facilitating and encouraging active cross-functional, cross-group and cross-location coordination and communication related to new technology and automation.
7. Identifying proactively strategies and approaches for future IT delivery that the Contractor believes:
8. Will provide DHR with competitive advantages;
9. Will improve customer satisfaction; or
10. Will result in increased efficiency, performance, or cost savings.
11. Assisting DHR in identifying the projects to be performed and defining high-level schedules and cost benefit analysis.
12. Providing as part of each annual planning cycle, specific, short-term steps and schedules for projects or changes expected to occur within the first twelve (12) months covered by each Long-Range EBT IT Plan.
13. Assisting DHR in specifying the equipment and software architecture and standards, and participating in continuously keeping the technical architecture current.
14. Providing reasonable access to specialists within the Contractor’s organization as needed, to assist DHR to develop and update the Long-Range EBT IT Plan.
15. Planning and projecting costs to provide, replace, or eliminate any software, including impact to any current processes.
16. Anticipating and planning for possible application interface problems due to more current releases of proposed software.
17. Scheduling advance notification (at least two weeks) of new releases/maintenance features and enhancements.
18. Evaluating and providing written assessments and recommendations around new products.
19. Describing the support approach from an application interface and communication perspective, including the capability to maintain current application interfaces with other agencies and outside contractors.
20. Performing impact studies prior to the upgrade of system and third-party software. All enhancements shall be initiated through the Change Control Board (CCB) and process.
21. Developing plans for DHR to maintain technological currency, take advantage of technology advances during the term of the Contract, and avoid locking in older architectures.
22. Maintaining a “Best Practices” approach to identifying and applying proven techniques and tools from other installations within its operation that would benefit DHR either operationally or financially.
23. Providing on an annual basis, a Detailed Technology Plan to DHR for approval. This plan shall include an assessment of the current technologies and recommendations for actions during the next three years. The Contractor shall meet with key client users to develop the Contractor’s approach to developing and maintaining a technology plan and interacting with DHR regarding the same.
24. EBT Disaster Recovery and Business Continuity

The Contractor shall work with DHR to provide a Disaster Recovery and Business Continuity Plan during the Contract period.

1. Within ninety (90) days of the NTP, the Contractor shall provide a Disaster Recovery Plan (DRP) that will be implemented in the event the Contractor’s EBT system is compromised and in the event of a disaster that affects the operations of CARES, see Section 3.32.2, Food Supplement Program EBT Disaster system. Both disaster scenarios need to be addressed in the DRP. The DRP shall include provisions to ensure that cardholder and retailer services incur minimal interruption. The DRP shall identify resources involved in contingency operations, problem management and escalation procedures, a State notification process as well as disaster declaration criteria and timeframes that are acceptable to the State. Additionally, if the Contractor is providing EBT services to multiple States, the DRP shall address the timing and order of recovery of the State as compared to the other agencies being processed. The recovery of the State’s EBT system shall not be delayed because the Contractor is recovering other States’ EBT systems.
2. The Contractor shall test its disaster recovery processes every six (6) months, to include a live drill and table top. The Contractor shall provide the State with copies of such test results within ten (10) calendar days of the date that the test is completed. The Contractor shall review results of the disaster recovery test with DHR, and work with DHR to improve the process. The State may require the development of a CAP regarding any deficiencies noted in the test and thorough retesting until satisfactory results are achieved.
3. The Contractor shall also create and update a Business Continuity Plan during the Contract period. Within 120 calendar days of NTP, the Contractor shall submit to the State Project Manager, an outline of their Business Continuity Plan. As applicable, the Contractor’s Business Continuity Plan shall adhere to the State Disaster Recovery Plan guidelines available on the Department of Budget and Management (DBM) website: <http://dbm.maryland.gov/asctaskorderattachments/attachment%201%20-%20doit%20security%20policy%2010-2011.pdf>.

