STATE OF MARYLAND
DEPARTMENT OF HUMAN RESOURCES
PRE-PROPOSAL CONFERENCE
REQUEST FOR PROPOSALS
ELECTRONIC BENEFITS TRANSFER SYSTEM AND SUPPORT
AGENCY CONTROL NUMBER OTHS/EBT/14-001-S

Wednesday, April 2, 2014
10:00 a.m. to 11:15 a.m.

Held at:
State of Maryland
Department of Human Resources
1100 Eastern Blvd.
Essex, Maryland

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IN ATTENDANCE

STATE REPRESENTATIVES:
Keosha S. Hall, Procurement Officer
Jacqueline Jordan, Presenter
Kenyatta Powers, OTHS CIO
Yvonne Barr, Deputy Director
Sang Kang, Procurement Officer
Adolphe Andou, Hiring Agreement
Donna Foster, MBE Administrator
Patty Ramos, VP of Operations
Joe May, EBT Director
L'Aaron Johnson, OTHS Procurement
Richard Wright, Procurement Specialist
Leah Hinson, Procurement Supervisor
Alice Fidler, EBT Program Manager

ATTORNEY GENERAL'S OFFICE:
Hubert Chang
Aretha Ector
FIS eFUNDS:
    Shay Alon, Product Manager
    John Schmidlkofer, Business Development
    Kevin Alston, Merchant Services

GANTECH, INC.:
    Amber Schad, Account Executive

ATHENA CONSULTING:
    Melissa Pappas, President

MANSAI CORPORATION:
    Dr. R.S. Venkatachalam, CEO

XEROX CORPORATION:
    John Pheuffer (via phone)
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PRE-PROPOSAL CONFERENCE

Welcome and Introduction

JACQUELINE JORDAN: My name is Jacqueline Jordan and I'll be presenting on behalf of the Procurement Officer, Keosha Hall.

I would like to start off by saying welcome to this Pre-Proposal Conference. And today we will be sharing information regarding the Electronic Benefits Transfer System and Support Solicitation. The Agency Control Number is OTHS/EBT/14-001-S.

And if anyone has not already done so, please make sure you sign in on that Sign-In Sheet, leave your business card, identify yourself as either a Minority Business Enterprise or Veterans Business Enterprise or Small Business Reserve Vendor. And I'll try to get through this the best way I can. And if you have any questions, I ask that you kind of, like, hold your questions towards the end until each presenter has presented their portion of their
Solicitation.

And today we have recording this will be Court Reporters, ETCetera, Inc. And anything that -- the transcript of this -- a copy of this transcript of the Conference will be posted on eMarylandMarketplace and the DHR website.

Let's proceed with introductions. I want to first just introduce the State representatives, and I know they're scattered throughout the room. We're going to start and we're going to have opening remarks by Kenyatta Powers, the OTHS Chief Information Officer.

KENYATTA POWERS: You want to do introductions now?

JACQUELINE JORDAN: Yeah, I'll do the introductions.

KEOSHA HALL: I'm Keosha Hall, Procurement Officer.

AJ ANDOU: AJ Andou, Administrative Hiring Agreement.

YVONNE BARR: I'm Yvonne Barr. I'm
the Deputy Director of Procurement, but I'm also
the Veterans Small Business Administrator.

DONNA FOSTER: Donna Foster, MBE
Administrator, Department of Human Resources.

SANG KANG: Sang Kang, Procurement Officer.

RICHARD WRIGHT: Rick Wright,
Procurement Specialist, OTHS.

LEAH HINSON: Leah Hinson, Procurement Supervisor.

JACQUELINE JORDAN: Well, I was
actually doing the presenters for the State, but
we can go around so everybody know who's in the
room.

L'AARON JOHNSON: L'Aaron Johnson,
OTHs Budget and Procurement Director.

JOE REISS: Joe Reiss (phonetic),
Procurement Specialist, OTHS.

ARETHA ECTOR: Aretha Ector, Attorney
General's Office.

HUBERT CHANG: Hubert Chang, Attorney
General's Office.

JACQUELINE JORDAN: Any other State representatives here?

JOE MAY: Joe May, EBT Program Manager.

KENYATTA POWERS: Kenyatta Powers, Chief Information Officer for DHR.

