Maryland Logo

State of Maryland

Department of Human Services (DHS)

Request for Proposals (RFP)

ELECTRONIC BENEFITS TRANSFER SYSTEM

RFP Number OTHS/EBT-23-017-S

Issue date: September 19, 2023

NOTICE

A Prospective Offeror that has received this document from a source other than eMarylandMarketplace (eMMA) https://procurement.maryland.gov should register on eMMA. See **Section 4.2**.

Minority Business Enterprises Are Encouraged to Respond to this Solicitation.

**VENDOR FEEDBACK FORM**

To help us improve the quality of State solicitations, and to make our procurement process more responsive and business friendly, please provide comments and suggestions regarding this solicitation. Please return your comments with your response. If you have chosen not to respond to this solicitation, please email or fax this completed form to the attention of the Procurement Officer (see Key Information Summary Sheet below for contact information).

**Title: Electronic Benefits Transfer System**

**Solicitation No: OTHS/EBT-23-017-S**

1. If you have chosen not to respond to this solicitation, please indicate the reason(s) below:

* Other commitments preclude our participation at this time
* The subject of the solicitation is not something we ordinarily provide
* We are inexperienced in the work/commodities required
* Specifications are unclear, too restrictive, etc. (Explain in REMARKS section)
* The scope of work is beyond our present capacity
* Doing business with the State is simply too complicated. (Explain in REMARKS section)
* We cannot be competitive. (Explain in REMARKS section)
* Time allotted for completion of the Proposal is insufficient
* Start-up time is insufficient
* Bonding/Insurance requirements are restrictive (Explain in REMARKS section)
* Proposal requirements (other than specifications) are unreasonable or too risky (Explain in REMARKS section)
* MBE or VSBE requirements (Explain in REMARKS section)
* Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section)
* Payment schedule too slow
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. If you have submitted a response to this solicitation, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Attach additional pages as needed.)

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

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Contact Person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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State of Maryland

Department of Human Services (DHS)

Key Information Summary Sheet

|  |  |
| --- | --- |
| **Request for Proposals** | Services - Electronic Benefits Transfer System |
| **Solicitation Number:** | **OTHS/EBT-23-017-S** |
| **RFP Issue Date:** | September 19, 2023 |
| **RFP Issuing Office:** | Department of Human Services (Department or DHS) |
| **Procurement Officer:** | Samuel Eduful  Maryland Department of Human Services  311 W. Saratoga Street  9th Floor, Room 940-J  Baltimore, MD 21201 |
| **e-mail:**  **Office Phone:** | [Samuel.Eduful@Maryland.Gov](mailto:Samuel.Eduful@Maryland.Gov)  410.767.7068 |
| **Proposals are to be sent to:** | Proposals will be accepted through the State’s eMaryland Marketplace Advantage (eMMA). Instructions on how to submit electronically can be found at:  <https://procurement.maryland.gov/wp-content/uploads/sites/12/2021/01/5-eMMA-QRG-Responding-to-Solicitations-Double-EnvelopeRFP.pdf> |
| **Pre-Proposal Conference:** | **September 28, 2023, from 10:00am - 12:00pm Local Time**  See **Attachment A** for directions and instructions. |
| **Questions Due Date and Time** | **October 20, 2023,** **at 2:00 PM Local Time** |
| **Proposal Due (Closing) Date and Time:** | **December 19, 2023,** **at 2:00 PM Local Time**  Offerors are reminded that a completed Feedback Form is requested if a no-bid decision is made (see **page iv**). |
| **MBE Subcontracting Goal:** | 8% with no sub-goals. |
| **VSBE Subcontracting Goal:** | 7% |
| **Contract Type:** | Firm Fixed Price |
| **Contract Duration:** | Five (5) year base period with two, 2-year renewal option periods. |
| **Primary Place of Performance:** | As Proposed by Offeror |
| **SBR Designation:** | No |
| **Federal Funding:** | Yes |

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# Minimum Qualifications

## Offeror Minimum Qualifications

There are no Offeror Minimum Qualifications for this procurement.

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# Contractor Requirements: Scope of Work

## Summary Statement

### The Department is issuing this RFP in order to select a Contractor to maintain existing functionality and deliver applicable enhancements and modifications to the statewide electronic benefits transfer (EBT) system for the delivery of Temporary Cash Assistance (TCA), Temporary Disability Assistance Program (TDAP) and Supplemental Nutrition Assistance Program (SNAP) benefits through, Point-of-Sale (POS) devices, online purchasing, and (for cash only) Automated Teller Machines (ATMs). Customers receiving cash assistance must have adequate access to ATMs and POS terminals and online purchasing.

### It is the State’s intention to obtain goods and services, as specified in this RFP, from a Contract between the selected Offeror and the State.

### The Department intends to make a single award as a result of this RFP. See RFP Section 4.9, Award Basis for more Contract award information.

### An Offeror, either directly or through its subcontractor(s), must be able to provide all goods and services and meet all of the requirements requested in this solicitation and the successful Offeror (the Contractor) shall remain responsible for Contract performance regardless of subcontractor participation in the work.

### A Contract award does not ensure a Contractor will receive all or any State business under the Contract.

## Background, Purpose and Goals

The Department is soliciting proposals from Offerors to deliver, operate, and maintain an EBT system for the Public Assistance benefits that include TCA, TDAP and SNAP benefits in accordance with applicable Federal and State laws and regulations, as well as the Quest® Operating Rules (<https://www.nacha.org/content/quest>). EBT is one of DHS’s largest automation initiatives to date and a mission-critical system. As the principal State agency responsible for social services in Maryland, DHS 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 378,634 Maryland households as of October 2022 access SNAP benefits and over 27,370 households access cash benefits (the complete listing of data related to EBT processing has been provided in **Attachment P, Historical Data**.)

The Maryland EBT Card is called the Independence Card. It is a debit-type card that can access SNAP and/or cash benefits that are deposited into an EBT Food or EBT cash account of a DHS customer each month. Once benefits are deposited into an EBT account and the availability date is reached, the customer can begin using them with their Independence Card. The Independence Card can be used at any retailer authorized by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) or ATM, in the United States, Guam and the Virgin Islands, displaying the Quest® logo. The Cardholder must use a four-digit Personal Identification Number (PIN) with the Independence Card to authenticate each transaction. Each receipt received by a cardholder following the completion of a transaction will provide remaining benefit balance of their account(s).

The Family Investment Administration (FIA) is responsible for administering the TCA, TDAP and SNAP, Public Assistance to Adults (PAA), and the Office of Home Energy Assistance (OHEP) programs. FIA is also responsible for determining eligibility for the Modified Adjusted Gross Income (MAGI) and non-Modified Adjusted Gross Income (non-MAGI) Medical Assistance programs. FIA also provides emergency services, such as The Emergency Food Assistance Program (TEFAP), emergency housing-related services for families with minor children, and services related to resettling refugees and asylees.

Thus, the service requested under this RFP includes the continued pursuit of a scalable information technology component, including equipment, software, telecommunications, service access, card production and issuance, card distribution, hosting, fraud protection, help desk support, cardholder service call center, and on-going operational support required to enhance, implement, operate and maintain the EBT system.

### Project Goals

The Department’s objectives for the EBT system and services include the following:

1. Implement 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 EBT.
5. Ensure customer satisfaction.
6. Reduce the risk of fraud in EBT transactions.

### State Staff and Roles

In addition to the Procurement Officer and Contract Monitor, the State also includes the following staff responsible for the direction and acceptance of work performed under the RFP:

1. Chief Information Officer

The Chief Information Officer (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 DHS and this Contract.

1. State Project Manager

The State Project Manager (PM) will work with the Department’s procurement officer and in-house staff during the procurement process, including facilitating meetings, responding to questions, and providing subject matter expertise and technical assistance as needed. The State PM will assist with the transition from the old contract to the new contract.

### Other State Responsibilities

The State is responsible for providing required information, data, documentation, and test data to facilitate the Contractor’s performance of the work and will provide such additional assistance and services as is specifically set forth.

## Responsibilities and Tasks

The Contractor shall comply with the following requirements for processing and accessing customer benefits within the EBT system.

### Technical and Business Requirements

The following requirements address the specific technical requirements for the EBT system and the related EBT support services that shall be provided.

#### General Requirements

The Contactor shall provide an EBT system that:

1. Meets the requirements of applicable Federal and State laws and regulations and USDA FNS requirements including all EBT requirements found in 7 CFR § 274.
2. Meets the requirements of Maryland Senate Bill – Department of Human Services – Electronic Benefits Transfer Cards –Theft of Benefits (Prevent Electronic Benefits Theft Act of 2023).
3. Meets the most recent technical standards and guidelines including the Quest® Operating Rules and the American National Standards Institute (ANSI) X9.58 EBT – SNAP and Cash Benefit Programs.
4. Is fully redundant.
5. Provides accurate timely distribution, availability and tracking of public benefits.
6. Manages EBT account processing, card production, PIN selection, reporting, transaction history retention, and manual voucher authorization and purchases.
7. Is operational, 7 days a week, 24 hours a day, 365 days per year in accordance with service level agreements.

#### System Interfaces and Environments

The Contractor shall:

1. Maintain and support all development, testing environments and production releases for enhancements, and upgrades during all operational activities such as documented in FNS 7 CFR § 277.18.
2. Provide an EBT system that supports real-time transmissions between the Department’s Eligibility & Enrollment (E&E) web-based systems and the Contractor’s EBT database.
3. Utilize the existing file and record formats for the exchange of Demographic records and Benefit Issuance records to minimize changes to the E&E system.
4. Ensure that all batch transmissions between systems are confirmed by the receiving party with a confirmation message, one per file transmission.
5. Ensure that all transmitted data was accurately and completely received to prevent the processing of incomplete and/or duplicate data.
6. Accommodate changes in interface requirements resulting from modifications to the State’s E&E system and changes to standards and FNS rules and guidelines.
7. Have a back-up procedure to transfer and accept account set-up and benefit authorization files and records should the normal file and/or record transfer process fail.
8. Provide a System Operations/Interface Procedures Manual.

#### EBT Account Management

##### All Accounts

The Contactor shall:

1. Provide an EBT system that accurately tracks and reports specific accounting information for each benefit issued. Appropriate system controls shall be in place that will disallow duplicate issuance of funds.
2. Design the EBT account structure to ensure that benefit balances are accurately maintained, and benefit accounts are not overdrawn.
3. Establish an EBT account structure that supports the characteristics and restrictions of each of the cash and SNAP benefit programs.
4. Accept account demographic information through batch or on-line processes to establish or update EBT accounts.
5. Not make changes or updates to account demographic information unless authorized to do so by the State.
6. Keep accounts open unless the State directs the Contractor to close an account.
7. Be liable for any funds drawn from an incorrect account or program or for overdrafts against EBT benefit accounts including allowing Cardholder access to program benefits prior to the availability date.
8. Shall permit DHS to close and reopen accounts (case numbers).

##### Cash Benefits

The Contractor shall:

1. Be required to maintain a bank account to hold and maintain prefunded benefits. Prefunded benefits are subject to [Regulation E](https://www.ecfr.gov/current/title-12/chapter-X/part-1005) compliance.
2. Be liable for all funds deposited into prefunded benefit accounts.
3. Maintain a pooled cash account for each eligible family or person that includes both day-of-draw cash and prefunded cash.
4. For audit and control purposes, track cash benefit transactions and balances by benefit type and State benefit authorization number and must ensure that cash benefits are not commingled with SNAP benefits.

##### SNAP Benefits

The Contractor shall:

1. For audit and control purposes, track SNAP benefit transactions and balances by SNAP benefit type and State benefit authorization number.
2. Allow cardholders to access their SNAP benefits at an authorized retailer in any State or Territory.
3. Not allow SNAP benefits to be accessed at ATM terminals nor commingled with cash benefits in the EBT account.
4. Support Pandemic EBT (P-EBT) Benefits:
   1. P-EBT benefits shall be treated the same as SNAP benefits in terms of issuance, redemption, transaction processing, settlement, and expungement.
   2. The EBT Contractor shall set-up and administer P-EBT accounts and benefits. If an EBT account already exists, the State will issue P-EBT benefits to the existing EBT account. If an existing EBT account does not exist, the State will provide demographic data to set-up the EBT account before issuing P-EBT benefits.
5. Support Summer EBT for Children Benefits (SEBTC): SEBTC is a program that provides SNAP benefits to eligible school age children during the summer months when schools are closed. The SEBTC program is currently administered under grants received from USDA. The EBT Contractor shall provide all services to participants in the SEBTC program as it would a SNAP client and follow the same service policies and procedures as SNAP benefits and track Summer Food benefits separate from SNAP benefits with the following exceptions:
   1. Summer Food benefits shall be used prior to any SNAP benefits in the participant’s EBT account, regardless of when other SNAP benefits were added to the account.
   2. Unused Summer Food benefits expire at the end of the summer when school starts. On an annual basis, the State will provide the exact expiration date to the Contractor for the respective year. Summer Food benefits should be expunged from the EBT database and reported as expunged on the AMA file.

##### Retaining Accounts with Zero Balances

Many cardholders 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.

#### Benefit Authorization

##### Daily Benefit Transmission from DHS

DHS will transmit to the Contractor, according to a mutually agreed upon schedule, a file of cash and SNAP benefits.  Although described as one file, this transmission may consist of several files differentiated by cash and SNAP benefits, and by recurring and one-time benefits.  This file will contain a benefit availability date and time, which represents the first day and time of day these particular benefits can be accessed by the cardholders. The Contractor shall:

1. Validate the file by assuring that the record totals and benefit amount totals agree with the summary totals provided by DHS.
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.
3. Transmit return files to the State that will include:
   1. The total number of records processed.
   2. The total dollar amount.
   3. A listing of any rejected records.
   4. Account number (nine-digit Individual Recipient Number (IRN)).
   5. Issuance number.
   6. Issuance type.
   7. Payment name.
   8. County number/record number/category/grant group.
   9. Payment date and time of availability to cardholder.
   10. Benefit amount.
   11. DHS account code.
4. 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.
5. Retain the identity of each individual benefit stored in the account.
6. Provide an alert to the State when a customer receives multiple issuances on the same day with the same benefit code.

##### Primary Program Designation

Customers may be eligible to receive SNAP and/or cash benefits from one or more programs that may be either State or Federally funded or a combination of both funding sources. DHS will assign a benefit code to each specific benefit type. Benefit codes will be identified on Daily Benefit Transmission. The Contractor shall:

1. Use a Primary Program Designation (PPD) to determine the benefit type from which funds shall be drawn for disbursement to the customer and for settlement when a cardholder has benefits from multiple cash or SNAP benefit types.
2. Use the PPD to allocate withdrawals to the appropriate benefit type.
3. Report the withdrawn portion of a benefit associated with a particular benefit code in the daily summary accounting reports to DHS, at the end of each day, as explained in **Section 2.3.1.11**, **Settlement and Reconciliation.**
4. At all times have two (2) unassigned benefit codes per account (SNAP and cash) that are available for use when new benefit type is identified by the State to avoid lengthy set up time. Information about the number of new benefit types during the current contract period has been provided in **Attachment P: Historical Data**.

##### Tracking Issuances

The Contactor shall:

1. Track and retain the identity of each individual whole benefit deposit, as well as all debit transactions deducted 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. Ensure that there is only one partial benefit per account at any one time.
3. Ensure that every subsequent withdrawal from the account is charged against the partial benefit until it is totally withdrawn, after a whole benefit is accessed and a part of those funds withdrawn.
4. Upon a withdrawal, determine which whole benefit to access on a first in, first out, concept. An account may contain multiple whole benefits at one time.
5. Select the oldest benefit from which to begin accessing for withdraws, if two or more whole benefits are received on the same day. 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.

#### Benefit Aging

The Contractor shall track aging at both the account and benefit levels.

1. Each benefit begins aging at the time it becomes available to the cardholder.
2. The EBT account begins aging at the point that the first benefit becomes available. Subsequently, each time that the cardholder completes an approved debit [or credit] transaction, the account aging clock is reset to start anew, even if one or more benefits have been expunged.
3. Any non-financial transactions by the cardholder, such as balance inquiries, shall not affect the aging of the account.
4. If an account that has had all benefits expunged is reactivated because the customer has again become eligible, the account must be treated in the same manner as a new account in terms of benefit aging and expungement timeframes.

##### Whole Benefit Expungement

If a whole, individual cash benefit (tracked by benefit ID) is not accessed within 365 calendar days or whole individual, SNAP benefit (tracked by benefit ID) is not accessed within 274 calendar days from the availability date of that benefit, the Contractor shall return that benefit to DHS through the Daily Statistics file.  All customer information originally contained on DHS’s benefit issuance file shall be included in Contractor’s Daily Statistics file.