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

1. Contractor’s Back-up Facility
2. In the event of a disaster impacting the availability of the Contractor’s primary data processing site, the Contractor shall have available a back-up site for host processing and telecommunications network services.
3. The Contractor shall provide information about the site and a point of contact at the alternate site.
4. The Contractor shall have the EBT hot back-up site begin processing transactions within one hour of a disaster declaration.
5. The Contractor shall notify the State immediately upon Contractor’s decision to move to a disaster back-up site to provide EBT services.
6. Food Supplement Program EBT Disaster System
7. The Contractor shall design, develop and incorporate an SNAP EBT Disaster System within the Contractor’s current operating platform that can deliver disaster SNAP benefits in an emergency situation when the State’s Eligibility System, CARES, is not available to process applications for SNAP benefits.
8. The Contractor shall provide support to the State in ensuring that benefits are still being provided to customer’s through the EBT system during the recovery of the State’s eligibility system.
9. The Contractor shall prepare an EBT Disaster System Administrative Terminal User Manual along with a Quick Reference Guide.
10. The Contractor shall conduct annual system testing, as well as user acceptance testing to ensure that all requirements in the approved disaster requirements document are being met. The EBT disaster system shall at a minimum:
11. Allow for disaster accounts to be setup or maintained through the Disaster System Administrative Terminal (AT).
12. Have benefits available immediately upon issuance.
13. Allow regular Maryland cardstock to be issued to disaster cases. There will be no special disaster card stock.
14. Allow card PINs to be set using the established PIN selection process.
15. Generate reports as required by the State and USDA/FNS.
16. State Facility Security

When visiting State facilities, the Contractor shall adhere to all State security requirements. This includes presenting photo ID, providing information for the obtaining of State-issued Contractor badges, at the discretion of DHR management, wearing Contractor-issued and State-issued security badges prominently when inside State facilities and presenting ID upon request at any time. Failure to comply with State security requirements on the part of the Contractor or any of its employees, agents and subcontractors will be regarded as a breach of the Contract and maybe followed by termination for default. The Contractor shall:

1. Abide by the State’s security policies and procedures in force at each site.
2. Ensure that all staff working under this Contract agree to familiarize themselves with the requirements of the State of Maryland Information Security Policies and any accompanying State and Federal regulations, and shall comply with all applicable requirements in the course of this Contract, including cooperation and coordination with the auditors, DBM and other compliance officers.
3. Ensure Contractor equipment shall meet or exceed DHR’s standards for virus protection and security.
4. Agree to enter into a connectivity agreement with DHR. The agreement shall include, but not be limited to, the following:
5. Not attaching any non-State owned computers to any State network without prior permission and assurances that the State security standards are met. Commercially available diagnostic tools may receive a blanket approval for use on the network, State-owned PCs or other equipment as necessary to diagnose and resolve incidents.
6. Requiring that security settings meet or exceed State security standards.
7. Once established, no security provisions for firewalls, client, and server computers shall be modified without written State approval.
8. Current updated virus software and virus definition files that are enabled to perform real time scans shall be maintained on all Contractor-supplied hardware.
9. Dialup modem use is specifically disallowed while attached to the State network.
10. Not install or utilize remote control or file sharing software unless explicitly approved by the State.
11. Sign any documents that are reasonably necessary to keep the Contractor in compliance with the State IT Security Policies.
12. Background Checks
    * 1. The Contractor shall, at its expense, arrange for a background check for each of its employees associated in any way to the project and the Maryland account, as well as the employees of any of its subcontractors, who will have access to DHR’s IT facilities, either through on-site access or through remote access. The background check shall be conducted prior to initial access and on an annual basis thereafter.
      2. Before DHR will permit access to the Contractor, the Contractor shall provide written confirmation that the background checks have been conducted. If, at anytime, it is discovered that an employee of the Contractor or an employee of a subcontractor of the Contractor has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, various crimes involving telecommunications and electronics or breach of trust/fiduciary responsibility or which raises concerns about building, system or personal security or is otherwise job-related, the Contractor shall not assign that employee to DHR, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless DHR consents to the access, in writing, prior to the access. DHR may withhold its consent in its sole discretion.
      3. Persons having been convicted of a felony from the above list of crimes or of a crime involving telecommunications and electronics shall not be permitted to work on State premises pursuant to the Contract; a person who has been convicted within the past five (5) years of a misdemeanor from the above list of crimes shall not be permitted to work on State premises.
      4. A governmental agency may impose more restrictive conditions regarding the nature of prior criminal convictions that would result in a person not being permitted to work on that agency’s premises. Upon receipt of an agency’s more restrictive conditions regarding criminal convictions, the Contractor shall provide an updated certification to that agency regarding the personnel working at or assigned to that agency’s premises. Personnel may be barred from entrance or leaving any site until such time that the State conditions and queries are satisfied and may be required to wear an identification card issued by the agency.
      5. At all times at any facility, the Contractor’s personnel shall ensure cooperation with State site requirements, which include being escorted at all times, and providing information for obtaining and wearing the badge in a visible location at all times. Failure of the Contractor to comply with the terms of this Section on more than one occasion or Contractor’s failure to appropriately address any single failure to the satisfaction of DHR may result in the Contractor being deemed in default of its Contract.
      6. Cooperate with DHR to specifically conduct background checks over and above that described herein, and perform spot audits to ensure background checks have been completed and are current. DHR may request at random a copy of a background check for any individual associated with the DHR account. The Contractor shall provide a copy of the background check within 24 hours of the request.
13. SECURITY – State IT Security and Policy Standards