ALICE FIDLER: And Alice Fidler with EBT.

JACQUELINE JORDAN: Okay. And starting with you, sir, can you identify yourself?

R.S. VENKATACHALAM: Yes. I'm R.S. Venkatachalam, and I'm with Mansai Corporation.

JACQUELINE JORDAN: Anymore Offerors?

MELISSA PAPPAS: Melissa Pappas with Athena Consulting.

KEVIN ALSTON: Kevin Alston, Product Support with FIS eFunds.

SHAY ALON: Shay Alons, FIS eFunds.

JOHN SCHMIDLKOFER: And John
Schmidlkofer, FIS eFunds.

   PATRICIA RAMOS: Good morning. Patty Ramos with CR Dynamics. We're a MDOT certified minority business.

   AMBER SCHAD: Amber Schad with Gantech.

   JOE MAY: We have Xerox on the line. Hello.

   JOHN PHEUFFER: John Pheuffer from Xerox.

   JACQUELINE JORDAN: Okay. Are you able to hear everything okay?

   JOHN PHEUFFER: I am. Thank you very much.

   JACQUELINE JORDAN: Okay. And with that being said, we'll have opening remarks by Kenyatta Powers, the OTHS -- I'm sorry, OTHS CIO.

   Opening Remarks

   KENYATTA POWERS: Good morning, everyone.

   ALL RESPONDED: Good morning.
KENYATTA POWERS: The Department is currently soliciting Proposals for Offerors to deliver, operate and maintain a web-based EBT system for public assistance and SNAP benefits.

The EBT system is one of 47 applications that DHR supports and maintains. It is DHR's largest automation initiative to date, and a mission-critical system.

As a 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.

It is important that the Contractor understands DHR's expectations around customer service, levels of system availability, timeliness of services, as well as system performance.
This Contract is key and utterly important to DHR, and we appreciate everyone's participation here today. So we look forward to seeing Proposals. Thank you.

Objective of Request for Proposals

JACQUELINE JORDAN: Okay. I'll begin with an overview of Section I, which is Objective of Request for Proposals.

The Department of Office of Technology for Human Services maintains a secure web based Electronic Benefits Transfer system in order to implement its Temporary Cash Assistance and Supplemental Nutritional Assistance Program to DHR's customers.

There will only be one Contract awarded as a result of this RFP, and the Contract will be awarded for a period of five years with two-year options to be exercised at the sole discretion of the State.

The issuing office and the sole point of contact is Keosha Hall and her business cards
are up here if you need one. If you have any questions, you are sending in any documentation, you need to send them in to her attention.

Section 1.4 talks about Electronic Procurement Authorization and it outlines what the Offeror or potential Offeror can submit electronically if you look at 1.4, Item Number 2.

Questions and Answers, Section 1.5:
All questions shall be submitted to the Procurement Officer only, preferably by e-mail. And answers will be distributed to all those Offerors who are known to have received a copy of the RFP that's been posted on the Department's website and eMarylandMarketplace.

The closing date, which is very important, is June 20th, 2014 at 4 p.m. No late submissions will be accepted, so make sure you get your Proposals in on time.

Section 1.9, the State Project Manager will be Joe May. Joe, raise your hand.

(Joe May complies.)
Key Information

JACQUELINE JORDAN: And after the Contract award, is the primary point of contact for the Contract in regards to the Contract resulting from this RFP. The secondary point of contact will be Ms. Kenyatta Powers.

Section 2.10, State Supplied Services, it outlines that the State, during the transition period, what we will supply as far as facility to work at during the transition period.

Section 2.11 are the Working Hours and Locations. 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 operational 7 days a week, 24 hours a day, and 365 days per year.

The Contract Term: The Contract awarded as a result of this Solicitation shall be for a period of five years, which is the base
period, which includes one year transition-in period. And the Contract also contains two, two-year renewal options. These two, two-year option periods are to be exercised at the sole discretion of the Department.

Section 2.16: If you're doing business in Maryland, you're required to register with the Maryland Department of Assessments and Taxation, as well as with the Department of Labor and Licensing. Failure to do so, to complete registration with the Department of Assessments and Taxation, may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

Section 2.22: This is an indefinite quantity firm fixed-price Contract that includes time and material component.