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

##### Partial Benefit Expungement

If some portion of a cash or SNAP benefit has been withdrawn, the remaining benefit is a partial benefit.  If a partial cash benefit is not accessed within 365 calendar days or partial SNAP benefits accessed within 274 calendar days from the availability date of that benefit, the Contractor shall return that benefit, to DHS through a Daily Statistics file.  All customer information originally contained on DHS’s benefit issuance file shall be included in Contractor’s Daily Statistics file.

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

##### Benefit Expungement for Deceased Customers

The 2018 Farm Bill requires that SNAP benefits be expunged when all certified household members are determined to be deceased (7 CFR 272.14). The EBT Contractor shall provide a mechanism through the administrative terminal for State to:

1. Deactivate household accounts where all members are determined to be deceased.
2. Reactivate a household account that has been incorrectly deemed closed due to incorrect reporting of deceased member(s).

#### EBT Card Production

The Contractor shall:

1. Provide or produce an EBT card that complies with the most current specifications in the Quest® Operating Rules, the International Standards Organization (ISO), and American National Standards Institute (ANSI) relating to cards used for financial transactions. Contractor shall continue use of the current Maryland EBT card design. The encryption keys utilized by the current Contractor shall be transferred to the new Contractor. The Contractor shall:
   1. Encode Track 2 in accordance with ISO 7813. The maximum character count in Track 2 shall not exceed 40 characters, including all control characters. Following is the current track 2 format.
      1. The EBT cards currently have a non-expiring expiration date of “4912” encoded on Track 2.
      2. The Service Code field is encoded with a value of 120.
      3. Cards have a Card Authentication Value (CAV) encoded.
      4. CAV encryption keys shall be unique to Maryland.
   2. Encode the CAV field on Track 2 with a cryptographic value to validate the Track 2 data contents. The CAV shall be validated on all cardholder transactions containing track 2 data.
   3. Issue EBT cards containing a 16-digit Primary Account Number (PAN) that utilizes the State’s current Issuer Identification Number (IIN).
   4. Calculate the PAN for new cards that shall not duplicate card numbers in use in the existing card base.
2. Ensure that the required USDA, Department, and other customer information as approved is imprinted on the EBT card as per the following example:
   1. The most current USDA 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, (Address TBD)”.
   4. “TTY (Telecommunications Relay Service for Hearing/Speech Impaired): (7-1-1 or 1-800-735-2258).”.
   5. The QUEST® service mark.
3. Provide card security features to deter counterfeiting, card cloning and the lifting of data from the EBT card. At a minimum, the card security features shall meet Quest® Operating Rules.
4. Re-design the card one time at no additional cost to the State during the contract term. The State will provide input to the design process for the card and absolutely reserves the right for prior approval of any changes in the card design or information printed on the card. Card samples must also be submitted to the State whenever the card is redesigned or changed in any aspect. Redesigned cards will be replaced through attrition. Prior to finalizing card design and prior to card issuance, the Contractor shall submit samples of the card to the State for State approval.
5. Provide an annual certification test of card quality by an independent third party. The State will randomly select six cards from the State’s vault card inventory. The State will submit those six cards directly to an independent card-testing facility and the facility shall report back directly to the State, with a copy to the Contractor. At a minimum, the test results shall indicate the coercivity level and oersted rating of each tested card. The card test and the test results shall be provided to the State each year no later than 90 days after the State’s contract start date.

#### Card Issuance/Management and PIN Selection/Changes

##### General Card and PIN Requirements

The Contractor shall:

1. Allow multiple cardholders to have access to the SNAP account. However, only one EBT cardholder shall have access to a cash account.  Each card shall contain unique identifying data and use a cardholder selected PIN while accessing the same benefit account(s).
2. Permit the continued use of cards currently in use by DHS customers until the card is reported lost, stolen or damaged or a replacement card is issued.
3. Require cardholders to select a new PIN when a card is replaced.

##### Initial Card Issuance

The Contractor shall:

1. 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 DHS.
2. Include the EBT cardholder training brochure and card mailer.
3. Change EBT cards that are returned to the Contractor by the Postal Service to an “undeliverable” status.
4. Generate a daily electronic Card Returned Report for DHS.
5. Activate EBT cards and allow for PIN assignment via the Integrated Voice Response (IVR) system. Data related to card activation and initial PIN selection shall be viewable in the Administrative System and the Data Warehouse.

##### Replacement Card Issuance

The Contractor shall:

1. Deactivate all EBT cards that are reported lost, stolen, or non-functioning (damaged) and shall issue a new card. Cards can be reported lost, stolen, or damaged through a CSR, cardholder portal, mobile application, or the administrative terminal.
2. Replace a lost, stolen, or damaged card if the customer’s address on the EBT system is the customer’s current address, via either the Customer Service Call Center as verified by the Customer Service Representative (CSR) or through the IVR.
3. If the address or security requirements are not met or do not match what is in the EBT system, instruct the customer to contact the LDSS to update their information.
4. 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.
5. 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 next month’s benefits only.
6. Reports funds taken from the SNAP accounts for the payment of card replacement fees in the FNS (Store Tracking and Redemption System (STARS) file. The fees shall link to a special STARS Processor ID, to be provided by FNS, in place of the retailer authorization number.
7. Mail all replacement cards with a card mailer.
8. If the replacement card is returned as undeliverable, disable, and mark the card as “undeliverable”.
9. In the DHS E&E system, when the customer address is updated and the latest card is in “undeliverable” status, a replacement card is included on the demographic file to be mailed to the updated address and the original card is disabled.

##### Automatic Card Replacement

DHS requires the Contractor to implement a process that auto replaces cards identified as having a configurable number of manual keyed-transaction entries. The card being replaced will continue to function until the new auto replaced card is used or 30 days passes, whichever occurs first. The Contractor’s system will provide the following:

1. Once the customer uses the new card to make a purchase, the Contractor’s system automatically disables the old card, activates the new card, and processes the transaction on the new card number.
2. If the new replacement card is not used within 30 days, after 30 days the old card would be disabled, and the auto replaced card becomes the registered card.
3. **Note:** This process is only used for defective cards that meet the criteria for too many manual keyed-transaction entries. Lost or stolen cards will continue to be disabled immediately when reported. When a replacement card is requested through the Customer Help Line, cardholder website or mobile application, the card being replaced will be disabled and the new will be card issued and mailed.

##### Vault Card Issuance and Inventory

The Contractor shall:

1. Provide pre-embossed vault cards to all LDSS offices for issuance in emergency situations.
2. Provide an automated inventory control system to effectively manage vault card assignments that at a minimum does the following:
   1. Include a card issuance database that includes, at a minimum, cards issued, activated, undelivered and canceled identified by user type (i.e., LDSS, Customer Service, cardholder portal, etc.).
   2. The inventory control system shall include prompts for low inventory/reorder conditions and appropriate management reports and provide a monthly summary to Department of this activity to better assess trends and general activity.
   3. The inventory control system, including the database, shall be accessible to Department via secure password. Department will determine inventory levels in each jurisdiction after the award.
3. Arrange the secure delivery of such card orders to the Local Office address as specified in the card order request and maintain an adequate inventory of cards to be able to fill card orders, which include orders of cards for disasters.
4. Maintain the security and liability of the card shipment until an DHS employee at the local office signs for the shipment. Maintain a record of the receiver including the individual’s name to whom the cards were delivered, date received and delivery address.

##### PIN Selection/Changes

The PIN consists of four (4) numeric characters, which is selected by the customer. The Contractor shall meet the following requirements related to PINs.

1. For all mailed cards or cards issued at the DHS local offices, cardholders may use the IVR, the cardholder portal or the mobile application to select or change their PIN.
2. The cardholder helpline, cardholder website and mobile application must accept a 4-digit year in the birth date, to allow use by customers who are 100 years old.
3. The PIN is neither encoded on the magnetic stripe nor transmitted through the Department at any time, including initial case set-up.
4. Support restrictions for PIN selection to block easily guessed PINs such as all the same number, and two or more consecutive numbers (1122, 1222) or patterns (1010, 1001).
5. When a cardholder changes their PIN, do not allow a cardholder to select their most recent previous PIN.

##### Customer Protective Password

The Contractor shall allow only the LDSS staff trainer to 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. Contain random letters and numbers.
2. Require a CSR to request a Customer Protective Password before the card status can be changed or a PIN selected.

##### Card Mailer

All mailed cards shall include a card mailer, which meets the following requirements:

1. All card mailers shall be written in English, Spanish, Vietnamese and Russian.
2. When mailing a card to an authorized representative, the primary cardholder's name must appear on the card mailer.

##### Cardholder Training

The Contractor shall provide an EBT cardholder training brochure and interactive online and mobile training, and update all materials as needed throughout the period of the Contract. The EBT training brochure and video shall:

1. Be written in easy-to-understand language, at the 5th grade reading level, and in compliance with SNAP regulations.
2. Comply with ADA requirements.
3. Be prepared in English, Spanish, Vietnamese and Russian.  At a minimum, the training pamphlet shall include the following topics.
   1. Use of the Maryland EBT card at the POS, including the type of benefit transactions that can be processed at POS terminals.
   2. Use of the Maryland EBT card at ATMs, including the type of benefit transactions that can be processed at the ATMs and related fees.
   3. Use and safeguarding of the card and PIN.
   4. Methods to avoid being a victim of card skimming or cloning.
   5. What to do if the cardholder becomes a victim of card skimming/cloning or electronic fraud.
   6. Card replacement and related fees.
   7. PIN change methods and procedures.
   8. Restrictions on the selection of easy and recent PINs.
   9. Guidance on reporting problems with the card or its use and on reporting a lost or stolen Maryland EBT card.
   10. Use of transaction receipts to track balances.
   11. Use of the Customer Service Call Center.
   12. Customer service functions, including a prominent display of the toll-free Customer Service Call Center number and cardholder portal website.
   13. Non-discrimination statement per 7 CFR § 274.2(e)(5), “USDA is an Equal Opportunity Provider and Employer”.
   14. Information on requesting and the processing of adjustments against a customer’s EBT account.
   15. Expungement of benefits based on inactivity.
   16. Client participation in quality control (QC) reviews.
   17. Prohibitions and limitations on the use of EBT cards.

#### Transaction Processing

Transaction processing encompasses the receipt, validation, and execution of transactions received from retail POS, ATMs, and online purchasing platforms. The Contractor shall:

1. Be responsible for the authorization of customer-initiated SNAP and cash transactions.
2. Allocate each transaction to either the cash or SNAP account.
3. Have the capability to receive and process customer transactions from ATM and POS terminals and online purchases.
4. Only accept SNAP transactions from POS terminals of FNS approved retailers.
5. Allow for cash to be accessed through participating ATMs and POS terminals.
6. Ensure that benefits within the EBT account are distributed on a first in, first out (FIFO) basis following PPD hierarchy and appropriate availability date.
7. Ensure credits from return transactions are applied to exact payment account from which the transaction originated. For example, SNAP returns to SNAP; cash returns to cash account.
8. Not allow credit transactions to exceed the total value of a “spent” benefit to post a credit and must be applied in reverse order so that spent benefits are re-established or “refilled” beginning with the most recent and working backward in time toward the oldest available benefit.
9. Ensure that the cardholder’s benefit accounts are not overdrawn and assume all liability if an account overdraft does occur.
10. Be responsible for ensuring that the EBT system meets the processing requirements and criteria established by FNS.
11. Comply with FNS Regulation at 7 CFR §274.8 regarding communications network security and, at a minimum, utilize the Data Encryption Standard (DES) algorithm or better to encrypt the PIN during EBT transactions from the point of entry.
12. Provide other security features including the authentication of the CAV value on the magnetic strip, as well as authentication codes and check-sum digits, to ensure data security during transmission and processing of EBT transactions.
13. Support the Federal requirement of processing interoperable SNAP transactions, including having the capability to:
    1. Process SNAP transactions performed at a State of Maryland retailer where the customer has benefits issued by another state.
    2. Accept and process Maryland benefit customer transactions occurring at POS and Online Purchasing Transactions.
    3. Allow Restaurant Meal Program approved clients to use benefits in other States that have the same program in operation regardless of the EBT vendor.
14. Accept EBT transactions from POS terminals, ATMs (cash only) and online purchasing (SNAP only) and process, at a minimum, the following SNAP and cash transactions:
    1. SNAP purchases:
       1. SNAP returns/refunds.
       2. Manual Authorizations (not applicable for online purchasing).
       3. Transaction errors.
       4. Voucher Clears (not applicable for online purchasing).
       5. Balance Inquiries.
       6. Voids or Cancellations.
       7. Reversals.
    2. Cash (not applicable for online purchasing):
       1. Purchase with cash back.
       2. Cash withdrawal.
       3. Balance inquiry.
       4. Transaction errors.
       5. Voids and cancellations.
       6. Reversals.
15. Validate each transaction to determine that:
    1. The retailer has a valid FNS authorization number (if the transaction is a SNAP transaction).
    2. The PAN is verified, and the card is active.
    3. The number of consecutive failed PIN tries has not been exceeded.
    4. The PIN is verified as being entered correctly.
    5. The account is active.
    6. The EBT account holds a sufficient balance to satisfy the transaction request.
    7. For SNAP return/refund transactions, a benefit record(s) exists so that the return/refund transaction can be properly posted and not exceed the total value of benefits previously debited in the original transaction associated with the return/refund.
16. Deny the transaction, if any one of the above validations in 2.3.1.8.1.O is not met. If the transaction is denied, the system must return a message to the retailer/provider indicating the reason for denial (e.g., invalid PAN, invalid PIN, insufficient funds, etc.).
17. In cooperation with the Department, establish limits on the number and value of SNAP return/refunds transactions allowed for each SNAP account.
18. 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 unless the PIN is changed by the cardholder. In the case of accounts with multiple cards, all other cards shall be allowed continued access to any remaining available benefits.
19. 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.
20. Provide DHS with the ability to remove key entry capability at individual retailer locations if the function is abused.
21. Provide DHS with the ability to identify transactions occurring at physical locations or via the internet. For internet transactions, provide the delivery address in transaction data accessible in the Administrative System and the Data Warehouse.

##### ATM Transactions

The Contractor shall:

1. Maintain an EBT system that will process and authorize cash withdrawal transactions originating from ATMs, balance inquiries from cash account, and cancellations.
2. Deny transactions if the balance of the cash account will not support both the requested withdrawal/transaction and all allowable charges/fees.

##### Online Purchasing

Federal SNAP legislation requires all states to allow online purchasing with SNAP benefits. The Contractor shall:

1. Include online SNAP and cash purchasing as part of its core CPCM pricing.
2. Recognize, accept, and permanently store codes and data elements related to online transactions (as specified in X9.58-2022), including delivery street address and ZIP code as well as display this data on the Administrative System transaction detail screens and include this data in the daily activity file and reports.
3. Accept online SNAP transactions only through FNS-approved secure online PIN entry service providers and reject all online transaction requests coming from any other TPPs. Online cash transactions shall only be allowed at State approved secure online PIN entry service providers.
4. Accept refunds from online retailers and include them with other transaction types where appropriate for existing screens, reports, and files.
5. Identify online transactions using a new card entry method code (I or Internet) on all screens, reports, and files that normally indicate the transaction was swiped or keyed.
6. Enable a process that allows online retailers, and only online retailers, to submit SNAP [and cash EBT] refunds that do not contain a PIN value.
7. Examine each incoming transaction to determine if it is coded as an online transaction and take the following appropriate validation actions:
   1. Validate that the retailer’s FNS number is classified as an Internet Retailer (IR) store type; if not then deny the transaction.
   2. Validate that the IR retailer is currently active in Retailer EBT Data Exchange (REDE) for SNAP transactions.
   3. For all online refunds, validate that the IR retailer is currently active or was previously active at the time of the original purchase.
   4. Validate that retailers classified as IR only perform authorized online transactions (no voucher, store and forward or in-store/wireless POS transactions).
   5. Deny refund transactions without a PIN from retailers not classified as IR.
   6. For an online refund transaction from retailers classified as IR, the EBT Contractor’s system shall:
      1. Validate the EBT card numbers against the original purchase transaction (or the case’s card history).
      2. Ignore state-designated refund limits.
      3. Establish a maximum time limit of 90 days for online refunds; deny refunds that exceed that time limit.
8. Include all required data elements for online transactions in the FNS ALERT file transmitted to FNS, utilizing version 2.00 of the ALERT specification.
9. Provide the standard daily and monthly online transaction summary totals report that was required to be developed for the pilot.
10. Make all standard reports and files available to FNS upon request.