The Contractor shall comply with and adhere to the State of Maryland Information Security Policy. These policies may be revised from time to time and the Contractor shall comply with all such revisions. Updated and revised versions of the State of Maryland Information Security Policy are available on-line at: <http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>.

Failure to comply with State Security requirements on the part of the Contractor or any of its employees, agents or subcontractors will be regarded as a breach of the Contract and will be followed by termination for default.

1. SECURITY – Contractor-owned Computer Equipment

The Contractor, nor any of its employees, agents or subcontractors shall not connect any of its own equipment to DHR’s LAN/WAN without prior written approval by State Project Manager. Examples of equipment would include, but not limited to, PCs, laptops, printers, routers, switches and servers. Contractor shall supply their own PCs and/or laptops. All computer equipment shall meet DHR’s requirements for security and anti-virus protection, and are subject to inspection at any time. The Contractor shall reference the: <http://kb.dhr.maryland.gov/?p=597> link for all IT Standard hardware/software equipment related requirements.

DHR shall provide equipment as necessary for support that entails connection to DHR’s LAN/WAN, or give prior written approval as necessary for connection of Contractor’s equipment. If equipment is added without the approval of the State, the State shall have the right to confiscate that equipment without notice to the Contractor.

Failure to comply with State security requirements on the part of the Contractor or any of its employees, agents or subcontractors will be regarded as a breach of the Contract.

1. DHR Network Requirements

The Offeror’s response to this RFP shall include a plan for accommodating DHR’s current network security features:

1. Access to Electronic Information Resources – The Contractor shall implement firewalls to deny all access to information resources except to that which has been explicitly authorized. Firewalls are used to secure and segment data and systems.
2. Confidentiality of Data and Systems –The Contractor shall not grant access to information resources without the written consent of the State Project Manager.
3. Encryption – The system shall provide secure access to EBT the data using SSL encryption as required by HIPAA.
4. Auditing – The Contractor’s EBT system shall require that all changes to information resources are documented and stored on a secure server. All users shall be uniquely identified. Group or shared ids are prohibited. The following minimum set of events/actions shall be logged and kept as required by State and Federal laws/regulations:
5. Additions, changes or deletions to data produced by IT systems
6. Identification and authentication processes
7. Actions performed by system operators, system managers, system engineers, technical support, data security officers, and system administrators and system end users. End users will have the permission roles that are defined in Section 3.22.2, EBT System Security.
8. Emergency actions performed by support personnel and highly privileged system and security resource
9. Audit trails, which shall include at least the following information:
   1. Date and time of event
   2. User ID of person performing the action
   3. Type of event
   4. Asset or resource name and type of access
   5. Success or failure of event
   6. Source (terminal, port, location, IP address) where technically feasible
   7. Identification and authentication processes
   8. The system shall follow minimum auditing requirements to be in compliance with HIPAA requirements as defined by the United States Department of Health and Human Services.
10. Security Incidents – The Contractor shall thoroughly investigate and document all security incidents. The Contractor shall notify the State Project Manager within twenty-four (24) hours upon initial detection of an incident. The Contractor shall follow published and accepted procedures described in National Institute of Standards and Technology Special Publication 800-61 Revision 2 Computer Security Incident Handling Guide until complete containment of the security breach. At a minimum the following events shall be reviewed once a year:
    1. Three failed attempts per user to access or modify security files, password tables or security devices.
    2. Disabled logging or attempts to disable logging.
    3. Two or more failed attempts to access or modify confidential information within a week (5 business days).
    4. Any unauthorized attempts to modify software or to disable hardware configurations.
11. Security patches and/or hot-fixes -The Contractor shall disable services and applications not serving business requirements and make all changes recommended by the hardware or software vendor.
12. Access - The Contractor shall restrict access to services and applications by access control lists.
13. Protocols - The Contractor shall replace unsecure services or protocols with more secure equivalents whenever such exist. For example, HTTPS (HTTP over SSL Encryption) shall be used for web page authentication and FTPS (secure file transfer protocol), etc.
14. Quarterly reviews - The Contractor shall participate in a quarterly review of standards, process, logs, and system configurations with DHR.
15. Problem Management Procedure