Section 2.26: EMarylandMarketplace. Make sure you register with eMarylandMarketplace. You must be registered on eMarylandMarketplace in order to receive a Contract award, and the
registration is active for one year and must be active at the time of Contract award.

Oral Presentations, Section 2.35: On a short notice you may be required to make an oral presentation of the proposal to the Evaluation Committee.

And with that being said, in Section II we have Minority Business Enterprise Participation Goal, and the person that will be doing the presentation is Donna Foster, who's our MBE Administrator.

MINORITY BUSINESS ENTERPRISE PARTICIPATION GOAL

DONNA FOSTER: Good morning, again.

ALL RESPONDED: Good morning.

DONNA FOSTER: Again, I'm Donna Foster. I'm the Minority Business Enterprise Administrator for the Department of Human Resources.

I notice that when we were doing introductions, there is a Certified MBE in the room, and I encourage you, for as long as the
room is available after the Pre-Proposal Conference, to use this opportunity to network with other Offerors.

I will cover highlights of Section 2.28 to 2.32 of the RFP.

2.29: An Offeror shall structure its procedures for the performance of the work required in this Contract to attempt to meet the MBE goals stated for this RFP.

In 2.31B, it covers Contractor's responsibilities: Exercise good faith effort to carry out requirements of the Solicitation. Identify specific categories or work for subcontracting. Document contacts with MBE.

Also, there's an electronic version of the Minority Business Enterprise Directory located on the Maryland Department of Transportation website.

2.31C, Contract and Solicitation Formation: The Offeror shall include with its offer a completed Attachment F, which is the MBE
Utilization and Fair Solicitation Affidavit.

This document has two parts. In the first part, you will identify whether you will meet the goal in whole or whether you will request a waiver of the goal in whole or in part. You must make a decision whether you're going to meet the goal or you're going to waive the goal in whole or in part. You can't do both. Again, it's very important, if you must make a decision, to either meet the goal or waive the goal in whole or in part.

The second part of this document, you will list the certified MBEs and the percentage of the goal they will meet for the work to be performed. However, there will be no dollar amounts on this document.

Please note that MBEs can only work in the areas of certification according to the MDOT Directory, in order to count to meet the MBE goal.

Review this document carefully and
ensure that the document is complete and accurate. Failure to submit Attachment F with the Proposal, the Procurement Officer shall determine that the offer is not reasonably susceptible for award. And this information is bolded in the RFP, so please pay careful attention to this document, review it and make sure that it is complete and accurate.

Within ten days of notification as apparent awardee or actual award, Attachment G, Outreach Efforts Compliance and Attachment H, Subcontractor Project Participation Certification and the documentation for waiver, if it is noted on the Utilization Affidavit, are due.

Failure to return Attachment G and 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 is awarded, the award is voidable.

2.31D discusses the Waiver. If for
any reason an Offeror is unable to achieve the Contract MBE goal, the Offeror may request a Waiver.

Section 2.31D outlines the documentation needed to support the request for Waiver and good faith efforts. Make sure all documentation is provided. Please note that if the Waiver is denied, the Proposal is rejected.

2.31E, Amendment for Unforeseen Circumstances. Any change to the MBE Utilization and Fair Solicitation Affidavit prior to Contract execution, the apparent awardee shall immediately notify the Procurement Officer. After execution of the Contract, the awardee shall notify the DHR Project Manager.

2.32 discusses prompt payment. In summary, this section simply states that if the Subcontractor performs the work satisfactorily and there's no dispute over the payment, then they should get paid and they should get paid timely. Failure to meet this requirement, lists
actions that the Agency may take to resolve this matter.

Any questions?

JACQUELINE JORDAN: Please state your name and identify your firm or corporation.

MELISSA PAPPAS: Melissa Pappas with Athena Consulting. We're a certified MBE, we're a subcontractor to other OTHS projects, we're a prime contractor to many contracts in Maryland, and we usually see 25 percent MBE goal. Why is this so low? Certainly it's a large enough project to support many MBEs, and they would not have any problem getting to 25 percent.