##### Transaction Reversals

A transaction may be reversed if for some reason the completion of the transaction cannot take place at the originating device/platform (e.g., POS, ATM or online purchasing platform) and/or a device/platform malfunction (e.g., a communications failure, a malfunction, or a late response back from the EBT host). At the point within the transaction flow at which the transaction response is dropped (e.g., the POS/ATM terminal/online platform, the third part processor’s system, or other point), the party responsible for dropping the transaction shall generate a reversal message back to the originating device. In the event of a transaction reversal, the Contractors shall:

1. Ensure the reversal message includes the trace number, the exact dollar amount, and other identifying information from the original transaction as defined within the American National Standards Institute (ANSI) X9.58 EBT message specifications.
2. Accurately process the reversal transaction and have the results reflected immediately and appropriately in the Customer's account.

**Note**: If such reversals are improperly posted (i.e., an errant double posting), and results in a false credit to the Customer’s EBT account above the authorized benefit, the Retailer shall be liable for the mistake.

##### Manual Vouchers/Voucher Clear Process

Manual vouchers are used when:

* 1. POS equipment is not functioning.
  2. The third party processor (TPP) system is down.
  3. The host computer cannot accept communication from the retailer’s POS device or TPP.
  4. Instances of disaster.
  5. A retailer is a manual voucher retailer (i.e., does not have a POS device).

1. The Contractor shall ensure that retailers:
   1. Properly complete a manual voucher.
   2. Obtain the customer’s signature on the manual voucher as substitute for the customer’s PIN.
   3. Obtain an approval number from the EBT retailer help desk and document the approval number on the voucher prior to dispensing the purchased goods.
   4. Complete an electronic Voucher Clear transaction form.
2. A retailer shall be liable for the full transaction amount in the event approval is not obtained and goods are dispensed.
3. In support of the manual voucher process, the Contractor shall:
   1. Provide retailers with a separate toll-free number to obtain voice authorizations for manual SNAP voucher transactions 24 hours per day; 7 days per week. The manual voucher transaction authorization process should be automated as part of the retailer help desk IVR functionality.
   2. Place a “hold” on the amount of benefits necessary to fund the transaction following the telephone authorization for a manual voucher transaction.
   3. Only allow manual vouchers to be cleared electronically, except for retailers that do not have a POS terminal to clear transactions (manual voucher only retailers).
   4. Not allow manual vouchers to be authorized on an account that is locked due to excessive PIN attempts.
   5. Ensure manual transactions shall be available to those retailers described in 7 CFR § 274.3(a)(1)(i) and other food retailers authorized under 7 CFR § 278.1.
   6. Accept, process, and settle electronic voucher clear transactions from all sources, including those originating from out of State retailers.
   7. Ensure FNS approved retailers transacting $100 or less in SNAP benefits per month shall also utilize manual vouchers.
   8. Ensure retailers shall have the ability to clear the manual voucher within fifteen (15) calendar days of the voucher approval, electronically on the POS terminal or retailer portal. If the retailer is a manual voucher only retailer, they may clear the manual voucher through the retailer portal or by mail.  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 customer's EBT account. The liability for the transaction will then rest with the retailer.
   9. Prohibit re-presentation of manual retailer vouchers.

##### 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. The Contractor shall:

1. Only be paid for the actual number of withdrawals performed. Free transactions are assessed per account, not per card.
   1. The monthly free transaction limit excludes unsuccessful cash transaction attempts, such as invalid PIN entry or transactions rejected for lack of funds.
   2. Transactions beyond the initial three (3) 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.
2. Ensure that sufficient funds are available to pay the fee before authorizing the transaction.
3. Collect the ATM transaction fees, and these fees shall be reflected in the transaction history for each account and reported in aggregate to DHS in a distinct account cost code on the daily settlement file.

Please Note: Historical information regarding the volume of cash transactions may be found in **Attachment P**, **Historical Data.**

##### 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.

##### Restrictive Interchange

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

1. Casinos, gambling casinos, or gaming establishments.
2. Adult entertainment venues where performers disrobe or perform in an unclothed state for entertainment.
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).

##### Congregate Living Facilities

The Contractor shall provide the following options from which congregate living facilities that have been certified by the State will select the option that best meets their needs:

1. An EBT account will be established for group home facilities and an alternate cardholder EBT card will be issued to the facility.
2. The transfer of funds between client and group home accounts will be accomplished through State administrative terminal functionality.
3. The transfer of funds from the client card to the group home will occur through POS terminals deployed in group home facilities.

The Contractor shall obtain approval from the State prior to implementing any other services for supporting congregate living facilities.

#### Direct Deposit

Direct deposit of funds may be selected by customers that receive cash benefits. 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. For historical data, see **Attachment P**, **Historical Data.**
2. Comply with appropriate National Clearing House Association (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.

#### EBT Administrative System

The EBT Administrative System is the system used by State and LDSS staff to query the EBT information to obtain information such as account balances, transaction activity, and card/PIN status. The system also supports update actions based on user access levels such as updating demographic information and over-the-counter card replacements. The Administrative System may also support EBT reporting.

##### Administrative System Security

The EBT Contractor shall:

1. Provide each administrative user, a specific user profile based upon the requirements for their job. The number of required State user profiles shall be parameter driven.
2. Provide a clear audit trail of all user additions, updates, and deletions, including security administrators, and shall be available as needed through a system generated report. The audit trail shall also include failed log-in attempts.
3. Provide DHS with the capability to assign user passwords and a web interface for active users to securely reset their own password.
4. Provide DHS with the ability to create groups with custom security roles.
5. Allow designated security personnel to view all active users.

##### Administrative System Functionality

The EBT Contractor shall

1. Provide administrative functionality in terms of navigation and data presentation. At a minimum, the transaction set that shall be supported through the EBT administrative functionality includes:
   1. EBT Account Setup.
   2. EBT Account Maintenance.
      1. Enable/disable account access.
      2. Allow for updating demographics.
      3. Provide a memo field to add notes for case comments, to include date stamp.
   3. Benefit Authorization.
   4. Benefit Cancellation (Removal of Pending Benefits).
   5. Card issue/reissue.
   6. Card Change Status.
   7. Retailer/Cash Access Point Records.
   8. Ability to view selected retailers or ATM information.
   9. Authorize DHS to stop authorization of transactions at a terminal level if terminal identification information is available.
   10. Search.
   11. Claims Repayment Functionality.
   12. Adjustment Functionality.
   13. Benefit Transfer.
   14. Congregate Setup and Transfer.
   15. Retrieval of Transaction History Data.
   16. Card or Pending Card Search.
   17. Pending Card Purge.
   18. PIN Request.
   19. PIN Unlock.
   20. ACH Payment Setup and Update Capability.
   21. Processing ACH Rejects and Returns.
   22. ACH Payment transactions history (including rejects and returns).

##### EBT Data

The Contractor shall:

1. Maintain and provide access to current account balances and a rolling five-year transaction history for each account.
   1. Cardholder Account Transaction History: For all account benefit transaction activity for a minimum of five (5) years on-line through the Administrative System 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 expunged.  This on-line capability shall permit the inquiry of and receipt of account information in the following ways:
   2. By account, summary credit, debit and current balance information.
   3. By account, detailed information on all cash or SNAP transactions for a specified period of time, including the date, time, location, and amount.
   4. By account, detailed information on all transactions for a specific retailer, POS terminal, or ATM.
   5. 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.
   6. Retailer Account Transaction History: for all retailers and financial institution account transaction activity for a period of five (5) years on-line through the Administrative System. This on-line capability shall permit the inquiry of and receipt of account information in the following ways.
      1. By retailer, detail information on all cash or SNAP transaction for a specified period, listing such information as; account numbers, days, times, locations, terminals and amounts.
      2. By retailer, detail information on all transactions for a particular account.
      3. Detailed information on all transactions for a specific retailer, POS terminal, or ATM.
      4. Daily ACH deposit information for each retailer and financial institution that conducts EBT transactions.
2. Provide access to daily ACH deposit information for each retailer and financial institution that conducts EBT transactions.
3. After the 5-year on-line inquiry period, the Contractor shall move cardholder account and retailer account transaction history to an off-line (meaning not accessible through the administrative system) for the duration of the Contract.
   1. The offline storage database 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.
   2. Access to the data shall be made available to DHS and authorized government agencies for investigation and audit purposes.
   3. Upon request, off-line data shall be made available to the DHS and/or authorized government agencies within 24 hours.
   4. 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.
      3. By retailer and account, transactions over a variable threshold for a given period of time.
   5. At Contract termination, this data shall be delivered in a mutually agreed upon format to DHS’s new EBT contractor as part of the overall database transfer process - reference Section 3.2 (End of Contract Transition).

##### Administrative Terminal Access by FNS

For SNAP EBT, at a minimum, USDA staff will require administrative access for designated FNS Field and Regional offices, the FNS Compliance Office, and the Office of Inspector General (OIG) investigative office. The EBT Contractor shall

1. Provide FNS secure internet access to the EBT System via a browser-based application.
2. Enable FNS to set up FNS user accounts with the capability to add, delete, deactivate, and reactivate IDs, and to assign and reset passwords.

##### Administrative System Manual and Training

The Contractor shall:

1. Supply an Administrative System manual as a training guide and hands-on training to all DHS EBT and fiscal staff and all LDSS EBT staff trainers and shall include any procedures manuals, processes and/or reports used by the staff and users.
2. Develop an interactive EBT training video for the purpose of training DHS staff in the new EBT System. Training materials and video are to be 508 and ADA compliant and also easily accessed online and via mobile technology.
3. The Contractor shall submit, for DHS 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.

#### Settlement and Reconciliation

The EBT Contractor shall be responsible for the execution of EBT settlement and reconciliation activities. EBT settlement and reconciliation shall be conducted in accordance with current Federal regulations as updated throughout the life of the contract, and FNS Reconciliation and Settlement Guidance.

The Contractor shall:

1. Operate its EBT system on a 24-hour processing cycle. At a designated cutoff time each day, the EBT Contractor shall close out the current processing day and commence the next processing day.
   1. The 24-hour period between the cutoff time on day one and day two constitutes the EBT transaction day.
   2. Any transactions that are processed after the cutoff for the current settlement day shall be credited to the following business day's totals.
   3. The specified cutoff time must allow the EBT Contractor sufficient time to originate ACH payments for next day settlement.
   4. Subsequent to cutoff, the EBT system must be balanced and reconciled.
2. Own and reconcile clearing accounts used for daily settlement.

##### Settlement

The current EBT settlement process is required unless and until it is changed by written agreement with DHS.

The Contractor shall:

1. For SNAP benefits,
   1. On a daily basis, provide DHS with the settlement report. This report is used to determine the amount of food benefits transactions and to advise DHS on the drawdown for settlement.
   2. DHS initiates a drawdown through the Automated Standard Application for Payments (ASAP) system against the food benefit letter of credit.
   3. This process initiates the movement of funds to the Contractor’s clearing account for settlement to SNAP retailers.
   4. The Contractor shall ensure that retailers receive SNAP settlement within two (2) business days of the daily cut off for the system settlement day.
   5. For P-EBT or SEBTC, a separate settlement following the same processes as SNAP may be required.
2. For cash benefits
   1. On a daily basis, the provide DHS with the settlement report that is used to determine the amount of cash benefit transactions (ATM, POS and direct deposits combined). DHS initiatives a wire transfer to the settlement account.
   2. The Contractor shall ensure retailers and direct deposit recipients receive their funds for the first business following the settlement.  Thus, for a settlement at 3:00 PM on a Tuesday, the Treasurer will provide the necessary funds to the clearing account before 12:00 Noon on Wednesday.
3. Conduct settlements for retailers, TPPs and ATM networks through the existing ACH infrastructure.  The Contractor shall have:
   1. An originating and receiving relationship with the ACH, either directly or through one of its subcontractors.
   2. Access to the appropriate regional network(s) and be capable of settling ATM and POS and online purchasing transactions.
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. 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 transactions project during the EBT settlement processing day.  The retailers, TPPs, or benefit provider credits shall be entered into the ACH for settlement on the next banking day.
6. Credits due EBT benefit providers who are connected to the EBT system through a transaction switch, TPP, or national network shall route settlement through the path from which the transaction originated in accordance with the Quest® Operating Rules.
7. If a retailer’s refunds exceed its sales, a debit to the retailer account shall be generated and performed through the ACH process.
8. All settlement activity shall be reflected on daily settlement reports transmitted to DHS.

##### Rejected ACH Settlement

In the event of a rejected ACH settlement, the Contractor shall:

1. Research ACH settlement rejected due to inaccurate account information or closed accounts, and, when possible, corrected and re-sent to the retailer or TPP account.
2. Return to the State any funds that could not be settled to the retailer or TPP within 90 calendar days of the initial ACH. If the responsibility for EBT-only acquiring is subcontracted, the subcontractor must also return any rejected settlement funds to the State within 90 days.
3. Provide, at a minimum, the following information for each unsettled payment returned to the State: transfer type, total amount, federal SNAP amount, attempted settlement date(s), retailer/TPP name, FNS retailer number, and bank account number (including the ABA bank number). Additional data elements may be required when FNS issues written procedures to address unsettled funds.

##### Reconciliation

The Contractor shall:

1. The EBT Contractor shall maintain ledger accounts at the customer/provider, program, State and County Office or local agency levels.
2. Subsequent to cutoff, the EBT system must be balanced and reconciled. The EBT Contractor shall compute the end of day net position or balance for each general ledger account. For each account, the end of day net position is equal to: Opening balance + credits - debits = End of day balance.
3. The EBT Contractor shall also balance the EBT system as a whole to insure that the change in the net position in the sum of client accounts balances to the change in the net position of program accounts and that the change in the net position in the sum of the program accounts balances to the change in the net position (obligations outstanding) for State and Federal government funding and issuing agencies.
4. As part of system balancing and reconciliation, the EBT Contractor shall determine the total amount of Federal funds by program and the total amount of State funds by program necessary to reimburse its accounts for the total credits due to EBT acquirers.
5. Comply with the SNAP regulations at 7 CFR § 274.4 (a) and the SNAP reconciliation requirements to perform reconciliation for all EBT programs (SNAP and cash).
6. At a minimum, conduct:
   1. Reconciliation of benefits posted to household accounts on the central computer against benefits on the Issuance Authorization File.
   2. Reconciliation of individual household account balances against account activities on a daily basis.
   3. Reconciliation of each individual retail store's SNAP transactions per POS terminal and in total to deposits on a daily basis.
   4. Verification of retailer's credits against deposit information entered into the automated clearinghouse (ACH) network.
   5. Reconciliation of total funds entered into, exiting from, and remaining in the system each day.
   6. Maintenance of audit trails that document the full cycle of issuance from benefit allotment posting to the State issuance authorization file through posting to POS transactions at retailers through settlement of retailer credits.

##### Settlement and Reconciliation Data Outputs

The Contractor shall:

1. Support five (5) 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:
   1. **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 DHS 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 DHS 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 E&E system for reconciliation purposes.
   2. **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 DHS 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 DHS 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 E&E system for reconciliation purposes.
   3. **Aged Benefits** – The Contractor shall automatically remove from customer’s accounts any benefit (including partially used benefits) which has not been used within 274 days for SNAP and 365 for cash 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 E&E database.
   4. **Retailer/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 and online purchasing. These files shall be transmitted to the appropriate Concentrator Bank(s) daily. 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 DHS’s Office of Budget and Finance summarizing for each benefit program:
   5. Total settled amount for each ATM network used.
   6. Total amount direct deposited via ACH.
   7. Total retailer ACH for cash programs.
   8. Separate total retailer ACH for SNAP programs.
   9. DHS 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 SNAP programs.
   10. **Store Tracking and Redemption System (STARS) -** This file is a transfer file that provides a daily net transaction total by retailer authorization number. The Contractor shall transmit as required by the USDA. SEBT redemptions shall be sent in a separate file.

##### Settlement and Reconciliation Training

The Contractor shall:

1. Provide detailed written instructions and training to perform a daily reconciliation of the EBT System.
2. Thereafter, the EBT Contractor shall provide refresher training class to designated State staff annually or as requested by the State.
3. Update training as needed during the contract to reflect changes to the reconciliation reports, processes, or data displays.

##### Adjustment Processing

The Contractor and/or retailer/TPP shall make adjustments to resolve errors and out-of-balances related to system problems.

1. The Contractor shall have the capability to process the adjustment and have this reflected in the customer’s account.
2. The Contractor shall comply with Federal regulations regarding the recording, tracking, and processing of these types of adjustments. See 7 CFR § 274.2(g) and the Quest® Rules.
3. 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.
4. The Contractor shall provide notification to DHS of pending debit adjustments so DHS can notify the customer.
5. The State Project Manager shall approve all SNAP debit adjustments.

##### Dispute Processing

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. 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. Customer-retailer dispute resolutions shall meet the adjustment regulations in 7 CFR § 274.8(c)(i)(ii).

##### Concentrator Bank/Clearing Account Access

The Contractor shall provide DHS with inquiry access to the concentrator bank clearing account(s).  In the event software is needed to access the account(s), the Contractor shall install the necessary software to the existing computer hardware located in the E&E Fiscal Unit at the DHS Headquarters at Contractor’s expense.  The Department will be accessing the 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 DHS will initiate via wire through the ASAP system and one or more credits for cash activity, which the DHS will initiate via wire transfer from DHS current bank account.