The Contractor shall:

* 1. Maintain a Problem Escalation Procedure for both routine and emergency situations. This Procedure shall state how the Contractor will address problem situations as they occur during the performance of the Contract, especially problems that are not resolved to the satisfaction of the State within specified timeframes.
  2. Provide its Problem Escalation Procedure to the State Project Manager no less than ten (10) business days prior to the beginning of the Contract, and within ten (10) business days after the start of each Contract year (and within 10 business days after any change in circumstance which changes the Procedure). The Problem Escalation Procedure shall detail how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. Details shall include:

1. The process for establishing the existence of a problem;
2. The maximum duration that a problem may remain unresolved at each level before automatically escalating to a higher level for resolution;
3. Circumstances in which the escalation will occur in less than the normal timeframe;
4. The nature of feedback on resolution progress, including the frequency of feedback;
5. Identification of individuals with their position title and contact information (office phone and/or cell phone number, fax number, e-mail address, etc.) for progressively higher levels that would become involved in resolving a problem;
6. Contact information (same as above) for persons responsible for resolving issues after normal business hours (*i.e.,* evenings, weekends, holidays, etc.) and on an emergency basis; and
7. A process for updating and notifying the State Project Manager of any changes to the Problem Escalation Procedure.
8. Realistic Proposal

Proposal amounts, effort of work, and resources shall be sufficient to ensure that the selected EBT Contractor can perform the work without exposing DHR to risk for failing to perform to standards. This will aid in the avoidance of costly Contract disputes. Any modifications to any Contract that may be entered into will be made solely at the discretion of DHR, and will not be intended to correct the selected EBT Contractor's failure to define the project effort required.

1. Pricing Proposal

The information requested in this section and **Attachment A, Pricing Proposal** shall constitute the EBT Pricing Submittal. The Offeror’s cost data for the EBT system and services requested in the RFP shall be presented in the format stated in **Attachment A, Pricing Proposal**. All printed pages of the Offeror’s pricing worksheet schedules shall also conform to these formats. DHR may request more details on the price proposals submitted by each Offeror. Offerors shall be prepared to respond to any such request.

1. WORK ORDERS

Requests for changes to the system may be necessary from the State as part of the scope of the Contract. Work Orders will be initiated to complete requested changes. Information regarding Work Order requests can be found in **Attachment A, Pricing Proposal**. The Offeror shall list in Attachment A the costs that may be necessary for enhancements that may be needed for future EBT changes. Provide an hourly rate by skill category, which must include direct and indirect expenses, clerical overhead, travel, general report preparation, administrative costs, and any other fee or profit.

1. Innovation Solutions Submittal

In addition to the required technical submittal, Offerors may be required to submit an innovative solution(s) submittal that increases the overall value to DHR beyond that supplied in the required technical proposal. An innovative solution(s) submittal may consist of one or more individual innovative solution(s). The innovative solution(s) should reasonably align with the State’s objectives and scope of work as described in the RFP. If an Offeror submits an optional innovative solution(s), there should be no overlap between the innovative solution(s) and the technical and cost responses submitted by the Offeror in response to the mandatory requirements of the RFP.

* 1. Technical Submittal: A responsive innovative solution Technical submittal should include the following:

1. Proposal Summary: How the innovative solution(s) increases the overall value to the State of the Offeror’s services (e.g. lower costs, greater revenue, increased efficiencies or better level of service). Also included should be a description of the proposed solution(s) and an explanation of the impact that the innovative solution(s) would have on all stakeholders including DHR staff and DHR business partners.
2. Implementation Timeline/Plan: The innovative solution(s) submittal should include a timeline proposing an implementation schedule for the innovative solution(s) if applicable. The Offeror should also provide a proposed implementation plan that includes a discussion of effort needed, including any ongoing support, of the solution.
3. Previous Implementations: The Proposal should include a discussion of other customers, if any, who have successfully implemented the innovative solution(s) including contact information.
4. The Technical submittal should be submitted separately and not contain any information from the price submittal.
   1. Price Submittal: This is a schedule detailing cost savings or additional expected revenue over the term of the Contract. This schedule should include an explanation of any additional costs to the Department. The Price submittal should be submitted separately and not contain any information from the Technical submittal.