KENYATTA POWERS: Well, when we look historically over the use of our MBE goal for this type of procurement, and the fact that it's a transaction-based contract, and we look at the areas of subcontracting, we think that 10 percent is a reasonable goal for the procurement.

MELISSA PAPPAS: Okay. Thank you.

KENYATTA POWERS: Any other questions?
MELISSA PAPPAS: I'm sorry, that was based on historical values?

KENYATTA POWERS: Right. And everyone is encouraged, if you can --

MELISSA PAPPAS: The technology's changed since the last time this was procured? I mean --

KENYATTA POWERS: I'm sorry? Say that again.

MELISSA PAPPAS: The technology's changed since the last time this was procured and --

JOE MAY: I can answer that. No, the technology is the same that we're using when we use the current contract and what we've been using. There may have been a few changes here and there, or minor changes, but it doesn't affect the overall scope of the project and how we conduct business.

KENYATTA POWERS: And additionally, I mean, you're always encouraged, if you find
different subcontracting areas that we may have overlooked, that you can use them, and you're encouraged to exceed the goal if you can.

MELISSA PAPPAS: But the primes won't. The prime contractors don't exceed the goals unless required.

KENYATTA POWERS: I don't necessarily agree with that.

MELISSA PAPPAS: Okay.

KENYATTA POWERS: Any other questions?

Thank you for your comment.

MELISSA PAPPAS: Thank you.

JACQUELINE JORDAN: Thank you. And next we'll have presenting the Living Wage, Section 2.38, Mr. Sang Kang.

Living Wage

SANG KANG: Maryland's Living Wage. The Living Wage Law requires certain contractors and subcontractors to pay minimum wage rates to employees working under certain State services contracts.
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. Effective September 27, 2013, 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 percent or more of the total value of the Contract are performed in the Tier 1 Area. If State Contract services valued at 50 percent or more of the total Contract values are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least $9.91 per hour.

Note: The Living Wage rates are subject to annual adjustments by DLLR. However, the Contractor's prices under the Contract may not change because of any Living Wage adjustments. Offerors must factor this into their Pricing Proposal submissions.

The specific Living Wage rate is
determined by whether a majority of services take place in a Tier 1 Area or a 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 a business has operations in areas with two different wage Tiers, the rate you pay is determined by the area where 50 percent or more of the total contract value is performed.

If the employees who perform the services are not located in either Tier 1 or Tier 2, the Living Wage rate will be based upon where the majority of the recipients of the services are located.

This Contract has been determined to be a Tier 1 Contract. Additional information regarding the State's Living Wage requirement is contained in Attachment M, entitled Living Wage
Requirements for Services Contracts and Affidavit Agreement.

The Affidavit of Agreement must be completed and submitted with the original copy of a Technical Proposal. Failure to complete and submit the Living Wage Affidavit of Agreement will result in a determination that the Offeror is not responsible.

Maryland Living Wage law is administered by the Department of Labor, Licensing and Regulation. Additional Living Wage information pertaining to the reporting obligations may be found by going to the Maryland State Department of Labor, Licensing and Regulations, DLLR website, and clicking on Labor and Industry, then Living Wage.

When you signed in, you should have received a handout taken from DLLR website entitled Maryland's Living Wage, Frequently Asked Questions. This handout contains additional information about Maryland's Living Wage law, as
Are there any question?

(No Response.)

SANG KANG: Thank you.

JACQUELINE JORDAN: Thank you. And next we'll have a presentation of the Hiring Agreement, Section 2.39, by Mr. Adolphe Andou or AJ.

Hiring Agreement:

AJ ANDOU: No problem. AJ is a lot easier to pronounce, so feel free to say AJ, but my full name is Adolphe Andou.

We have passed a package around to everybody, so you should have one.

The Hiring Agreement is an agreement entered into by the Department of Human Resources and the Local Department of Social Services and a Contractor doing business with the State under which the Agencies mentioned agree to work cooperatively in an effort to identify and hire former Family Investment Program recipients,
their children, children in foster care who actually reach their 18th birthday while in foster care, and child support obligors to fill job openings as a result of this Contract, of the Procurement Contract. And pretty much the package is self-explanatory. You guys can read the rest of the information.

I have also attached what will a job referral look like, as well as my information in the back is listed, and some of the benefits that you will receive from the State such as tax incentives.