#### Retailer Management and Training

The Contractor shall:

1. Comply with Federal regulations in 7 CFR §274.3 concerning retailer management and support.
2. Provide all FNS-approved SNAP retailers an opportunity to participate in EBT.
3. Establish and maintain all agreements in order to establish a benefit delivery network to deliver customer benefits. This includes relationships with FNS-authorized retailers and ATM locations displaying the Quest® logo.
4. Manage a Retailer database that:
   1. Uses the FNS Retailer EBT Data Exchange (REDE) files per the FNS schedule to establish and activate new retailers and deactivate retailers no longer authorized to participate in SNAP.
   2. Stores retailer information, such as retailer name, address, and Federal authorization number.
   3. Supports a service termination/deactivation function, such as a “hold status”, or termination/deactivation status.
   4. Accommodates standard FNS Anti-fraud Locator using EBT Retailer Transactions (ALERT) Subsystem file formats and supply ALERT files per the FNS schedule.
   5. Ensures that only authorized SNAP retailers redeem SNAP benefits.
   6. Allows benefits from cardholder’s cash account to be redeemed from authorized SNAP retailers to support cash access.
   7. Disallows duplicate terminal identification numbers.
   8. Transmits information on retailer SNAP redemptions to the FNS Benefit Redemption System Branch (BRSB) in the Store Tracking and Redemption System (STARS) file format.
   9. Complies with all instructions, formats and designated frequency for file transmissions required by FNS.
   10. Provides EBT transaction detail data pertaining to each TPP, direct connect, or EBT-only retailer and shall contain up-to-date information about the retailer bank accounts and store cutover times for ACH purposes.
5. Offer an EBT-only POS terminal or a wireless EBT POS terminal at no cost to exempt retailers certified by FNS (e.g., communal dining facilities, drug/alcohol treatment programs, or a homeless meal provider).
6. Lease POS equipment to retailers not authorized to receive EBT-only POS devices and that wish to use EBT-Only POS equipment instead of a commercial POS or an integrated cash register system.

##### Third Party Processors (TPP)

TPPs are transaction acquiring processors that provide transaction routing, billing, reporting and settlement and operational services to retailers. A TPP is usually a separate entity from a retailer; however, some large food retailers act as their own acquiring processor with the capability to transmit electronic transactions to the EBT host system for authorization. USDA/FNS requires DHS 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. Enter into TPP Agreements with TPPs for those retailers who use or modify their existing equipment and either acquire the services of a TPP or serve as their own for the purpose of redeeming EBT benefits to transact and route EBT transactions between retailers and the Contractor. The TPP agreements shall:
   1. Be between the EBT Contractor and the TPP directly and shall describe the terms and conditions regarding the arrangements for transaction routing and processing and the applicable operating procedures and rules. The Department will not be a party to TPP agreements.
2. Provide access to the EBT system by the TPP and/or those retailers that self-process or use any other acquirer.
3. Include language in the agreements that, at a minimum, requires:
   * 1. Compliance with SNAP regulations as applicable.
     2. Compliance with QUEST® Operating Rules (SNAP and cash).
     3. Compliance with ANSI X9.58-2022 standard or the latest version of the standard.
     4. That there will be no charging for authorization and settlement processing by the Contractor for EBT transactions.
     5. That that only FNS-authorized retailers may perform SNAP transactions.
     6. That contracted TPPs must provide a list of retailers under contract to them accepting the EBT card within the State and that the list must be updated on a quarterly basis. The first updated listing shall be due four months after end of the Transition-In Period.
     7. That TPPs must load and/or update SNAP IIN numbers for all states.
     8. That TPPs are responsible for training their EBT retailers and for providing required EBT signage.
4. Receive approval from DHS and FNS for TPP agreement language.
5. Provide an EBT system interface for TPPs.
6. Develop a written TPP certification standard to allow TPPs access to the EBT system. All TPP agreements shall be approved by DHS 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.
7. 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 regulations and guidance.  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.
8. Resolve all transaction disputes between TPPs and EBT customers.

##### Retailers Using EBT-Only POS Devices

An EBT-Only Retailer is an entity that establishes an agreement with the Contractor for the use of Contractor-provided POS equipment referred to as “EBT-only” POS equipment or devices. The current locations and number of EBT- Only POS devices deployed as of April 2023 has been provided in **Attachment T, POS Terminal Locations**. The Contractor shall:

1. Make available for lease POS equipment to all FNS-approved retailers who do not choose to purchase their own equipment.
2. Enter into agreements to deploy and drive EBT-only POS devices pursuant to this RFP and FNS regulations and act as a TPP to retailers who accept the Contractor-deployed EBT-Only POS devices. The EBT-Only Retailer agreements shall:
   1. Be between the EBT Contractor directly and shall describe the terms and conditions regarding the arrangements for use of the POS equipment and the applicable operating procedures and rules. The Department will not be a party to retailer or TPP agreements.
   2. Include language in the agreements that, at a minimum, requires:
      1. Compliance with SNAP regulations as applicable.
      2. Compliance with QUEST® Operating Rules (SNAP and cash).
      3. Compliance with ANSI X9.58-2022 standard or the latest version of the standard.
      4. That there will be no charging for authorization and settlement processing by the Contractor for EBT transactions.
      5. That that only FNS-authorized retailers may perform SNAP transactions.
   3. Receive approval from DHS and FNS for EBT-Only Retailer agreement language.
3. Provide support, including the deployment of standard EBT-only POS devices for exempt SNAP retailers with a permanent location and wireless POS devices, to specified exempt SNAP retailers not operating out of a permanent location. Costs supported by the State for EBT-only POS devices for exempt retailers include the cost of the POS device along with maintenance and support, transaction fees, and reimbursement for POS supplies (receipt paper). Wireless devices are available to exempt retailers that request a wireless device which should be limited primarily to farmers, farmers markets, and potentially direct marketing programs. A list of the farmers/farmers markets that are currently participating is included in **Attachment S: POS Terminal Locations**.
4. Monitor the REDE file daily and contact new SNAP retailers coded as Exempt to provide equipment options, including the provision of EBT-only POS equipment.
5. Provide EBT-Only POS terminals that, at a minimum, shall:
   1. Support the cash and SNAP transactions described in **Section 2.3.1.8, Transaction Processing**.
   2. Support retailer log-on and log-off security functions.
   3. Support end of day settlement processing and reporting.
   4. Include a display screen that is easily legible by users for information and messages.
   5. Include a keypad for data entry, including PIN entry.
   6. Include an option for an external keypad that is separate from the main device.
   7. Include a card reader that must support Magnetic Stripe cards and may support other technologies such as integrated circuit chips (Smart Cards), near field communications (NCF), QR Codes, or Bar Codes.
   8. Include a printer for receipts.
   9. Not display PIN input on any screen, nor shall the customer's full account number be printed on any receipt/validation.
   10. Be adaptable or upgradeable for future needs.
   11. Provide equipment refresh when applicable.
   12. Refer to the Quest® Operating Rules, Chapter 9, and 7 CFR § 274.8(b)(6)(7) for additional information.
6. Provide the following services for all deployed EBT-Only POS devices:
   1. Shipment of EBT-Only POS devices to retailers following the execution of the Retailer Agreement. Prior to shipment the device shall be tested to ensure it is configured properly and in working order. The shipment shall include all cords accessories and training materials.
   2. Set up and deployment of the EBT-Only POS device by phone or video conference.
   3. Routine maintenance.
   4. Replace any defective or malfunctioning EBT-only POS devices. Ship a replacement terminal via overnight express within one business day of receiving a service request.
   5. Supplies or supply reimbursement (for exempt retailers only).
   6. Retailer training materials for all deployed terminals.
   7. Toll free retailer help desk to support training, equipment maintenance, and general problem solving.
   8. Use of manual vouchers.

##### EBT-Only POS Device Training Materials

The Contractor shall develop and provide training materials for EBT-only POS device functions and their use that shall:

1. Include an EBT-Only POS device User Manual and a Quick Reference Guide
2. Be 508 and ADA compliant for all materials
3. Easily accessed online and via mobile technology

##### IRS-1099 Forms

Due to revisions to the Internal Revenue Service (IRS) tax code, the EBT retailer 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”.

##### Cash Access

It is the intention of the Department to continue to maintain or improve service levels. The EBT shall work with DHS to ensure service levels are maintained or improved. The Contractor shall:

1. Establish additional access sites DHS determines access to be inadequate.
2. Provide adequate cash access through retail POS devices and ATMs.
3. Provide a method for maintaining a database and tracking retailers providing cash back.
4. Provide a method for identifying the POS terminal and location and ATM identification number and location associated with any EBT cash transaction. The QUEST® Operating Rules will govern the processing of all retail merchant cash transactions. Depending upon the EBT Contractor’s arrangement with the prevailing ATM networks, either the QUEST® Operating Rules or the ATM network’s Operating Rules may govern ATM cash transactions.
5. Ensure that all ATMs accessible by Maryland customers display the Quest® logo.
6. Support national interoperability for cash access.
7. Provide cash access through ATMs and commercially deployed POS equipment. To preserve the integrity of the EBT program, DHS reserves the right to disallow EBT transactions in certain types of retail establishments.
8. Not charge the Department or the cardholder for ATM or POS cash transactions. The cardholder is responsible for any ATM surcharge.
9. Have controls in place to ensure that the location of terminals allowing cash access to EBT cash accounts, including ATMs and commercially deployed POS equipment, comply with each State policy concerning EBT cash access.

#### Customer Service

The Contractor shall provide the following support and functionality to assist cardholders and retailers.

##### Cardholder Call Center

The Contractor shall establish and operate Cardholder Call Center services that includes sufficient dedicated, trained and qualified customer service representatives (CSRs) and supported by an Automated Call Distribution (ACD) System and Integrated Voice Response (IVR) system that meets the following requirements. For historical call center data, see **Attachment P, - Historical Data**.

1. General Cardholder Call Center Requirements:
   1. Is available toll-free, 24 hours a day, 7 days a week, 365 Days per year (366 Days in a leap year).
   2. Provides support from the IVR and CSRs in English and Spanish.
   3. Utilizes the current toll-free number for EBT cardholders. The Contractor shall work with DHS and the outgoing contractor to port the existing toll-free cardholder number during the Transition-In period.
   4. Supports the ability to survey callers for customer satisfaction.
   5. Is located within the boundaries of the United States.
2. Cardholder Interactive Voice Response (IVR) System

The Contractor shall provide an IVR that allows cardholders to obtain information using an automated system. The Contractor shall:

* 1. Provide automated services to enable the State to deliver unattended in accordance with DHS approved Scripts and routing paths.
  2. Permit the use of telephone touch-tone pad and voice commands to access pre-recorded information.
  3. Provide an IVR that complies with the ADA and provide TTY capability for cardholders with hearing disabilities.
  4. Provide professional voice recording of scripts in English and Spanish and play appropriate language prompts based on IVR prompt selection.
  5. Support the following functions, at a minimum:
     1. Access to account balances and transaction history.
     2. Card activation/PIN selection – PINs shall be encrypted.
     3. An option to report a dispute/claim from the main menu.
     4. Provide Help Desk assistance to report a lost/stolen card, to request a replacement card, and for problem resolution.
  6. Make use of speech recognition (simple speech-to-text and text-to-speech such as “ say 1 for transaction history”) technologies to enhance efficiency and customer service. The features and services should be in line with widely used standard.
  7. Provide a queuing system that is integrated with the ACD functionality.
  8. Provide a call flow that allows callers to get the information they need using the fewest number of prompts and options.
  9. Ensure that callers never receive a busy signal and dropped calls meet the prescribed SLAs.
  10. Handle spikes in call volumes to not exceed prescribed SLAs.
  11. Support Self Service Options.
  12. Have messages recorded using broadcast standard recording techniques. Any changes to the IVR Script will be made using the same voice pattern, at the same pitch, speed and tone of delivery, and at the same volume as the initial recordings.
  13. Provide broadcast message functionality for special situations (snow storm, building emergencies, etc.).
  14. Make updates or modifications to IVR process flow and/or voice prompts within an agreed upon timeframe of the request.
  15. Provide customizable messages to play while cardholders are on hold after making a choice on the IVR in addition to on-hold music.
  16. Provide key-ahead prompting to permit callers to enter the appropriate key if they already know the touch-tone options they wish to select or go directly to a CSR.
  17. Provide customizable reporting per IVR application.

1. Automated Call Distribution (ACD) System

The Contractor shall have an ACD system that will provide routing/distribution of incoming calls to CSRs. The call routing shall be based on sequence of arrival/origination, inquiry type, CSR availability, skills, and language fluency or other predefined routing instructions authorized by the State Project Manager. The Contractor’s ACD system shall provide at a minimum:

* 1. Display call-handling statistics real-time, such as number of calls in queue, current hold time, Abandoned Calls, etc.
  2. Access by the State Project Manager to the logs, and the ability to always monitor call volumes and live customer calls and any call center activity, without prior notice.
  3. Queuing of incoming calls and providing callers with an estimated wait time and other recorded messages. If the wait time at the queue exceeds 4 minutes the Call Management System must provide the caller with an option to stay in queue or leave a message during Normal Business Hours for a call center Call-back. Callers should not be given the Call-back option if the wait time is equal to or less than 4 minutes. The ACD shall prompt the caller to provide the Call-back information and provide an estimated Call-back time to the caller.
  4. Automatically make Outbound Calls to callers opting for a Callback at the estimated Call-back time and connecting the caller to an available CSR. If the Callback encounters a busy or no-answer condition, the service shall repeat the Call-back for up to 2 additional attempts within two (2) Business Days if the cardholder number is not accessible. If the Callback encounters a voicemail or answering service, leave a brief message indicating the purpose of the call with information on how to contact the call center and no additional Call-back is required.
  5. Recording of all calls by CSRs and providing audio recordings of individual/cardholder calls for review by the State Project Manager no later than one (1) Business Day of the request.
  6. Multiple queue types, for example User, Station, Workgroup, ACD, Line and system queues. There shall be a real time view into the queue to monitor important statistics such as: calls waiting, calls connected, longest call waiting, longest call connected, agents logged in, and agents available, average talk time, number of calls, and Abandoned Calls.
  7. Ensure that CSRs can take/make non-ACD special official calls and still be available in the queue/ACD to take regular calls thereafter.
  8. Provide a tracking agent for availability and reporting on the time CSRs spend handling ACD interactions, and non-ACD interactions.
  9. Send alerts to the call center Managers/Supervisors when the call center experiences unforeseen or drastic changes and anomalies in the call center operational patterns, such as persistently long hold times, persistent call drops, persistent voice distortion, etc., that needs attention and intervention.

1. Live Customer Service Representatives

The Contractor shall:

* 1. Provide dedicated CSR personnel trained and qualified to meet the requirements of the RFP. CSRs shall assist with the following:
     1. Obtaining account balances and transaction history.
     2. Reporting lost, stolen or compromised EBT cards.
     3. Requesting card replacements.
     4. Troubleshooting of cardholder issues;
     5. Filing claims on problem transactions or transaction disputes.
     6. Obtaining general information or guidance.
  2. Implement measures to ensure the security of cardholder data (such as masking of data elements) that is viewable by CSRs to prevent fraudulent activity by CSRs.

1. IVR and CSR Scripts

The Contractor shall:

* 1. Submit within 30 days of NTP, the CSR and IVR scripts during the Transition-In period for review and written approval by DHS.
  2. Seek pre-approval of any changes to the scripts in writing, by DHS.

1. Call Recordings and Logs

The Contractor shall record and log all calls received to enable DHS to search, and playback of all telephone calls for quality control and verification purposes. The Contractor shall:

* 1. Store all recordings for up to 365 days.
  2. Make recording made available to the Contract Monitor upon request.
  3. Record and log calls by default unless specified otherwise by the State.

1. Quality Assurance

The Contractor shall:

* 1. Investigate reports of misdirected calls, inappropriate behavior by CSRs and other CSR compliance issues upon request by the Department. The investigation must be able to verify the time/date of the call and the information provided by the operator to the cardholder. Verification of what the Contractor provides shall include, at a minimum, a review of IVR data and CSR digital recordings, logs, and customer service-related materials.
  2. To address special situations, such as changes in benefit availability schedules, disasters, potential fraud, etc., the Contractor will work with Department to develop talking points or scripts for CSRs and recorded messages to be added to the IVR.
  3. Upon Department request, the Contractor shall provide, at no additional cost to DHS, recorded calls necessary to resolve or respond to the complaint.  The volume is anticipated to be low, but necessary as a tool to resolve disputes.
  4. In addition, to assure a high quality of service from CSRs DHS will require the Contractor to have live monitoring of CSR calls.