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SECTION IV. REQUIREMENTS FOR PROPOSAL PREPARATION

1. Two Volume Submission

The selection procedure for this procurement requires that the Technical evaluation and ranking of the Proposals be completed before the Financial Proposals are distributed to the Evaluation Committee. Consequently, each Proposal shall be submitted as two separate enclosures as indicated in Sections 4.2, Volume I – Technical Proposal and 4.3, Volume II – Financial Proposal.

An original, to be so identified and five (5) copies of both the Technical and Financial Proposal, and 5 CD’s to include both the Technical and Financial Proposals shall be received by the Procurement Officer by the date and time set forth in Section 1.6 in order to be considered.

The envelope of each Proposal shall be labeled as follows:

1. NAME OF OFFEROR
2. STATE OF MARYLAND
3. SEALED PROPOSAL – Department of Human Resources, Procurement Division
4. Electronic Benefits Transfer System
5. Agency Control Number: OTHS/EBT-14-001-S
6. PROPOSAL DUE DATE & TIME: Friday, June 20, 2014 at 4 p.m.
7. PROCUREMENT OFFICER: Keosha S. Hall
8. ROOM No. 946
9. Volume 1 – Technical proposal

The Technical volume shall be prepared in a clear and precise manner. It shall address all appropriate points of this RFP except the price information and all pages shall be consecutively numbered. This volume shall contain the following sections:

1. **Transmittal Letter**

A Transmittal Letter prepared on the Offeror's business stationery shall accompany the Proposal. The purpose of this letter is to transmit the Proposal; therefore, it should be brief. The letter shall contain the title of the solicitation, the Offeror’s complete legal name as registered with the State Department of Assessments & Taxation, Federal tax identification or social security number, address, telephone number, fax number and e-mail address. If the Offeror has registered with *eMM*, provide the *eMM* registration number. The letter shall be signed by an individual who is authorized to bind the firm to all statements, including services and prices, contained in the Proposal. The letter shall also acknowledge any addenda to the RFP that were received.

An Offeror shall be deemed to have accepted all the terms, conditions, and requirements set forth in this RFP *unless* otherwise clearly noted as an attachment to the Transmittal Letter. A Proposal that takes exception to these terms may be rejected.

1. **Table of Contents**

All pages shall be numbered and Section headings provided for each subject listed below.

1. Understanding the Problem (see C below)
2. Proposed Service (see D below for formatting)
3. Qualifications (see E below)
4. Key Personnel (see F below)
5. Non-Key Personnel (See G below)
6. References (see H below)
7. Other Contracts – Past Performance (see I below)
8. Financial Responsibility & Stability (see J below
9. Economic Benefits to the State of Maryland (see K below)
10. Additional Information (if applicable – see L below)
11. Company Literature (if applicable – see M below)
12. Forms (that shall accompany the Proposal - see N below)
13. **Understanding the Problem**

This section should contain the Offeror’s analysis of the environment in which the proposed work or solution will be implemented.

1. **Proposed Service**This section shall contain the Offeror's proposed methodologies and solutions to achieve the objectives, scope and requirements of the RFP. The Offeror’s Proposal shall describe how the proposed services or product will satisfy the State’s requirements or conditions. Any special equipment requirements or approaches shall also be explained in this section. This section shall be prepared in the same sequence as, and also demonstrate compliance with Section III Specifications.
2. **Qualifications**

A description of the Offeror’s qualifications shall clearly show any related experience providing services described in this RFP. If the Offeror is an individual, this section shall also show any related education or training providing services described in the RFP. Offeror shall include the following table to demonstrate compliance with the minimum qualifications:

|  |  |
| --- | --- |
| **Minimum Qualification** | **Examples of Evidence of Compliance** |
| Minimum of 3 years experience in implementing and managing financial systems. | Identification of past experience and a demonstration of a thorough understanding of the requirements. |

(**NOTE: Any professional licenses, certificates, etc. required of the Offeror should be included here.)**

1. **Key Personnel**This section shall include job descriptions and individual resumes for staff designated by the Offeror in its Proposal as being its Key Personnel who are to be assigned to this project if the Offeror is awarded the Contract. **The Offeror’s Key Personnel (as listed in Section 3.27.4) and as may be identified in the Offeror's Proposal are considered to be essential to the work being performed under this RFP**. Indicate the role or assignment that each individual is to have in this project. Prior to diverting any of the specified individuals to assignments other than this project, the Contractor selected shall notify the Department of its intent at least fifteen (15) days in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the project. No diversion shall be made by the Contractor without the written consent of the Department. Replacement of any personnel, including personnel who leave the employment of the Contractor, shall be with personnel of equal ability, qualifications and experience.