The role for a Contractor is to notify DHR of all job openings that exists as a result of the Procurement Contract, and to declare DHR the first source for job openings. Pretty much you are giving preference to DHR's and Social Service's candidates. Simply allow three working days to refer candidates for the position, for us to be able to refer qualified individuals for a position that we have as a result of the
Contract. Provide DHR with feedback on hiring decision of these candidates, and comply with the agreement throughout the life of the Contract.

And pretty much the purpose of a Hiring Agreement is because we have customers who are receiving services from the State of Maryland, to maintain a standard of living, an average standard of living. And given that they all need an opportunity for employment, we are asking that companies that we work with, that the State is given Contract to consider these individuals since many of them are highly qualified individuals, as well.

And that's pretty much my piece. Any question regarding the Hiring Agreement?

(No Response.)

AJ ANDOU: My information is in the package. If you have any questions in the future, feel free to e-mail me.

JACQUELINE JORDAN: Thank you. And next we'll have a presentation of the Veterans
Small Business Enterprise by Yvonne Barr.

Veterans Small Business Enterprise

YVONNE BARR: Good morning, everyone. I'm going to give you these.

Veteran-owned Small Business Enterprise is the State's most initiative. While it's not that new; it started in 2012. So we want to share the State contract dollars not only with MBEs, but also with Veteran-owned Small Business Enterprises.

In your packet, you have the advisory first, then you have the COMAR Title 21 pertaining to the VSBE Program. Following that, you have the Utilization Affidavit. Then you have -- after the Utilization Affidavit, you have a Subcontractor Participation Statement. Then you have information regarding waivers. And the next two forms are forms that the successful Offeror would be submitting every month as the deliverables. And the last form is an Unavailability Certificate. And then we have
three screen shots from the Department of Veterans Affairs website. And I'm just going through to make sure that you have everything in your packet. And the last attachment is Directory of NAICS Codes that you can use on the Veteran Affair's website.

Again VSBE is another program that you need to consider for subcontract opportunities. The EBT Solicitation has a one percent VSBE goal.

The VSBE program operates similar to the MBE program.

The Utilization Affidavit attachment, I believe it's EE in the Solicitation, and I'm referring to Section 2.49 in your RFP. The Utilization Affidavit must be submitted with your Proposal. If the Affidavit is not completed correctly or not completed or not submitted, then your Proposal may be considered as not reasonably susceptible of being selected for Award.

If you are selected for Award, then
you must submit the Subcontractor Project Participation Statement, and that's to be submitted within ten days after notification that you've been recommended.

If you believe that you cannot meet the goal, you can submit -- the full goal, you can submit for meeting the full goal or a partial goal on the Utilization Affidavit.

If you think that you cannot meet the goal at all, you can request a Waiver. The information that is needed to be submitted with the Waiver is included in your package. Along with the Waiver request, you can submit an Unavailability Certificate, saying that you did solicit VSBES, but they were not able to meet your requirements, they were not available to perform services that you were going to subcontract with them for.

If you need to amend your VSBE form, prior to award of the Contract, you need to speak to the Procurement Officer, Keosha Hall.
If you're going to amend your VSBE after award, then you will speak to the State Project Manager.

VSBEs, unlike MBEs can meet their VSBE goal. If you are a VSBE Prime Contractor, you can meet the VSBE goal with your own workforce.

Your VSBEs that you use as subcontractors must be certified by the Department of Veterans Affairs as a VSBE, and they must be certified for the services that you're going to have them perform.

The Veteran Affairs' website you go to vetbiz.com -- I mean, vetbiz.gov.

If you look at the screen shots, it will show you what the -- you go under business. Once you get to the Department of Veteran Affairs' website, you click on business, there's a dropdown, Vet business there. Once you get to the vetbiz website, if you go to the next screen shot, it's circled where you click on the right hand column for the vetbiz directory, and the
directory will come up. There may be a screen that comes up, "This is not a secure website," but they need to work on it. This is what it is. And it is beneficial to put in the NAICS code along with the type of service, the name of the service; otherwise, you will get multitudes of Veterans coming out. Their directory is not as good as the MBE directory, so make sure you do use the NAICS Codes. And of course the NAICS Codes -- the directory of NAICS Codes is included in the attachment.