##### Cardholder Portal

The Contractor shall host a web portal that is compliant with DOIT security, templates, Web Content Accessibility Guidelines, American Disability Act, and Office of Equal Opportunities Program for EBT cardholders to check their balances, view the Maryland EBT brochure, and check recent transactions and access general EBT information in addition to public notices.

The Contractor shall:

1. Ensure Maryland EBT cardholders can access the Cardholder Portal through browser agnostic Internet access.
2. Ensure that individual cardholder records are available only to an authorized user of the Cardholder Portal and that all data and information housed by the system are fully protected against hacking and other unauthorized access.
3. Ensure the Cardholder Portal has capabilities for EBT cardholders to authenticate themselves by using secure Web protocols, User IDs and Passwords.  These cardholders shall be able to create passwords and change passwords through the cardholder portal in accordance with State of Maryland Information Security Policy.
4. At a minimum, the Cardholder Portal shall allow the cardholder to:
   1. Obtain current account balances.
   2. View the benefits that have been posted to the EBT account but are not yet available.
   3. View the details of transactions.
   4. View and print transaction history.
   5. Report cards lost, stolen or damaged.
   6. Request replacement cards.
   7. View the issuance schedule for SNAP and cash benefits.
   8. View DHS program information.
5. Provide reports on usage of the Cardholder Portal. The reports shall include the total number of cardholders 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 T, EBT Required Reports**.

##### Mobile Application

Provide a mobile device application for EBT Cardholders and provide an application programming interface (API) that allows for State approved third party mobile applications or a State developed mobile application to obtain cardholder balance or other cardholder account information.

1. Mobile Application: The mobile device application shall be available to the cardholder at no cost. The mobile device application shall meet the following requirements:
   1. Have the same functionality as the Cardholder Website, for example, must include at a minimum, SNAP and cash account balance inquires, pending SNAP and cash deposits, PIN changes, and card cancellation and replacements.
   2. Shall require a unique User ID and password to access. The User ID and password should be shared with the cardholder portal, so a user can have a common User ID and password for both applications.
   3. Must be able to use mobile device global positioning system (GPS) data to locate nearby FNS Authorized Retailers and farmers’ markets that accept EBT, and cash access locations.
   4. Provide functionality that will allow Cardholders to sign up for text and/or e-mail alerts in either English or Spanish.
   5. At a minimum, alerts when a Cardholder’s benefits become available and when a system outage occurs that impacts Cardholder access to benefits.
   6. Provide information in English and Spanish).
   7. Shall provide DHS the opportunity to review and approve the cardholder mobile app before the Contractor allows public access.
2. Application Programming Interface (API):

The Contractor shall:

* 1. Not allow the use of the API by any third-party mobile app without the approval of DHS.
  2. Provide an API to which a State developed mobile application, or a State contracted or State approved third-party mobile application will be able to connect for balance inquiries.
  3. Provide an API, web service, and any connectivity that meets the highest-level security measures as outlined in this RFP and as required by FNS.
  4. Provide the API as part of the contracted services and not at an additional cost to the State, cardholder (EBT Cardholders), or mobile app provider.
  5. Collaborate with DHS and a State IT organization, or the DHS and a State contracted or State approved third-party mobile app developer to establish a memorandum of understanding (MOU) regarding the security and access of EBT data and provide all relevant information (business logic, security and governance etc.) prior to allowing any mobile app to obtain data from the EBT host.

##### Retailer Help Desk and IVR

The Retailer Help Desk will aid retailers that are authorized to process EBT transactions and shall meet the following requirements:

1. General Requirements:
   1. Is available toll-free, 24 hours a day, 7 days a week, 365 Days per year (366 Days in a leap year).
   2. Provides support from the IVR and CSRs in English and Spanish.
   3. Is located within the boundaries of the United States.
2. Retailer Interactive Voice Response (IVR) System

The Contractor shall provide an IVR that allows retailers to obtain information using an automated system that includes:

* 1. Permitting the use of telephone touch-tone pad and voice commands to access pre-recorded information.
  2. Providing an IVR that complies with the ADA and provide TTY capability for retailers with hearing disabilities.
  3. Providing professional voice recording of scripts in English and Spanish and play appropriate language prompts based on IVR prompt selection.
  4. Supporting the following functions, at a minimum:
     1. Manual authorization approval..
     2. Routing to a CSR for problem resolution.
  5. Providing a call flow that allows callers to get the information they need using the fewest number of prompts and options.
  6. Ensuring that callers never receive a busy signal and dropped calls meet the prescribed SLAs.
  7. Handling spikes in call volumes to not exceed prescribed SLAs
  8. Having messages recorded using broadcast standard recording techniques. Any changes to the IVR Script will be made using the same voice pattern, at the same pitch, speed and tone of delivery, and at the same volume as the initial recordings.
  9. Providing broadcast message functionality for special situations (snow storm, building emergencies, etc.).
  10. Providing key-ahead prompting to permit callers to enter the appropriate key if they already know the touch-tone options they wish to select or go directly to a CSR.
  11. Providing customizable reporting per IVR application.

1. Automated Call Distribution (ACD) System

The Contractor shall have an ACD system that will provide routing/distribution of incoming calls to CSRs. The call routing shall be based on sequence of arrival/origination, inquiry type, CSR availability, skills, and language fluency or other predefined routing instructions authorized by the State Project Manager.

1. Live Customer Service Representatives:

The Contractor shall provide dedicated CSR personnel trained and qualified to meet the requirements of the RFP. CSRs shall assist with the following:

* 1. EBT-Only POS device assistance, troubleshooting and training.
  2. Information on ACH deposits and reconciliation procedures.
  3. Troubleshooting transaction and payment issues.
  4. Disputes and claims.
  5. Assist with system adjustments and resolution of out-of-balance conditions.

1. IVR and CSR Scripts

The Contractor shall:

* 1. Submit within 60 days of NTP the CSR and IVR scripts during the Transition-In period for review and written approval by DHS.
  2. Seek pre-approval of any changes to the scripts in writing, by DHS.

1. Call Recordings and Logs

The Contractor shall record and log all calls received to enable DHS to search, and playback of all telephone calls for quality control and verification purposes. The Contractor shall:

* 1. Store all recordings for up to 365 days.
  2. Make recording made available to the Contract Monitor upon request.
  3. Record and log calls by default unless specified otherwise by the State.

1. Quality Assurance

The Contractor shall:

* 1. Investigate reports of misdirected calls, inappropriate behavior by CSRs and other CSR compliance issues upon request by the Department. The investigation must be able to verify the time/date of the call and the information provided by the operator to the retailer. Verification of what the Contractor provides shall include, at a minimum, a review of IVR data and CSR digital recordings, logs, and customer service-related materials.
  2. To address special situations, such as changes in benefit availability schedules, disasters, potential fraud, etc., the Contractor will work with Department to develop talking points or scripts for CSRs and recorded messages to be added to the IVR.
  3. Upon Department request, the Contractor shall provide, at no additional cost to DHS, recorded calls necessary to resolve or respond to the complaint.  The volume is anticipated to be low, but necessary as a tool to resolve disputes.
  4. In addition, to assure a high quality of service from CSRs DHS will require the Contractor to have live monitoring of CSR calls.

##### Retailer Portal

Develop and maintain a Retailer Portal which can be accessed by Maryland retailers via the Internet. At a minimum, the Retailer Portal shall:

1. Ensure Maryland EBT retailers can access the Retailer Portal through browser agnostic Internet access.
2. Ensure that individual retailer records are available only to an authorized user of the Retailer Portal and that all data and information housed by the system are fully protected against hacking and other unauthorized access.
3. Ensure the Retailer Portal has capabilities for retailers to authenticate themselves by using secure Web protocols, User IDs and Passwords.  Retailers shall be able to create passwords and change passwords through the retailer portal in accordance with State of Maryland Information Security Policy.
4. Support the following functionality:
   1. Access to transaction history and EBT card numbers shall be truncated.
   2. ACH deposits information.
   3. Access to informational materials such as, State issuance schedule, EBT-Only POS device training materials, Quick Reference Guide, etc.

#### State and Local Office Assistance

The Contractor shall:

1. Provide State and Local Office EBT Help Desk services to DHS 24 hours a day, 7 days a week in order to resolve technical and system problems, locate files, and address transmission issues, etc. and maintain issue log for analysis. The State and Local Office EBT Help Desk shall also monitor the system, and transmission line performance real time, security and access logs and proactively resolve issues.
2. Provide a toll-free number for the State and Local Office EBT Help Desk. If the EBT Contractor provides access through its Cardholder Customer Call Center number, State and local office personnel shall be provided with a password so that the client IVR can be bypassed, and staff will be provided with immediate and appropriate assistance from a live CSR.
3. Not place limits on the number of State and local staff members who have access to the State and Local Help Desk.
4. Portal or other similar software for DHS to report defects from all platforms (cardholder, retailer and administrative terminal). DHS shall have the ability to see the reported defects, their status and any updates or resolutions to logged defects.
5. Escalate unresolved problems for additional Technical Support (See **Section** **2.3.9.1, Technical Support**)

#### System Security

The Contactor shall comply with the most stringent current specifications in the State of Maryland Information Security Policy <https://doit.maryland.gov/policies/Pages/default.aspx> or FNS policy and guidance on the security of EBT systems and cards.

##### Procedural Security Controls

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 DHS 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 142-2 regulations to control all PINs so that the number is never transmitted or stored in the clear.
3. 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.
4. Computer/Communications Access Controls: The Contractor shall provide communications software to control access to the EBT system.

##### 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 for the Administrative System, Portals, and Mobile Applications. The Contractor shall maintain a user identification and authentication system that, at a minimum:

1. Restricts access to files, databases, transactions, and programs to those personnel needing access to such data to meet professional responsibilities.
2. 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.
3. Maintains information for determining the authorizations of individual users.
4. Allows DHS the capability, for the Administrative System to assign user passwords and for active users to securely reset their own password. The Contractor shall also provide DHS with the ability to create groups with custom security roles.
5. 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.

##### Discretionary Access Controls:

For all systems that require access (such as the Administrative System, Cardholder/Retailer Portals, and Mobile Apps), 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.

##### System Access Audit Controls:

For all systems that require access (such as the Administrative System, Cardholder/Retailer Portals, and Mobile Apps), the Contractor shall maintain an audit trail of access to the system and maintain and protect such records from modification, unauthorized access, or destruction.

1. The Contractor shall have defined and controlled access between named users and named objects (including but not limited to, files and programs).
2. 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.
3. 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.
4. 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.
5. For file related events, the audit record shall include the file's name.
6. The system administrator (or system security administrator) shall be able to selectively audit the actions of one or more users based on individual identity.
7. Contractor shall provide a monthly summary of audit results and any actions taken.

##### Facility Physical Security:

The Contractor shall:

1. Utilize physical security and access control systems to limit access to any facilities used to produce and store cards and EBT equipment, vouchers, process data, or house sensitive data.
2. Regulate access to primary and backup data centers in such a way that the flow of all persons can be monitored and controlled.
3. Implement physical security protection measures to deny unauthorized access to EBT data processing and telecommunications facilities.

#### Reporting

The Contractor shall accommodate the informational needs of DHS and USDA-FNS in its reporting package. Reports shall be provided electronically via Administrative functionality, standard reports, electronic data files, and through a data warehouse based on State needs. A complete list of all required reports can be found in **Attachment T, EBT Required Reports.**

The Contractor shall:

1. Shall produce information at the State, benefit program, and local office levels. Settlement and reconciliation reports shall be consolidated at the State level by program.
2. Provide to DHS a comprehensive set of daily and monthly activity files reflecting all transactions or account actions that impact EBT account balances or account status. Files for each State shall be in the format specified by the respective State.
3. Produce periodic (daily, weekly, and monthly, as appropriate) standard reports for transmission to DHS and USDA-FNS.

#### Data Warehouse

DHS believes that a comprehensive EBT Data Warehouse will accommodate its changing reporting requirements and ability for historical Data Mining which is the process of sorting through large data sets to identify patterns and relationships that can help solve business problems through data analysis. Data warehousing will be an additional enhancement to DHS’s reporting toolset, a powerful tool for retrieving off-line stored data and providing ad hoc reporting. DHS also expects that data warehousing will allow State investigators latitude in researching activities. For the purposes of this RFP and the contracts deriving from it, the EBT data warehouse is defined as an electronic repository of the State's detailed EBT transaction and account data, separate from the on-line or operational database.

All Marylanders who receive SNAP benefits, as well as FNS-certified 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 DHS, as requested.

##### General Requirements

The Contractor shall:

1. Provide EBT system and data warehouse access that allows appropriate DHS staff to access the EBT system and data warehouse through terminals, UI interfaces, and/or systems or through an Internet browser application.
2. Provide a data warehouse that will contain all transactional data relating to the State’s EBT cardholder accounts.
3. Provide a data warehouse that will contain all transactional data relating to the retailers processing MD SNAP and cash transactions. The retailer location data shall be stored in the data warehouse and formatted so that it is in agreement with FNS REDE data.
4. Ensure at a minimum that the Data Warehouse includes the elements identified in **Attachment Q, Data Warehouse Elements**.
5. Provide DHS with a suite of pre-developed queries or reports to facilitate frequent or “standard” queries. Examples of these shall include, but are not limited to:
   1. Transactions by Customer account number with user definable date range.
   2. Transactions by FNS number with user definable date range.
   3. Transactions by Case number (or State’s equivalent) with user definable date range.
   4. Transactions by EBT card number with user definable date range.
   5. Transactions by Benefit/Grant number with user definable date range.
   6. Transactions by Social Security Number (or State’s equivalent) with user definable date range.
   7. Transactions by Zip Code with user definable date range.
   8. Out-of-State transactions with user definable date range and State. Account administrative actions with user definable date range and service site or office location.
   9. Transactions by Retailer name and/or location.
   10. Sort data by selected parameters including but not limited to transaction type, transaction time period, out-of-state transactions, card status, Key Entered transactions, etc.
6. Provide the ability for and support DHS in the development of standard queries and exporting/sharing standard queries or reports as well as provide the ability for a power user to modify a query or report.
7. Limit access to authorized DHS secured through standard access control measures.
8. Provide a staff training program for the use of the data warehouse functions to include instruction training of designated staff, user manuals, and online resources for ongoing training and updates.
9. Pay the license fees, if any, for DHS users. The Offeror shall indicate the number of users in each user category that the Offeror will support.
10. Keep the data warehouse current with no more than 24 hours of elapsed time between a transaction’s occurrence and its loading into the data warehouse. It is understood that the architecture of a data warehouse differs from that of an operational system because of this, DHS recognizes that some components of the data warehouse, by definition, may not be “real time”.
11. For SNAP EBT, at a minimum, support the functionality for DHS to provide administrative access for designated FNS staff to include Field and Regional offices, the FNS Compliance Office, and the OIG.

##### Ad Hoc Report Requirement:

The Contractor shall:

1. Prepare ad hoc reports as requested.
2. Return all requests for ad hoc information or reports to the requestor within the timeframe requested or based on the priority levels identified below. Notwithstanding the below priority, DHS reserves the right to change priority levels as needed mutually agreeable with the Contractor.
   1. High priority requests shall be returned within 48 hours.
   2. Medium priority shall be returned within five (5) business days.
   3. Low priority shall be returned within ten (10) business days or a mutually agreed upon time frame.

#### Disaster Support

The Contractor shall provide disaster support services that include the following requirements:

##### Planning

The Contractor shall:

1. Review and make recommendations on the Disaster SNAP (D-SNAP) Plan.
2. Participate in the annual review of the D-SNAP plan and update as required according to FNS requirements.

##### SNAP EBT Disaster Functionality within the Administrative System

The Contractor shall:

1. Provide disaster support functionality within the Contractor’s Administrative System that can deliver disaster SNAP benefits in an emergency situation when E&E is not available to process applications for SNAP benefits.
2. Provide support to the State in ensuring that benefits are still being provided to customers through the EBT system during the recovery of the State’s eligibility system.
3. Conduct an annual disaster readiness assessment and report and implement any disaster plan modification as approved by DHS.
4. Prepare an EBT Disaster System Administrative Terminal User Manual along with a Quick Reference Guide.
5. Provide functions within the Administrative Terminal that at a minimum:
   1. Allow for disaster accounts to be setup or maintained.
   2. Have benefits available immediately upon issuance.
   3. Allow regular Maryland cardstock to be issued to disaster cases.  There will be no special disaster card stock.
   4. Allow card PINs to be set using the established PIN selection process.
6. Generate reports as required by the State and USDA/FNS.
7. Conduct annual system testing, as well as user acceptance testing to ensure that all requirements in the approved disaster requirements document are being met.