(**NOTE: Any professional licenses, certificates or other proofs required of the Offeror should be included here.)**

1. **Non-Key Personnel**

DHR expects the Offeror to propose a mix of Key and Non-Key Personnel to perform all tasks required to meet all of the requirements set forth in this RFP. In addition, Non-Key Personnel shall have similar experience stated above that fits requirements. While Non-Key Personnel resumes are not to be submitted in the Proposal response, the Offeror shall be aware that all Non-Key Personnel may be subject to approval by DHR. Non-Key Personnel resumes may be required after Contract award for review by DHR. DHR reserves the right to reject or ask for the replacement of Non-Key Personnel at any time during the Contract period.

1. **References**   
   The Offeror shall submit with its Proposal, at least three business references. The references shall be within the past 3 years. The reference information shall contain:
2. Name of each reference
3. Point of contact
4. Email address
5. Telephone number
6. Offeror’s name
7. Solicitation number

The State shall have the right to contact any reference of its choosing as part of the evaluation process, including references not provided by the Offeror, but otherwise known by the Department. The State will notify the Offeror of any entities contacted who were not identified by the Offeror. References from DHR are not acceptable.

1. **Other Contracts – Past Performance**

As part of its Proposal, each Offeror is to provide a list of all contracts with any entity, including the State of Maryland that it is currently performing or that have been completed within the last 5 years. For each identified contract, the Offeror is to provide:

* 1. The contracting entity
  2. A brief description of the services/goods provided
  3. The dollar value of the contract
  4. The term of the contract
  5. The contact person (name, title, telephone number and if possible e-mail address)
  6. Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

Information obtained regarding the Offeror’s level of performance on contracts will be considered as part of the experience and past performance evaluation criteria of the RFP.

1. **Financial Responsibility and Stability**

This section shall contain information to show that the Offeror has the capacity in all respects to perform fully the Contract requirements and the fiscal integrity and reliability to assure good faith performance. Examples of information that may be used to demonstrate requisite responsibility and stability include:

1. Audited financial statements (for Offeror only) for the past three years,
2. Dunn and Bradstreet report and rating,
3. Line of Credit from a Financial Institution approved by the State Treasurer, or
4. Evidence of no less than six (6) months of working capital.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror, such as but not limited to, references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror’s Proposal shall contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.

In addition, the Offeror shall describe any docketed or adjudicated civil or criminal litigation that could have a financial impact on the company.

All financial information that is not otherwise publicly available, received in response to this section will be maintained as confidential information releasable only to those evaluating the technical Proposal. Other than the Procurement Officer, persons who will be given access to this information for evaluation purposes will have signed a Confidentiality Statement.

1. **Economic Benefit to the State of Maryland**

**DO NOT INCLUDE ANY DETAIL OF THE FINANCIAL PROPOSAL WITH THIS TECHNICAL INFORMATION. DO NOT INCLUDE ACTUAL DOLLAR AMOUNTS, USE PERCENTAGES ONLY.**

**Note:** In providing the information required in this section, the Offeror should state its level of commitment per $100,000 of Contract value. In other words, for each $100,000 of Contract value, state how many Maryland jobs will be created, what Maryland tax revenue will be generated, how much will be paid to Maryland subcontractors, etc.

Offerors shall submit with their proposals a narrative describing the benefits that will accrue to the Maryland economy as a direct or indirect result of their performance of any Contracts awarded as the result of this solicitation. Proposals will be evaluated to assess the benefit to Maryland’s economy specifically offered.

Proposals that identify specific benefits as being contractually enforceable commitments will be rated more favorably than Proposals that do not identify specific benefits as contractual commitments, all other factors being equal.

As applicable, for the full duration of the Contract, including any renewal period, or until the commitment is satisfied, the Contractor shall provide to the State Project Manager or other designated agency personnel reports of the actual attainment of each benefit listed in response to this section. These benefit attainment reports shall be provided quarterly, unless elsewhere in these specifications a different reporting frequency is stated.

Discussion of Maryland based employees or locations may be appropriate if the Offeror makes some projection or guarantee of increased or retained presence based upon being awarded this Contract.