Do you have any questions?

(No Response.)

JACQUELINE JORDAN: Thank you, Yvonne. Before we get into the Specification Section, are there any questions regarding Section 1, Objective or Request for Proposals, or Section 2, General Information? These are the things that have been discussed so far. Are there any questions? Identify yourself.

JOHN SCHMIDLKOFER: John Schmidlkofe
from FIS eFunds.

In reviewing the proposal, there wasn't a set timeline on -- I mean, we have the date of the day that it's due, but we're trying to figure out, like, when the Award would be, then the conversion would be. Would you be able to provide those dates?

JACQUELINE JORDAN: Joe, would you?

JOE MAY: No, I can't give you the dates because after we receive the Proposals, then we have to do the evaluation. Then once the evaluation's completed, then we select a vendor. Then, if I'm correct, then we have to have the Contract award done by Board of Public Works.

JACQUELINE JORDAN: Approved, yes.

KENYATTA POWERS: Don't we have a timeline? There was a timeline that was provided by Procurement of when, but it was proposed dates.

KEOSHA HALL: Yes, it was proposed dates. Well, once the Contract is awarded, we
might have (inaudible). We don't know which one that it will be, but we're anticipating that it will be late 2014.

JOHN SCHMIDLKOGER: That the Award would be?

KEOSHA HALL: Yes.

YVONNE BARR: And of course that's all depending on the quality of the Proposals that we receive and the number.

JOHN SCHMIDLKOGER: Okay.

KEOSHA HALL: It depends on the Procurement process. Some may take longer. We just don't know at the moment, but we're looking at late 2014.

JOHN SCHMIDLKOGER: Because if I'm not mistaken, the current -- well, maybe I can ask that in clarification. But the current contract, if I'm not mistaken, expires at the end of February 2015; is that correct?

KEOSHA HALL: That's correct.

JOHN SCHMIDLKOGER: So if the Award is
at the end of 2014, there would obviously need to be some extensions or --

KEOSHA HALL: Yes.

JOHN SCHMIDLKOFER: Okay. That's what I'm trying to get at.

KEOSHA HALL: Yes.

JOHN SCHMIDLKOFER: Thank you.

JACQUELINE JORDAN: Any additional questions?

JOHN PHEUFFER: Yes. This is John Pheuffer from Xerox.

We've already submitted some questions to Keosha Hall, via e-mail, as you've instructed. But one question that I did have for you -- actually, two questions.

One is there's no end date and this follows along with the FIS question: There's no end date in the RFP for submission of questions. There's no due date for that. Will one be provided?

JACQUELINE JORDAN: There is no cutoff
date. We will try to answer the questions as they come in, and if we have to do research, you know, we'll do that. And as long as we can kind of, like, find the answer and give a response back to you in a timely manner, we will continue to accept questions, and any substantive questions we will definitely respond to. So there is no cutoff date for questions.

JOHN PHEUUFFER: Okay. Thank you. And one other question: In light of the new F&S Farm Bill provisions that have been just enacted, will there be any kind of amendment that will be issued relative to any changes that the scope of work in the RFP, that may have altered as a result of those Farm Bill issues?

JOE MAY: John, this is Joe.

Yeah, we probably will have an Addendum of Change in the RFP. We're waiting for more clarification from the USDA, I think, as well as everyone else, in trying to understand what exactly they're saying.
JOHN PHEUFFER: Absolutely.

JOE MAY: By the fact that they -- in the Farm Bill it states that the Secretary has the ability to provide exemptions to the rule change, so we don't really know. But, yeah, we anticipate somewhere down the line, once we get clarification from the Feds and understand, yeah, there will be one added to the RFP.

JOHN PHEUFFER: Okay. Great. Thanks, Joe.

JACQUELINE JORDAN: Any further questions?

(No Response.)

JACQUELINE JORDAN: Okay. With that being said, I would like to now present Kenyatta Powers regarding Section III, Specifications.

Specifications

KENYATTA POWERS: Good morning again.

ALL RESPONDED: Good morning.

KENYATTA POWERS: I will go through Section III just pointing out a few things, not
going over each individual section. But feel free to hold your questions and we can answer them if I have missed a section that you did have a question on.