##### Level I Disaster Support

The criteria Level I disasters are as follows:

1. Large, but well-defined areas affected
2. Moderate number of clients affected
3. Restoration of power and telecom in three to seven days
4. Benefit redemption points are available

For Level I disasters, when DHS notifies the Contract that a Level I disaster has occurred and DHS intends to implement Level I disaster services, the Contractor shall:

1. Survey selected retailer locations and financial institution/ATM networks to determine the level of service that can be provided to cardholders because of equipment outage or other factors. After disaster services have been completed and the State resumes normal operations, the Contractor shall contact these benefit redemption points again to determine the status of ongoing operations.
2. Ensure that CSRs are aware of which benefit redemption points are not operational during and after the disaster in order to direct cardholders to appropriate locations.
3. Provide the same scope of services to retailers for the IVR and Customer Service operations. The IVR shall have a specific disaster script approved by the State.
4. Expunge disaster benefits issued as a specific benefit type for use during disaster situations as specified by the State.
5. Support the recovery of the State’s eligibility and EBT interface systems at a back-up site in the event of a disaster at the State’s primary data center. This support shall consist of providing connectivity to the State’s back-up site to support the transmission of data files and reports between the State and the Contractor.
6. Following the declaration of a disaster by the State and movement to a backup data center, work with the State technical staff to provide EBT administrative terminal support to State workers.
7. In the event the State’s eligibility system or the traditional interface is not accessible, provide the State access to the Contractor’s system using an alternative method, such as a direct connect process through the Internet. The Contractor shall provide the appropriate passwords, access and software components, and training and related documentation/staff training materials explaining how to use the Contractors system prior to the disaster situation.
8. Continue to provide Level I disaster services until notified by DHS that the event has concluded.

##### Level II Disaster Support

The criteria Level II disasters are as follows:

1. Catastrophic
2. Widespread commercial and residential impact
3. Limited power and telecommunications service, outages expected to last longer than a week
4. Benefit redemption points not available

Level II disaster services are priced separately from the core CPCM fee. When DHS notifies the Contract that a Level II disaster has occurred and DHS intends to implement Level II disaster services The Contractor shall:

1. Maintain a stock of disaster vault cards with pre-assigned PINs and/or pre-loaded cards to be available during a disaster.
   1. The card specifications for disaster cards shall be identical to the specifications for standard EBT cards.
   2. The cards shall be embossed and encoded with a designated disaster PAN.
   3. Disaster vault cards and PINs shall be in normal mailers, with English and Spanish language enclosures.
   4. Disaster vault stock cards shall be readily distinguishable from regular mail issued cards.
   5. If PIN mailers are used, Card/PIN matching pairs shall be readily identifiable, and batches of cards and PINs shall be produced in a manner that facilitates the matching logistics.
   6. If disaster vault cards are compromised in any way, the EBT Contractor shall provide the capability to change the status of the card(s) through an administrative or customer service function to inactive/invalid.
   7. Emergency vault cards with pre-assigned PINs shall be shipped via overnight express, on the same day of the State’s request, to issuance sites if a disaster has been declared. The State will determine the number of cards required for same day shipment. Subsequent shipments shall be expedited as requested by the State. The State will let the EBT Contractor know if overnight shipment is required for subsequent shipments.
2. Provide and maintain a State-specified inventory of disaster training material throughout the term of the contract.
   1. Training materials provided to cardholders during disasters shall be available in English and Spanish
   2. Hard copies of disaster training materials must be provided to the State in the required languages for use during disaster situations.
3. Provide the ability for the State to set up accounts for disaster recipients quickly and provide them with emergency benefits.
4. Once a disaster recipient has been determined eligible, provide the State the ability to add the disaster recipient to the EBT host, issue benefits, and link the EBT account to a vault card with a preassigned PAN and PIN through online entry on the administrative terminal system using screens designated for disaster purposes only.
5. At the end of the day, send the Contractor account set-up records via batch containing the actual card information and cardholder demographics and use these records to update cardholder records that had been added to the system through the administrative terminal. Cards shall not be generated by this file regardless of how the card issuance flag is set.
6. If the State unique ID in the batch file is not found in the EBT System, report an error will occur causing the record to reject. Rejected records shall be reported in the confirmation return file and must be viewable online via an administrative system screen or report.
7. Receive from the State the remainder of the cardholders’ disaster benefits via a batch benefit authorization file, if the disaster recipient is eligible for benefits in addition to what was preloaded on the disaster card.
8. In the event of a disaster, provide the same scope of services to retailers for the IVR and Cardholder Call Center. The IVR shall provide retailers with a disaster message.
9. Because call volumes will likely increase, increase the number of customer service representatives available to support retailers.
10. Provide DHS with the ability to view issuance, expungement, drawdown, and other information for disaster benefits separately. Disaster reports shall be available upon request.
11. Maintain user profiles that include Administrative System users authorized to perform Level II disaster-related functions. These users shall have access to Administrative System screens required for disaster services, as well as standard inquiry access.
12. Continue to provide Level II disaster services until notified by DHS that the event has concluded. The Contractor’s provision of all services as required under 2.3.1.18.4 A-L occurring between DHS’s notification to the Contractor to provide Disaster Event services and DHS’s notification of disaster conclusion constitute one “Disaster Support Event” (see Financial Proposal Form, Attachment B-2, Table 3) for pricing purposes.

#### Fraud Prevention Support

##### Anti-Fraud Plan

The EBT Contractor shall:

1. Provide an Anti-Fraud Plan that includes locating and stopping fraud by actively and aggressively monitoring the activities of cardholders, 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. Description of Fraud Analysis techniques intended for fraud prevention of cardholders 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.
   2. Specific fraud analysis techniques and tools used to show a full comprehensive approach for the following:
   3. Detection and Alert Generation.
   4. Fraud Data Management.
   5. Predictive and Prevention Analysis.
   6. Alert Management.
   7. Social Network Analysis.
   8. Drill Down Dashboard.
   9. Analysis Reports.
   10. Risk Behavior.
   11. Data Mining Techniques.
   12. Standardized and/or ad-hoc reports that shall be used by either DHS or the Contractor for the purpose of detecting and preventing fraud. These reports may be requested by DHS at any time during the length of the Contract.
   13. A description of the responsibilities 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.
   14. 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.
2. Provide an annual review of the Anti-Fraud Plan with DHS 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 DHS to proactively identify additional or revised anti-fraud measures. Measures will be monitored and reported monthly. All measures are subject to DHS approval.

##### Fraud Prevention and Detection

The Contractor shall:

1. Utilize innovative methods or the application of technologies that would support the deterrence and detection of fraud, including, but not limited to, fraud committed by cardholders, retailers/merchants, external parties, and employees.
2. Provide steps to implement security features that help reduce the risk of card cloning and provide DHS with a list of these deterrents. Security features may include up front preventative measures (like common PIN blocking, etc.).
3. Provide proactive account activity alerts through SMS (text), mobile app and/or email when the following actions occur on an account along with monthly reports of the alert activity.
   1. Deposits
   2. Purchases
   3. Withdrawals
   4. Purchase with cashback
   5. Returns
   6. PIN changes
   7. Address, phone number and email updates
4. Provide a method for cardholders to place and remove a temporary hold or freeze on their card for any reason. This feature must:
   1. Be accessible through the IVR, mobile application, or cardholder portal
   2. Lock the card to prevent all transactions
   3. Lock the card to prevent only out of state transactions
   4. Support monthly data analytics on adoption of features
5. Support proactive transaction scoring (likelihood that transaction is fraudulent). Depending upon the score, the transaction will be denied. Based on analysis of data and input from the administering agency, an algorithm would monitor transactions on an individual basis, based on historic data trends. Established shopping trends would then be used to monitor transactions out of the ordinary. Some core suspect data could be used like transactions made beyond typical shopping hours.
6. Notify the DHS Contract Monitor within 24 hours any incidents such as card cloning of which the Contractor has been made aware and actions taken to remove the threat along with any details that can be used to deter further associated fraud which includes:
   1. The nature of the unauthorized use.
   2. The location where the incident occurred.
   3. The Cardholder affected by the unauthorized use.
   4. What the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use.
   5. What corrective action the Contractor has taken or shall take to prevent future similar unauthorized use.
   6. Such other information, including a written report, as reasonably requested by DHS.
7. Provide information on any EBT Cards cloned in other states for which the Contractor processes EBT transactions and what steps were taken to remedy or mitigate the ongoing situation.
8. Provide a monthly out-of-state transaction report that shows cloning activity.
9. Implement advance fraud detection strategies that evaluate phone number reputation, prior IVR behavior, number of accounts accessed from the Automated Number Indicator (ANI), and spoofing phone number prevention that blocks the ANI. This also includes strategies to avoid robot-calls to gather information from the IVR that could lead to cloning. For instance, if a certain number of calls come in from a single number, DHS is alerted.
10. Provide steps to ensure the Cardholder portal and mobile app are protected against any vulnerabilities that could be hacked to obtain SNAP Cardholder information including:
11. Provide a process for implementing alerts such as:
    1. Low balance
    2. High balance
    3. Large purchase
    4. Single transaction above a Cardholder’s set amount
    5. Large ATM withdrawal
    6. Profile change
    7. Unusual activity
    8. Debit card use

##### Support Investigations

The Contractor shall:

1. Advise, assist, and appropriately act to aid the State in detection and investigations of abuses by stores, recipients, or workers, including but not limited to, reporting unusual activity.
2. Provide EBT and retailer system information, such as bank account numbers and ACH payment details, to the State, FNS and/or USDA OIG, as needed for evidentiary purposes, within 24 hours of request.
3. Provide the capability to establish accounts, add SNAP and cash benefits to the investigative accounts, and issue cards for the purpose of investigating fraudulent use of SNAP and cash benefits to support Federal and State Fraud investigators. Such accounts and all transactions related to such accounts must be maintained in a secure and confidential manner. Only authorized personnel will have access to these accounts.
4. Provide EBT Administrative Functionality to the State to set up accounts, and to authorize and remove benefits. This includes access for the purpose of establishing accounts, posting SNAP and cash benefits, reconciling transactions, deleting remaining available benefits, closing accounts, and providing transaction reporting for accounts and benefits established via the Administrative functionality.

##### Benefit Replacement Due to Fraud Activity

The Contractor shall replace SNAP and cash benefits deemed to be lost to fraud in accordance with the Consolidated Appropriations Act of 2023 (<https://www.congress.gov/bill/117th-congress/house-bill/2617>). This includes:

1. Accepting additional benefit types reflecting a replacement benefit for each type of benefit issued by DHS.
2. Using dispense priority approved by the state.
3. Reporting of replacement benefits by benefit type.
4. Using existing expungement rules for replacement benefits that are applied to the original benefits.

### Transition/System Conversion

The Transition/System Conversion Activities consist of activities required to convert the EBT customer and retailer database from the current contractor to the selected Offeror.

#### Transition/System Conversion Planning

The Contractor shall:

1. Prepare a Transition and Conversion Plan that complies with the FNS EBT Transition Guide, Version 2.0., dated June 6, 2005 or the most recent version issued by FNS. The State shall have final approval of the overall approach to conversion, including the date and time selected.
2. Complete the entire conversion in twelve (12) hours or less.
3. During conversion, no stand-in, manual vouchers, or transactions will be allowed; therefore, analyze monthly transaction volumes and select a mutually agreed upon date and time when the least number of retailers, providers, and recipients would be impacted.

#### Requirements Validation

Following the project kick off meeting, the Contractor shall:

1. Within one month of kick off meeting, facilitate requirements validation and design sessions at a location designated by the State or via teleconference.
2. Provide session agendas and electronic copies of all materials to be distributed at the sessions.
3. Deliver a technical memorandum documenting all agreements, understandings and contingencies arising from the session.
4. Submit a Functional Design Document.
5. Submit a Detailed Design Document.

#### Continuity of Services

The Contractor shall:

1. Work with the State and any other organizations designated by the State to ensure an orderly transition of services and responsibilities under the previous contract and to ensure the continuity of those services required by the State.
2. Work in a businesslike manner with the State’s outgoing contractor for the purpose of effecting a smooth and timely transition of services.
3. Obtain all required security keys from the outgoing contractor, including the PIN Encryption Keys (PEK) and Card Authentication Value (CAV) keys. If there are any issues in obtaining the security keys, the issues shall be immediately raised to the Department.
4. Assist DHS in providing notification to cardholders of the conversion. While there should be little impact to cardholders, they must be made aware of system downtime associated with the conversion and changes to customer service access points including cardholder customer service line, cardholder portal including any changes to the web address, and cardholder mobile applications.
5. Be entitled to a reasonable extension of the completion dates for a particular deliverable, in the event of a delay in the completion schedule for any deliverable under this contract caused by the outgoing contractor, if the new Contractor has provided advance notice indicating that the State or the State’s existing Contractor has caused a delay.

#### Retailer Conversion

The Contractor shall perform the retailer conversion to minimize disruption to the EBT program, authorized retailers, and affiliated customers. The retailer conversion activities shall include, at a minimum, the following:

1. Obtaining approval from the State and FNS on the retailer (for EBT-Only POS devices) and TPP agreements.
2. Notifying all authorized retailers of the scheduled outage at both two (2) months prior to conversion and at one (1) week prior to conversion.
3. Notifying all authorized retailers of changes to retailer customer service access points to include updated retailer help desk phone number, updated retailer portal web address, and functions and features of the retailer help desk and portal that may be different from the outgoing contractor.
4. Establishing agreements with TPPs, self-processing retailers, and ATM networks two weeks prior to the conversion date.
5. Ensuring conversion readiness of retailers representing a minimum 95% of all SNAP redemptions.
6. Ensuring conversion readiness of cash access points representing a minimum 95% of all cash redemptions.
7. For retailers using EBT-Only POS devices:
   1. Establishing agreements with all EBT-only retailers not later than one (1) month prior to the conversion date.
   2. Shipping EBT-Only POS devices to retailers following the execution of the Retailer Agreement.
      1. Prior to shipment the device shall be tested to ensure it is configured properly and in working order.
      2. The shipment shall include all cords, accessories, and training materials.
   3. Set up and deploy of the EBT-Only POS device and train retailer by phone or video conference.
   4. Ensuring that a minimum of 85% of retailers using EBT-Only POS devices are equipped, installed and trained on their new devices.

#### Customer Service Conversion

The Contractor shall perform the customer conversion to minimize disruption to the EBT program, authorized retailers, and affiliated customers. EBT customer conversion includes:

1. Porting of the customer service phone number from the outgoing contractor to the new Contractor.
2. Communications to cardholders and vendors regarding changes associated with customer service access points.

#### EBT Database Conversion

The Contractor shall perform the database conversion to minimize disruption to the EBT program, authorized retailers, and affiliated customers. EBT database conversion includes transferring the following data from the outgoing contractor:

* Transaction History
* Customer Card Data
* Demographic Data
* Benefit Data
* Data Warehouse

The EBT database conversion activities shall include at a minimum:

1. Reviewing data and file formats from outgoing contractor to prepare and plan for the EBT database conversion.
2. Working with the State and the outgoing contractor to clean up the database prior to conversion, if necessary.
3. Performing significant testing of the data conversion process, including performing test transactions against the converted database in the test environment. Testing shall also validate that PINs have been converted successfully.
4. Accepting a minimum of seven (7) full FNS audit years of transaction history to be converted from the existing EBT Contractor.
5. Utilizing checkpoints and reconciliation procedures built into the data conversion process to ensure that no benefits or records are dropped.
6. Developing a contingency fallback plan in case the conversion cannot be completed in a timely manner due to issues with the data conversion.
7. Following the FNS Transition Guide recommendations and conduct a minimum of two trial runs of the data conversion prior to the actual database conversion.

#### Conversion Status Report

The Contractor shall provide a Conversion Status Report that shall:

1. Contain a summary, by task, completed activities and scheduled activities. This report shall specify the completed activities and scheduled activities for the next two-week period.
2. Contain a summary of problems encountered, status, actions taken to resolve them, and support required from DHS and/or Federal agencies.
3. Contain a summary of anticipated and unanticipated delays, reasons for the delays, and corrective actions taken. Any delays that require a change to the Project Work Plan (PWP) shall be specifically noted and changed in the work plan. The modified work plan shall be provided with this report.
4. Be submitted at the following frequency unless DHS determines during the course of operations that the reports are required more frequently:
   1. Biweekly – Beginning at Project Kick Off Meeting until two (2) months prior to the conversion date
   2. Weekly – Beginning at two (2) months prior to the conversion date until two (2) weeks prior to the conversion date
   3. Daily -- Beginning at two (2) weeks prior to the conversion date until the conversion date

### Testing Requirements

The Contractor shall provide System lifecycle testing services for the duration of the contract. The life cycle system test approach requires that the EBT system, including any changes made to the EBT system during the contract period, shall be properly tested prior to being introduced into the production environment. Testing includes but is not limited to the following activities.