Examples of economic benefits to be derived from a Contract may include any of the following. For each factor identified below, identify the specific benefit and contractual commitments and provide a breakdown of expenditures in that category:

* + - 1. The Contract dollars to be recycled into Maryland’s economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners.
      2. The number and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification and the aggregate payroll to which the contractor has committed, including contractual commitments at both prime and, if applicable, subcontract levels.
      3. Tax revenues to be generated for Maryland and its political subdivisions as a result of the contract. Indicate tax category (sales taxes, payroll taxes, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract.
      4. Subcontract dollars committed to Maryland small businesses and MBEs.
      5. Other benefits to the Maryland economy which the Offeror promises will result from awarding the contract to the Offeror, including contractual commitments. Describe the benefit, its value to the Maryland economy, and how it will result from, or because of the contract award. Offerors may commit to benefits that are not directly attributable to the contract, but for which the contract award may serve as a catalyst or impetus.

1. **Additional Information**This section, which is optional, should include any additional information the Offeror deems relevant to this procurement as well as any information that meets the satisfaction of the State’s objectives.
2. **Company Literature**If company literature or other material is intended to respond to any RFP requirement, it shall be included in this section and the Offeror's responses in previous sections of the Proposal shall include reference to the documents by name and page citation. Proposals submitted without these references and citations will be considered complete without need to refer to documents in this section for the Offeror's responses to RFP requirements.
3. **Forms**

Include 1 original of each of the following forms in the original volume only:

1. **Attachment B, Bid/Proposal Affidavit**
2. **Attachment F, Certified MBE Utilization and Fair Solicitation Affidavit**
3. **Attachment L, Certification Regarding Lobbying**
4. **Attachment M, Living Wage: Affidavit of Agreement**
5. **Attachment EE, Veteran Owned Small Business Enterprise Utilization Affidavit and Participation Schedule**
6. Volume II – Financial proposal

Provide a completed copy of Attachment A for your Financial Proposal. Detailed instructions for the pricing proposal are provided in Attachment A.

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SECTION V. EVALUATION PROCEDURES

1. Evaluation Committee

All Offerors' Proposals received by the closing deadline will be evaluated, in accordance with the criteria listed in Section 5.4 Technical Evaluation, by an Evaluation Committee established by the Department. The Committee may request additional technical assistance from any source.

1. Reciprocal Preference

The provisions of State Finance and Procurement Law Section 14-401 and COMAR 21.05.01.04 shall apply to this solicitation.

Although Maryland Law does not authorize procuring agencies to favor resident bidders in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland Contractors as described in COMAR 21.05.01.04. A resident business preference will be given if a responsible Offeror whose principal office or principal base of operations is in another State submits the most advantageous offer, and the State in which the non-resident’s principal operations through which it would provide the goods or services, gives a preference to its residents through law, policy, or practice, and the preference does not conflict with a Federal law or grant affecting the procurement contract. Therefore, a preference will be given to the lowest possible responsible bid from a Maryland firm over that of a non-resident firm if the State in which the non-resident firm is located gives a resident business preference. Where such a resident business preference is provided, the preference shall be the same as that provided by the State in which the non-resident business is located.

A non-resident bidder submitting a proposal for a State project shall attach to the proposal a copy of any current statute, resolution, policy, procedure or executive order of the bidder’s resident State that pertains to that State’s treatment of nonresident bidders.

1. Qualifying Proposals

Qualifying proposals are those proposals received from responsible Offerors that are initially classified by the Procurement Officer as reasonably susceptible of being selected for award. Offerors who’s Technical Proposals are not accepted or deemed not reasonably susceptible of being selected for award will be notified in writing and the Financial Proposal will be returned unopened.

1. Technical Evaluation

The State reserves the right, in its sole discretion, to award a Contract based upon the written Proposals received without prior discussions or negotiations. The Evaluation Committee will rank the proposals according to the criteria established in Section 5.5, Criteria for Technical Evaluation. No price data shall be provided in the Technical Proposal. During this technical evaluation phase, the Procurement Officer shall reserve the right to enter into discussions with Offerors. If discussions are held, all Offerors who are initially classified as reasonably susceptible of being selected for award will be given an equal opportunity for discussion.

Those Proposals determined at any time to be not reasonably susceptible of being selected for award and/or not responsible will be excluded from further consideration in the awarding of the Contract.

1. Responsibility
2. The procurement regulations in COMAR Title 21 define a “responsible” Offeror as one “...who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which shall assure good faith performance.”
3. In addition, the unreasonable failure of an Offeror to supply information promptly in connection with the determination of responsibility shall be grounds for a determination that the Offeror is not responsible.
4. **Criteria for Technical Evaluation**

The criteria that will be used by the Committee for the technical evaluation of the Proposals for this specific procurement are listed below in descending order of importance.