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.

The EBT system shall be operational 7 days a week, 24 hours a day, 365 days a year.

The service requested under this RFP includes a large information technology component which includes equipment, software, telecommunications, service access, card production and issuance, card distribution, hosting, fraud protection, training, help desk support and ongoing operational support.

The Transition In/Out Period: The Contractor shall complete Transition-In period of the new EBT system within 12 months of the
Contract start date, depending on who's the new Vendor. And Offeror shall clearly outline the approach to Transition-In activities in its Proposal.

The Implementation of the EBT System, Section 3.6: The implementation of the Contractor's EBT System is divided into 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.

EBT System Requirements, Section 3.7: Contractor's EBT System shall support both batch and online realtime transmissions between the Department's mainframe system and the Contractor's EBT database.

Section 3.9, Customer Service Call Center: Contractor shall provide a Customer Service Call Center to assist EBT customers as well as retailers; should be staffed with Customer Service Representatives; be available
toll free 24 hours, 7 days a week, and provide support in English and in Spanish.

3.10, EBT Portals: The Contractor must provide a customer portal as well as retail portal.

Training: Contractor must provide customer, retailer, and DHR staff specific training.

3.14, Transaction Processing: The EBT System shall have the capability to receive and process customers' transactions from both ATM and POS terminals. Now, as for manual voucher process, there should be a manual SNAP -- process manual SNAP transactions when electronic transactions are not available.

3.16: Contractor must complete daily settlement and reconciliations.

EBT Problem Management: We're looking for strategies that can act for problem management controls, different strategies of how to support -- how to support the problem
management issues that may occur. We also can classify -- looking for classifying issues based on Severity Levels of 1, 2, 3 and 4, and communicating those levels accordingly.

System Performance Requirements: EBT system should be available and functioning for processing of transactions.

EBT system should be reliable and accurate for processing of transactions.

EBT system must meet performance and technical standards.

We shall accommodate fluctuation in volumes of EBT transactions, especially increases, without degradation of service.

And the Contractor shall provide a service at or above the defined Service Level Agreement as outlined in Attachment Q.

Under 3.22 for General System Requirements: A lot of this is focused around security. Must adhere to Facility Physical Security requirements, as well as EBT system
requirements.

Security Incidents and Reporting, which is a little different from what -- in previous Contracts. Security incident 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 and responsibilities and procedures to ensure a quick, effective, and orderly response to security incidents.

Section 3.22.6, Fraud Analysis and Prevention: 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
1 monitoring the activities of customers,
2 employees, retailers and others for the purpose
3 of identifying, at the earliest possible
4 opportunity, evidence of fraudulent conduct.

5 Another change in the security section
6 is around SOC 2: The Contractor shall engage an
7 independent auditing firm to conduct an annual
8 Service Organization Control, SOC 1 and SOC 2,
9 reports in accordance with SSAE Number 16, on the
10 issuance, redemption and settlement of SNAP
11 benefits.

12 There are several reporting
13 requirements: Transition status reporting
14 requirements, production reporting requirements,
15 and there are reports identified -- additional
16 reports that are identified in Attachment W.

17 Section 3.24.5, under Data Mining:
18 DHR entered into a MOU with the USDA/SNAP in
19 February, wherein DHR will share recipient data
20 with SNAP for the purpose of fraud prevention.
21 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 that have received
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 support DHR's
change in reporting needs to provide Data
Warehousing solution to the reporting
requirements of DHR.

You have the basic project management
requirements and staffing plan, project work
plan, deliverables, and key personnel.

Another section that is a little
different is Section 3.29, which is called Performance Readiness Review: The PRR Committee is a cross-functional group that consists of the vendor, as well DHR, that shall be formed to evaluate the Contractor's performance on an annual basis or as established by the State, if we see it necessary to have it more frequently. The purpose of the PRR is to evaluate the Contractor's performance and discuss progress, determine corrective actions, if any may apply.

EBT Disaster Recovery and Business Continuity is really straightforward.