#### Test Planning

The Contractor shall

1. Develop a test plan that at a minimum, shall address the following:
   1. The types of testing to be performed.
   2. The organization of the test team and associated responsibilities.
   3. Test database generation.
   4. Test case development.
   5. Test schedule.
   6. Documentation of test results.
   7. Acceptance testing, to include functional requirements testing, error condition handling and destructive testing, security testing, recovery testing, controls testing, stress and throughput performance testing, and regression testing.
   8. The decision criteria, including specific test results that must be met before the Contractor may exit the testing period, the roles or titles of the individuals responsible for verifying that these criteria have been met, and the sign-off process, which will document that the criteria has been met.
2. Collaborate with DHS and the EBT Project Manager to plan and schedule testing activities that will involve DHS staff and (where applicable) the outgoing contractor.

#### Connectivity Testing

The Contractor shall conduct connectivity testing between the State and the Contractor’s EBT system. This shall include testing of all interfaces between:

1. The Contractor’s primary systems
2. The Contractor’s back-up systems
3. The State’s primary systems
4. The State’s back-up systems

The Contractor shall be required to provide all necessary hardware and software to ensure connectivity.

#### Interface Testing

Interface testing shall be conducted to ensure that all files or online messages sent between the State and Contractor systems are properly received, accepted, and are accurately processed. Interface testing shall demonstrate rejection of duplicate files or records and correction of transmission errors.

#### Functional Demonstration

The Functional Demonstration shall provide the State the opportunity to review and observe planned EBT system configuration and operations. The Contractor shall prepare a report of the demonstration results including any system modifications that were identified.

#### User Acceptance Test

During UAT, detailed scripts covering all areas of program functionality shall be used so that any errors identified can be replicated, corrected and re-tested. The Contractor shall:

1. Meet the FNS system testing requirements, including the User Acceptance Testing (UAT) requirements, specified in the FNS Electronic Benefits Transfer (EBT) Request for Proposal (RFP) Guidance, Version 2.0 dated December 19, 2007, or the most recent applicable testing guidance issued by FNS.
2. Provide documentation to the Department of the results of UAT) before the system is converted.
3. Ensure that system functionality meets the required functional specifications. This includes:
   1. Administrative Terminal used by State staff
   2. Account set up
   3. Benefit Issuance Quality Assurance (QA) testing
   4. EBT card production, issuance and replacement
   5. Transaction processing (all transaction types)
   6. Customer Service and IVR
   7. User Experience (UX) of Customer and Retailer portals
   8. Mobile App
   9. Reporting
   10. Data Warehouse
4. Support ad hoc or "what if" portion of the acceptance test, which provides the State representatives and/or designated State technical assistance contractors the opportunity to include various transaction sets and transaction sequences that have not been included in the test scripts and to challenge the system's operations and design.
5. Resolve defects identified during UAT or any previous testing prior to system conversion. Defect status is a component of the go/no go approval to proceed to system conversion.

#### Performance (Stress) Testing

The Contractor shall:

1. Perform performance and stress testing to ensure that there is sufficient capacity within the EBT system to handle the expected transaction volume
2. Use results from the stress test to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so that the EBT system can accommodate the anticipated transaction volumes.

#### Regression Testing

The Department may require any or all of these tests to be repeated in instances where significant modifications are made to the system after these tests are initially completed or if problems that surfaced during initial testing warrant a retest. Department reserves the right to participate and conduct independent testing, as necessary, during UAT and at appropriate times during system design, development, implementation, and operations.

### EBT Contractor Liabilities

The Contractor shall:

1. Have financial liability for EBT Contractor or system processing errors and omissions including fraud and abuse. Federal and State funds may not be drawn down or requested for over-issuances or transactions in excess of the authorized recipients’ benefit allotment.
2. Be responsible for Contractor Errors in the Disbursement or Authorization of Funds. The EBT Contractor shall be liable for EBT Contractor errors in the authorization or disbursement into a client/provider account of funds related to state-administered programs as described in 2 CFR part 200, 45 CFR §200, 45 CFR §74, and 7 CFR §276.
3. Be responsible for Contractor errors in transaction processing and settlement. The Contractor shall bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the EBT Contractor or its representatives or subcontractors. These liabilities shall include, but are not limited to:
   1. Any duplicate or erroneous postings to a client account.
   2. Any losses from funds drawn from an account after the client notified the EBT Contractor that the card had been lost or stolen.
   3. Any losses from transactions performed with cards issued but not activated by the client and/or the Contractor.
   4. Any damages or losses suffered by a Federal or State agency due to negligence on the part of the Contractor.
   5. Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or subcontractors.

### Project Management

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

1. Maintaining regular and frequent contact with the State Project Manager and designated staff
2. Ensuring project conformity with the DHS environment, overall EBT strategic plan, and long-range vision of DHS’s objectives.
3. Implementing the technical solutions and implementation plans.
4. Managing the staffing resources
5. Status Meetings - Conducting weekly status meetings with DHS. 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.
6. Document Library – Maintaining an electronic and hard copy project library, or project libraries, as applicable. DHS 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 DHS upon conclusion of this Contract.
7. Project Deliverables – Responsible for providing the all deliverables identified in **Attachment U, Deliverables Chart**. The following deliverables are specific to the performance of project management:
   1. Meeting Minutes
   2. Monthly Status Reports
   3. Project Delivery Plan
   4. Project Work Plan (PWP)
   5. Staffing Plan
   6. Communication Plan
   7. Risk and Issue Management Plan
   8. QA/QC Plan
   9. Configuration Management Plan
   10. Change Management Plan

### Contractor-Supplied Hardware, Software, and Materials

1. SaaS applications shall be accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface.
2. The State shall be permitted limited user-specific application configuration settings.
3. The Contractor is responsible for the acquisition and operation of all hardware, software and network support related to the services being provided, and shall keep all software current.
4. All Upgrades and regulatory updates shall be provided at no additional cost.
5. The State also requires that the Offeror provide fully functional, generally available software and multiple-user licenses for purchase as needed throughout the life of the Contract.
6. The Offeror shall install and provide all documentation for the software furnished under the Contract.
7. Material costs shall be passed through with no mark-up by the Contractor.
8. The Contractor shall prepare software releases and stage at the Department for validation in the system test environment. The Department will provide authorization to proceed.
9. The Offeror shall provide manufacturer or provider’s standard warranty for the item. Offeror shall identify the duration of the standard warranty. Any warranty period for goods and services will not commence until acceptance of the products or services by the Department. Notwithstanding anything to the contrary, all defective items must be replaced at no additional cost to the State.

### Required Project Policies, Guidelines and Methodologies

The Contractor shall be required to comply with all applicable laws, regulations, policies, standards and guidelines affecting Information Technology projects, which may be created or changed periodically. Offeror is required to review all applicable links provided below and state compliance in its response.

It is the responsibility of the Contractor to ensure adherence and to remain abreast of new or revised laws, regulations, policies, standards and guidelines affecting project execution. These include, but are not limited to:

1. The State of Maryland System Development Life Cycle (SDLC) methodology at: http://doit.maryland.gov/SDLC/Pages/agile-sdlc.aspx
2. The State of Maryland Information Technology Security Policy and Standards at: <http://www.DoIT.maryland.gov>- keyword: Security Policy
3. The State of Maryland Information Technology Non-Visual Standards at: http://doit.maryland.gov/policies/Pages/ContractPolicies.aspx
4. The State of Maryland Information Technology Project Oversight at: <http://doit.maryland.gov/epmo/Pages/ProjectOversight.aspx>
5. Project management methodologies consistent with the most recent edition of the Project Management Institute’s Project Management Body of Knowledge Guide

### Product Requirements

1. Offeror shall be authorized to furnish the proposed goods and services. Offerors proposing to resell services of another entity must be authorized by such other entity (See RFP **Section 5.3.2.)**
2. No international processing for State Data: As described in **Section 3.7, Security Requirements**, Offerors are advised that any processing or storage of data outside of the continental U.S. is prohibited.
3. Any Contract award is contingent on the State’s agreement, during the Proposal evaluation process, to any applicable terms of use and any other agreement submitted under **Section 5.3.2.** Such agreed upon terms of use shall apply consistently across services ordered under the Contract.
4. The Contractor shall not establish any auto-renewal of services beyond the period identified in Contract documents.
5. In addition to any notices of renewal sent to the Department, Contractors shall email notices of renewal to the e-mail address designated by the Contract Monitor.

### Maintenance and Support

Maintenance and support, and Contractor’s ongoing maintenance and support obligations, are defined as follows:

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 DHS 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 T, EBT Required Reports**.
4. Provide 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 Operational activities.
6. Update key design plans and operations manuals as approved by the State. These documents include:
   1. Functional Design Document
   2. Detailed Design Document
   3. Back-up and Recovery Plans
   4. System Security Plan
   5. System Operations/Interface Procedures Manual
   6. Reports Manual
   7. Settlement/Reconciliation Manual
   8. 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. All updates and enhancements, including UI/UX and transmission must be tested in accordance with FNS handbook 7 CFR § 277.18.g.2 before putting into operation.
9. Maintenance commences following the successful system conversion (if applicable) or following the contract transition if there is no system conversion; billing for EBT operational support shall commence after transition/system conversion is accepted as complete.
10. Software maintenance includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining a renewable software support contract.
11. Support shall be provided for superseded releases and back releases still in use by the State.
12. For the first year and all subsequent Contract years, the following services shall be provided for the current version and one previous version of any Software provided with the Deliverables, commencing upon:
    1. Error Correction. Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
    2. Material Defects. Contractor shall notify the State of any material errors or defects in the Deliverables known or made known to Contractor from any source during the life of the Contract that could cause the production of inaccurate or otherwise materially incorrect results. The Contractor shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
    3. Updates. Contractor will provide to the State at no additional charge all new releases and bug fixes (collectively referred to as “Updates”) for any software Deliverable developed or published by the Contractor and made available to its other customers.
13. Operations tasks to include virus scans.
14. Activity reporting.

#### Technical Support

“Technical Support” means Contractor-provided assistance for the services or Solution furnished under the Contract, after initial end-user support confirms a technical issue that requires additional troubleshooting capabilities; sometimes referenced as Tier II – IV support. Note: technical support and help desk are not the same.

1. Technical Support shall be available 24 hours per day, 7 days per week, 365 days per year.
2. The State shall be able to contact a Technical Support team member 24 hours per day, 7 days per week, 365 days per year.
3. Contractor Personnel providing technical support shall be familiar with the State’s account (i.e., calls shall not be sent to a general queue).
4. Contractor shall return calls for service of emergency system issues (see **Section 2.6, Service Level Agreement**) within one (1) hour.
5. Calls for non-emergency IT service requests will be returned within three (3) hours or immediately the following day if after Normal State Business Hours.
6. The State shall be provided with information on software problems encountered at other locations, along with the solution to those problems, when relevant to State software.

#### Backup

The Contractor Shall:

1. Perform backups for all application and configuration data that is necessary to restore the application to full operability on suitable hardware. The backup shall consist of at least:
   1. Incremental daily backups, retained for one (1) month
   2. Full weekly backups, retained for three (3) months
   3. Last weekly backup for each month maintained for two (2) years
   4. Maintain one annual backup for at least 10 years
2. Send the weekly backup electronically to a facility designated by the State.
3. Encrypt the backups using a shared key.
4. Perform a backup recovery at least semi-annually.
5. Provide on demand support for the State’s recovery of a backup set.

### Contract Monitoring, Site Visits and Problem Resolution:

1. 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.
2. The Contractor shall allow the State Project Manager to complete scheduled site visits, as appropriate, to assess performance, determine Contract compliance, and report on delivery of services required under this Contract.
3. The Contractor shall have clear approaches to the following:
   1. Providing support to DHS and technical assistance to support batch execution in all of DHS’s key environments (operations) to meet SLAs as defined in **Section 2.6, Service Level Agreements**.
   2. Performing all batch processing during non-prime time hours (between 7:00 PM and 7 AM).
   3. Performing all online processing during prime-time hours (between 7:00 AM and 7:00 PM).
   4. Providing 24x7x365 production support to DHS’s staff to meet SLAs as defined in **Section 2.6, Service Level Agreements** that include:
      1. Monitoring batch job specifications and providing technical support to ensure the successful batch execution.
      2. Providing a method to define predecessors/successors relationships, deficiencies, and efficiencies.
      3. Scheduling procedures and applying necessary number of initiators and priorities for timely job execution.
      4. Providing a method of accepting the batch and returning accurate confirmation.
      5. Providing daily activity files to DHS and accurate reports.
   5. 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.
   6. 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 downtimes. When the issue is resolved, the Contractor shall notify required staff of the resolution.

## Deliverables

### Deliverable Submission

1. For every deliverable, the Contractor shall request the Contract Monitor confirm receipt of that deliverable by sending an e-mail identifying the deliverable name and date of receipt.
2. For every deliverable, the Contractor shall submit to the Contract Monitor, by e-mail, an Agency Deliverable Product Acceptance Form (DPAF), an example of which is provided on the DoIT web page here: http://doit.maryland.gov/contracts/Documents/\_procurementForms/DeliverableProductAcceptanceForm-DPAFsample.pdf.
3. Unless specified otherwise, written deliverables shall be compatible with Microsoft Office, Microsoft Project or Microsoft Visio within two (2) versions of the current version. At the Contract Monitor’s discretion, the Contract Monitor may request one hard copy of a written deliverable.
4. 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.
5. For any written deliverable, the Contract Monitor may request a draft version of the deliverable, to comply with the minimum deliverable quality criteria listed in **Section 2.4.3, Minimum Deliverable Quality**. Drafts of each final deliverable, except status reports, are required at least two weeks in advance of when the final deliverables are due (with the exception of deliverables due at the beginning of the project where this lead time is not possible, or where draft delivery date is explicitly specified). Draft versions of a deliverable shall comply with the minimum deliverable quality criteria listed in **Section 2.4.3, Minimum Deliverable Quality**.

### Deliverable Acceptance

1. 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 2.4.4, Deliverable Descriptions/Acceptance Criteria**.
2. The Contract Monitor shall review a final deliverable to determine compliance with the acceptance criteria as defined for that deliverable. The Contract Monitor is responsible for coordinating comments and input from various team members and stakeholders. The Contract Monitor is responsible for providing clear guidance and direction to the Contractor in the event of divergent feedback from various team members.
3. The Contract Monitor will issue to the Contractor a notice of acceptance or rejection of the deliverable in the DPAF (see online sample).
4. In the event of rejection, the Contract Monitor will formally communicate in writing any deliverable deficiencies or non-conformities to the Contractor, describing in those deficiencies what shall be corrected prior to acceptance of the deliverable in sufficient detail for the Contractor to address the deficiencies. The Contractor shall correct deficiencies and resubmit the corrected deliverable for acceptance within the agreed-upon time period for correction.
5. At the Contract Monitor’s discretion, subsequent project tasks may not continue until deliverable deficiencies are rectified and accepted by the TO Manager or the TO Manager has specifically issued, in writing, a waiver for conditional continuance of project tasks.

### Minimum Deliverable Quality

The Contractor shall subject each deliverable to its internal quality-control process prior to submitting the deliverable to the State. Each 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. Contain content and presentation 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. Contains no structural errors such as poor grammar, misspellings or incorrect punctuation.
8. Must contain the date, author, and page numbers. When applicable for a deliverable, a revision table must be included.
9. A draft written deliverable may contain limited structural errors such as incorrect punctuation and shall represent a significant level of completeness toward the associated final written deliverable. The draft written deliverable shall otherwise comply with minimum deliverable quality criteria above.

### Deliverable Descriptions/Acceptance Criteria

In addition to the items identified in **Attachment U, Deliverables Chart**, the Contractor may suggest other subtasks, artifacts, or deliverables to improve the quality and success of the assigned tasks. The deliverables in **Attachment U, Deliverables Chart** may not list every contractually required deliverable. Offerors and Contractors should read the RFP thoroughly for all Contract requirements and deliverables.

## Optional Features or Services, Future Work

The following future services may be requested through the change order process. At the discretion of the State following a contract amendment, the Contractor shall be required to support these services.

### Future Services

#### Fresh Fruit and Vegetable Incentive Program (FFVI)

USDA FNS offers programs that provide incentives to encourage SNAP recipients to purchase healthier foods. Per the Food and Nutrition Act of 2008, incentivized food must be a staple food or food product that is consistent with the most recent dietary recommendations, such as a carton of milk or fresh fruit. During the life of this contract, DHS may choose to implement an FFVI program. Should the State decide FFVI program, the EBT Contractor shall support the implementation and operations of the program.

#### Alternative Card Technologies

The 2018 Agriculture Improvement Act (Farm Bill), Section 4006 allows for piloting and implementation of mobile payments. If the State opts to be part of the pilot, or mobile payments is implemented nationwide, the EBT Contractor shall work with the State on its implementation following federal requirements pertaining to mobile payment for SNAP.