##### **Work Plan**

##### **Understanding the Problem**

##### 1.EBT System

##### Management Approach

###### Technical Approach

1. Quality and Performance Standards

##### **Personnel - Qualifications and Experience of Key Personnel**

##### **References**

##### **Financial Responsibility and Stability**

1. Financial Evaluation

Offerors shall submit a separate volume for their Financial Proposals. Financial Proposals will be opened only after the completion of the technical evaluation, and then, only for "responsible" Offerors, whose proposals were deemed "reasonably susceptible of being selected for award." Financial Proposals shall include the information requested in **Attachment A, Pricing Proposal**, which shall be completed and returned as part of the Offeror’s proposal. **These forms shall not be modified.**

The Financial Proposals of each of the qualified Offerors will be distributed to the Evaluation Committee. The Evaluation Committee will examine each such Financial Proposal to determine if it is complete, in compliance with the requirements of this RFP, accurate in its calculation, realistic and balanced in terms of cost components, and consistent with its technical counterpart. The Evaluation Committee will use the Grand Total prices calculated in **Attachment A, Pricing Proposal,** of each qualifying Proposal in order to establish a financial ranking of the proposals, from lowest to highest total cost.

1. Best and Final Offers

When it is deemed in the best interest of the State, the Procurement Officer may permit qualified Offerors to revise their initial Proposal by submitting a BAFO. The Procurement Officer shall notify each qualified Offeror of the scope of the requested BAFO, and shall establish a date and time for its submission. The Procurement Officer may require more than one series of BAFOs and discussions if the agency head or designee makes a determination that it is in the State’s best interest to do so. If an Offeror does not respond to a request for a BAFO, then its immediate previous Offer shall be in effect unless a timely notice of withdrawal is submitted. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the BAFO process.

1. Debriefing of Unsuccessful Offerors

Unsuccessful Offerors shall be debriefed upon their written request, provided the request is made within a reasonable period of time after receiving notice of not being recommended for award from the Procurement Officer. Debriefings shall be held in accordance with COMAR 21.05.03.06.

1. Final Evaluation and Recommendation for Award

The Committee will make a recommendation for award of the Contract to the qualified Offeror whose Proposal is determined to be most advantageous to the State based on the results of the final technical and financial evaluations. In making the most advantageous Offeror determination, technical factors will be given greater weight then price factors.

Contract award, if any, resulting from the RFP is subject to appropriate State approvals. Awards exceeding $200,000 require approval of the State Board of Public Works.

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SECTION VI ATTACHMENTS

Attachment A Pricing Proposal

Attachment B Bid/Proposal Affidavit

Attachment C Contract Affidavit

Attachment D Standard Services Contract

Attachment E VENDOR ELECTRONIC Funds (EFT) Registration Request Form

Attachment F MDOT certified MBE Utilization and Fair Solicitation Affidavit

Attachment G Outreach Efforts Compliance Statement

Attachment H Subcontractor Project Participation Certification

Attachment I Minority Contractor Unavailability Certificate

Attachment J Prime Contractor Unpaid MBE Invoice Report

Attachment K Subcontractor Payment Invoice Report

Attachment L Certification Regarding Lobbying

Attachment M Living Wage Requirements For Service Contracts and Affidavit of Agreement

Attachment N Hiring Agreement

Attachment O **Transparency Act Reporting and Federal Sub-Award Determination Form**

Attachment P Bid Bond

Attachment Q Service Level Agreements (SLA)

Attachment R EBT Interface File Layouts

Attachment S DHR Office Locations

Attachment T POS Terminal Locations – Current Deployment

Attachment U POS Terminal Locations – FNS Formula

Attachment V State of Maryland Information Security Policy V 3.1

Attachment W EBT Required Reports

Attachment X Deliverable Chart

Attachment Y Customer Service Call Center – Historical Data

Attachment Z Pre-Proposal Conference Response Form

Attachment AA Pre Proposal Conference Directions

Attachment BB Agency Acceptance of Deliverable Form

Attachment CC Mercury Affidavit

Attachment DD Non-Disclosure Agreements (F1 and F2)

Attachment EE Veteran Owned Small Business Enterprise Utilization Affidavit and Participation Schedule

Attachment FF VSBE Subcontractor Project Participation Statement

Attachment GG Maryland Department of Human Resources Veteran Small Business Enterprise (VSBE) Participation (Prime Contractor)

Attachment HH Maryland Department of Human Resources Veteran Small Business Enterprise (VSBE) Participation (VSBE Subcontractor)

Attachment II Performance Bond

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