We also have Section 3.32.2, Food Supplement Program EBT Disaster System, which now is included as part of the initial Contract: The Contractor shall design, develop and incorporate a SNAP EBT Disaster System with the Contractor's current operating platform that can deliver disaster SNAP benefits in an emergency situation when the State's Eligibility System, which is CARES, is not available to process applications.
So those are some of the key points that I wanted to point out. I'm open for additional questions.

(No Response.)

KENYATTA POWERS: No questions?

(No Response.)

JACQUELINE JORDAN: Thank you. And that was Section III, Specifications.

Requirements for Proposal Preparation

JACQUELINE JORDAN: Now we'll cover Section IV, Requirements for Proposal Preparation. And in this section it tells you how to prepare and submit your Proposal, your Technical and your Financial Proposal.

Section 4.1 is a Two Volume Submission. It's a Technical and it's a Financial. And we're requesting an original to be so identified and five copies of both the Technical and Financial Proposal, and five CDs to include both the Technical and Financial Proposal shall be submitted to the Procurement Officer.
Section 4.2 talks about Volume 1 Technical Proposal. It gives you the format and tells you all the things that you need to have included in your Technical Proposal.

You want to make sure your Transmittal Letter is signed by an individual authorized to bind the firm to all statements, including services and prices. You want to also include in the letter an acknowledgement of any addenda to the RFP that was received.

And if there are any exceptions to the RFP, it says: An Offeror shall be deemed to have accepted all the terms, conditions, and requirements set forth in the RFP unless otherwise clearly noted as an attachment to the Transmittal Letter. A Proposal that takes exception to these terms may be rejected, so keep that in mind.

And it goes down the formatting of your Technical Proposal. It talks about a Table of Contents, your pages being numbered, the
sections that you need to include, understanding the problem, proposed service, qualifications, key personnel, non-key personnel, references, other contracts, past performance, financial responsibility and stability, economic benefits to the State of Maryland. And try not to use -- we prefer that you don't use dollars, if you'll use percentages to get your thought across.

Additional information, your company literature forms. If you have any questions about how to complete a form, contact the Procurement Officer. And double check your forms to make sure that they're filled in correctly and completely and signed.

And it lists several forms: Bid Proposal Affidavit. These are things that are supposed to be in your Technical Proposal: The Certified MBE Utilization and Fair Solicitation, Certification Regarding Lobbying, Living Wage Affidavit of Agreement, and a Veteran-Owned Small Business Enterprise Utilization, Affidavit and
Participation Schedule.

In Section 4.3, Volume II, which is your Financial Proposal, we have that form as part of your attachments for your solicitation. Just make sure that you don't alter that form.

Evaluation Procedures

JACQUELINE JORDAN: And next we'll talk about Section V, the Evaluation Procedures. An Evaluation Committee will evaluate your Proposal that has been received by the closing date. Technical Proposals will be ranked according to the criteria listed in descending order in Section 5.4 -- I'm sorry, 5.5. In Section 5.5, Criteria for Technical Evaluation. It will be Work Plan, then Understanding the Problem, then Personnel Qualifications and Experience of Key Personnel, References, and then Financial Responsibility and Stability.

The Financial Proposal shall contain all costs for all services proposed for those Technical Services. And the Evaluation Committee
will look at your Financial Proposal and rank that from lowest to highest price.

After the entire evaluation process has been completed, the Committee will make -- this is Section 5.9, Final Evaluation and Recommendation for Award: After the entire evaluation process has been completed, 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.

And any Contract exceeding $200,000 requires approval of the State Board of Public Works.

Are there any questions?

(No Response.)
Closing Comments

JACQUELINE JORDAN: Okay. A copy of this transcript of the Conference, a list of all attendees, any questions and response, as well as any amendments to the RFP will be posted on both eMarylandMarketplace and DHR's website as soon as possible.

And keep in mind that your closing date for submission of for your Proposal is June 20th, 2014, at 4 p.m.

And I just would like to thank everybody for attending and your interest in doing business with the State of Maryland.

Thank you.

(Conference concluded at 11:15 a.m.)
CERTIFICATE OF REPORTER

I, CHERYL JEFFERIES, a certified court reporter, do hereby certify that the foregoing Pre-Proposal Conference was stenographically and electronically recorded by me and transcribed to the best of my ability.

As witness my hand this 21st day of April, 2014.

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CHERYL JEFFERIES