Additionally, to address card skimming and cloning activities, the State may choose to update the technology used for all EBT cards. This may include integrated circuit chip technology or other similar technologies currently used in the commercial payment industry. If the State chooses to transition to a new card technology, the EBT Contractor shall support its implementation.

As part of the EBT processor’s response to this section, the EBT processor shall include a proposed implementation solution incorporating circuit chip/EMV technology or other similar technology, as applicable. Pricing for these options should be included within section Attachment B, Financial Proposal Instructions & Form.

#### Additional Security Features

To provide additional protection to cardholders, the State may consider:

1. Expanding the PIN length. It is understood that this will likely require coordination with retailers and updates to their POS system to support a PIN longer than four (4) digits.
2. Requiring cardholders to select a new PIN at an established interval.
3. Providing functionality within the IVR, cardholder portal, or mobile app, the ability for cardholders to block transactions that occur during certain times of the day (e.g., 8 pm – 8 am).

### Change Orders

1. If the Contractor is required to perform work beyond the scope of this RFP, or there is a work reduction due to unforeseen scope changes, a Change Order is required. If necessary, the Contractor and Contract Manager shall negotiate a mutually acceptable price modification based on the Contractor’s proposed rates in the Contract and scope of the work change.
2. No scope of work changes shall be performed until FNS approves a change order and the Procurement Officer executes it.
3. Contractor agrees to respond to any change order request or inquiry for future work within reasonable and customary time intervals or as specified in this Contract. Unless otherwise specified, response times to general inquires or request for responses shall occur within 7 days of the initial request from the State. Subsequent inquires and follow-up responses shall occur within 7 days or within a date agreeable to the State.

## Service Level Agreement (SLA)

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

DHS and the Contractor acknowledge and agree that pursuant to the terms of this Contract, the results of the calculations of the SLAs (see **Section 2.6, Service Level Agreement**) 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.

### Definitions

1. A “Problem” is defined as any situation or issue reported via a help desk ticket that is related to the system operation that is not an enhancement request.
2. “Problem resolution time” is defined as the period of time from when the help desk ticket is opened to when it is resolved.
3. Monthly Charges: for purposes of SLA credit calculation, Monthly Charges are defined as the charges set forth in **Attachment B, Financial Proposal Instructions & Form,** invoiced during the month of the breach for the monthly fixed services, or, in the event of annual billing, 1/12 of the annual invoice amount**.**

### SLA Requirements

The Contractor shall:

1. Provide service at or above the defined SLAs as outlined in **Section 2.6.7, Service Level Measurement Tables**, and provide monthly metrics to show if these SLA standards are being met.
2. Understand that failure to meet some specified SLAs as defined in this RFP may result in SLA Credits and SLA Credit Damages, as outlined in **Section 2.6.7, Service Level Measurement Tables**.
3. Have a comprehensive approach to measuring service levels as outlined in **Section 2.6.7, Service Level Measurement Tables** in providing a functioning statewide EBT system for the delivery of cash and SNAP benefits through ATMs and POS devices and online purchasing.  Approaches and methodologies shall encompass, at a minimum:
   1. 24x7x365 production support services.
   2. Problem determination and resolution.
   3. Problem tracking, testing, monitoring and performance reporting.
   4. EBT System analysis, including but not limited to transactions, queries, and job streams.
   5. Customer Service.
   6. Transaction processing.
   7. Benefit Availability.

**2.6.2.1** 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), security and ease of use.  The Contractor shall:

1. Provide an EBT system that, at a minimum, meets the performance standards consistent with Federal regulations in 7 CFR § 274.8(b) as follows:
   1. 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.
   2. Reliable and accurate in the processing of transactions.  EBT system transactions include the following: POS terminal and ATM initiated and online purchasing, 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. DHS 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 and online purchasing 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.
   3. Meets performance and technical standards, in accordance with 7 CFR §274.8(b) in the areas of system processing speeds.
   4. Meets 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.
   5. Guaranty RTS for transactions originating at ATMs, the Customer Service Call Center and administrative terminal shall be in accordance with general industry standards.
   6. All EBT transactions shall be processed in accordance with 7 CFR § 274.8(b)(1).
   7. Transaction Volume Changes: The Contractor shall accommodate fluctuations in volumes of EBT transactions, especially increases, without a degradation of service.
   8. Ease Of Use: The Contractor shall provide/maintain a user-friendly EBT system that, at a minimum, complies with the requirements of 7 CFR § 274.8(b) (4).
2. Safeguard federal funds, and, as stipulated by the USDA, ensure benefits are not used 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.
3. Be responsible for complying with all performance measurements and ensure compliance by all subcontractors.
4. Meet the Problem response time and resolution requirements as defined in SLA requirements **(see Section 2.6.8, Problem Response Definitions and Times).**
5. Provide a monthly report to monitor and detail response times and resolution times as well as identify any potential concerns.
6. Log Problems into the Contractor supplied help desk software and assign an initial severity (Emergency, High, Medium, or Low as defined in SLA requirements **(see Section 2.6.8, Problem Response Definitions and Times)**.
7. Respond to and update all Problems, including recording when a Problem is resolved and its resolution.
8. Notify appropriate DHS personnel when a Problem is resolved.
9. Take appropriate action based on what DHS determines as the level of Problem severity.
10. Review any Problem with DHS to establish the remediation plan and relevant target dates.

### SLA Effective Date (SLA Activation Date)

1. SLAs set forth herein shall be in effect beginning with the commencement of monthly services as of the completion of the transition-in period.
2. Beginning on the SLA Activation Date, for any performance measurement not met during the monthly reporting period, the SLA credit for that individual measurement shall be applied to the Monthly Charges.

### Service Level Reporting

1. The Department will monitor contractor performance as outlined in **Section 2.6.7, Service Level Measurements Tables**.
2. The Contractor shall provide detailed monthly reports evidencing the attained level for each SLA as outlined **Section 2.6.7, Service Level Measurements Tables**.
3. The Contractor shall provide a monthly summary report for SLA performance as outlined **Section 2.6.7, Service Level Measurements Tables**.
4. Monthly reports shall be delivered via e-mail to the Contract Monitor on a regular schedule in advance of the invoice
5. If any of the performance measurements as outlined **Section 2.6.7, Service Level Measurements Tables** are not met during the monthly reporting period, the Contractor will be notified of the standard that is not in compliance.

### SLA Service Credits

1. Time is an essential element of the Contract. For work that is not completed within the time(s) specified in the service level metrics as outlined **Section 2.6.7, Service Level Measurements Tables** in the Contract, the Contractor shall be liable for service credits in the amount(s) provided for in the Contract.
2. Service credits will be cumulative for each missed service requirement. Service credits may be a specified dollar value or percentage of the monthly charges. The State, at its option for amount due the State as service credits, may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item. In the event of a catastrophic failure affecting all services, all affected SLAs shall be credited to the State.
3. In no event shall the aggregate of all SLA credits paid to the State in any calendar month exceed 25% of the Monthly Charges.
4. Example: If the Monthly Charges were $100,000 and one SLA were missed, with an applicable 4% credit, the credit to the monthly invoice would be $4,000, and the State would pay a net Monthly Charge of $96,000.
5. The parties agree that any assessment of service credits shall be construed and treated by the parties not as imposing a penalty upon the Contractor, but as compensation to the State for the Contractor’s failure to satisfy its service level obligations.

### Root Cause Analysis

If the same SLA measurement yields an SLA credit more than once, the Contractor shall

1. Conduct a root cause analysis (RCA). Such root cause analysis shall be provided within 30 days of the second breach, and every breach thereafter. In addition, for each ‘Emergency’ or ‘High’ priority Problem, the affected parties will perform a root cause analysis and institute a process of problem management to prevent recurrence of the issue.
2. The Contractor shall provide a mechanism for expedited handling of problems that are of critical business priority to DHS to include a 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.

### Service Level Measurements Tables

#### System Performance SLAs

The Contractor shall comply with the service level measurements in the following table.

| Item | Area | Performance Requirements | Deficiency that may trigger SLA Credit |
| --- | --- | --- | --- |
| 1 | EBT Central Computer  System Availability | The Contractor’s EBT System Central Computer shall be available 99.9% of scheduled uptime, 24 hours a day, 7 days per week. Scheduled up-time shall mean the time the database is available for transactions, excluding scheduled downtime for routine maintenance. The EBT System Central Computer consists of all system functions over which the EBT Contractor has control, either directly or through a subcontractor relationship. Scheduled downtime for routine maintenance shall occur during non-peak transaction periods.  The EBT Contractor shall provide a report of compliance on a calendar month basis. | Failure to meet EBT System Central Computer Availability performance requirements 99.9% of scheduled up-time, 24 hours, 7 days per week each month.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet this requirement. |
| 2 | Total EBT System Uptime | The Contractor’s EBT System, including the systems central computer, any network or intermediate processing facilities and cardholder authorization processors, shall be available 98% of scheduled up-time, 24 hours a day, 7 days per week. Scheduled downtime for routine maintenance shall occur during non-peak transaction periods.  The EBT Contractor shall provide a report of compliance on a calendar month basis. | Failure to meet up-time for the Total EBT System 98% of the time as measured on a calendar month basis.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet Total EBT System Uptime. |
| 3 | ACH Settlement | The Contractor shall settle with EBT retailers, TPPs and ATM networks on schedule 99.9% of the time. ‘On schedule' shall mean EBT retailers, TPPs and ATM networks that select a cutover time of no later than 5:00 PM Eastern time will have their bank's account credited no later than one bank business day following the day on which EBT transactions occur. EBT retailers, TPPs and ATM networks that select a cutover time later than 5:00 PM Eastern time will have their bank's account credited no later than two bank business days following the day on which EBT transactions occur. A 'bank business day' shall mean a day other than Saturday, Sunday or a day on which financial institutions are closed.  The EBT Contractor shall provide a report of compliance on a calendar month basis. | Failure to meet ACH Settlement performance requirements 99.9% of the time as measured on a calendar basis.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet ACH Settlement. |
| 4 | Benefit/Deposit Availability | Contractor shall have benefits available to customers in accordance with the State’s Benefits Issuance Schedule.  The EBT Contractor shall provide a report of compliance on a calendar month basis. | Failure to meet Benefits/Deposit Availability performance requirements 100% of the time as measured on a calendar basis.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet Benefit/Deposit Availability. |
| 5 | Inaccurate Transactions Over-Issuance | In the event of an inaccurate transaction resulting in an over issuance, posted benefits shall be removed prior to the availability date. 'Inaccurate transaction' shall mean a system error that results in: a purchase amount requested being authorized for a different amount; double debits posted to a recipient's account; an incorrect refund amount being credited to a recipient's account; a refund being posted to the wrong account (i.e., SNAP refund posted to the cash account), or an incorrect credit being applied to a recipient's account. | In the event any over issuance is not removed prior to the availability date, Contractor shall be responsible for incurring all costs resulting from the over issuance and may not seek to recover such costs from benefit recipients. The Contractor shall also be responsible for actual damages, if any, suffered by the State resulting from the over issuance, including all expenses incurred that would not have been incurred but for Contractor’s over issuance. |
| 6 | Transaction Response Time | The Contactor and its certified third-party processors shall meet the response time requirements contained in 7 C.F.R. § 274.8(b)(1)(ii).  The EBT Contractor shall provide a report of compliance on a calendar month basis. | Failure to meet Transaction Response Time performance requirements 100% of the time as measured on a calendar basis.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet Transaction Response Time. |
| 7 | Inaccurate Transactions | The system central computer shall permit no more than two inaccurate EBT transactions for every 10,000 EBT transactions processed.  The definition of an inaccurate transaction shall include an individual benefit authorization as well.  The EBT Contractor shall provide a report of compliance on a calendar month basis. | Failure to meet Inaccurate Transactions performance requirements 100% of the time as measured on a calendar basis.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Inaccurate Transactions. |
| 8 | Equipment Installation for EBT Only Retailers | The Contractor shall ensure that 100% of all retailer agreements are sent to exempt retailers within one (1) business day of notification of the new exempt retailer in the REDE file or of the request from a non-exempt retailer to lest EBT Only POS equipment.  The Contractor shall ensure that 100% of all EBT Only POS devices are shipped to retailers within five (5) business days of receipt of the signed Retailer Agreement.  The Contractor shall ensure that 100% of all EBT Only POS devices are installed and operational within 10 business days of receipt of the receipt of the device(s) by the retailer. | Failure to install 100% of the POS terminals within fourteen (14) days of the EBT Contractor receiving the USDA FNS authorization through the REDE interface as defined and measured on a calendar month basis.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Equipment Installation for EBT Only Retailers. |
| 9 | Retailer Conversion Readiness | The Contractor shall ensure that locations representing 95% of all SNAP redemptions are ready to accept SNAP benefit transactions on the day of conversion.  The Contractor shall ensure that cash access points representing 95% of all cash redemptions are ready to accept cash benefit transactions on the day of conversion.  The Contractor shall ensure minimum of 85% of retailers using EBT-Only POS devices are equipped, installed, trained and ready to accept EBT transactions on the day of conversion | The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Retailer Conversion Readiness. |
| 10 | SEV 1 and SEV2 Incidents Not Reported on-time | The Contractor shall notify the State of all reported SEV 1 and SEV 2 incidents within the agreed upon timelines, 100% of the time.  The EBT Contractor shall provide a report of compliance on a calendar month basis. | The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated SEV1 and SEV2 notification timelines. |
| 11 | PIN blocking for invalid PIN attempts | 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 unless the PIN is changed by the cardholder. In the case of accounts with multiple cards, all other cards shall be allowed continued access to any remaining available benefits. | If PIN blocking to prevent access after four consecutive, inaccurate attempts at an ATM or POS terminal fails.  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 12 | Scheduled Downtime/  Maintenance | Scheduled maintenance and downtime shall only occur during non-business hours\*. The Contractor shall provide 14 calendar days’ notice prior to any scheduled downtime. | <6 hours each month  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 13 | Communication Outage | Contractor will circumvent communication outages of longer than five (5) minutes. | Longer than five (5) minutes  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 14 | Business Continuity | Contractor shall provide continuity of operations within 24 hours of a system/network failover. | 24 hours  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 15 | Notification of Security Incident | Notification of a Security Incident immediately or no longer than one (1) hour of knowledge of an incident occurring. | Within one hour  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 16 | Security Incident Reporting | Security incident reporting requirement in 24 hours | 24 hours  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 17 | Backup System | In the event of a catastrophic disruption of benefit delivery services the EBT Contractor shall move to a backup system within 30 minutes of system disruption. | 30 minutes  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 18 | Downtime Notice | Provide 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. | 36 hours advance notice  The State may, at its discretion, assess the Contractor damages of $2500 for each failure |
| 19 | Fraudulent Activity by Contractor Employee | The Contractor shall ensure that its employees do not engage in fraudulent behavior that impacts the State or a cardholder. | The Contractor shall be responsible for actual damages, if any, suffered by the State and/or the cardholder resulting from the fraudulent activity, including the replacement of benefits and all expenses incurred that would not have been incurred but for the fraudulent activity by the Contractor’s employee. |

#### Customer Service Level Measurements SLAs with SLA Credits

The Contractor shall comply with the service level measurements in the following table:

| No. | Service Requirement | Measurement | Quantitative  Performance  Measures | Service Level Agreement | SLA Credit |
| --- | --- | --- | --- | --- | --- |
| 1 | Active Toll-Free Number | Ability of the IVR to answer all calls coming in through the toll-free number | Availability | >99% | 1% |
| 2 | IVR First Response Time | Maximum time taken for IVR to respond to an incoming call | Within four (4) rings | >99% | 1% |
| 3 | IVR Wait Time Message | Message prompt by the IVR when call wait time exceeds 4 minutes | Prompt message availability within 240 seconds | >99% | 1% |
| 4 | IVR Callback Option Prompt | If Customer chooses for a Call-back in the same order of priority in the ACD | Prompt call center callback according to ACD order of priority | >99% | 1% |
| 5 | IVR Call Transfer | Ability of the IVR to keep the call active from the time the caller calls to the time the call is closed | Uninterrupted transferability, call continuity and responsiveness | >99% | 1% |
| 6 | Abandoned Calls | The maximum tolerance of total calls abandonment at any given point in time that can happen in the IVR or when a CSR is already in communication with the caller and the call drops | Percentage rate | <5% | 1% |
| 7 | Hold time | Time that a caller is put on hold before CSR checks back with the caller | Less than 120 Seconds | >99% | 1% |
| 8 | CSR Call Handling | Time taken by a CSR to complete a call with a Customer | Average call handling time | <300 Seconds | 1% |
| 9 | Real-time Dashboards | Monitoring technology to enable DHS to access data displaying real time CSC activity (call volume, number of calls in queue, waiting time, available staff, etc.) | Availability | >99% | 1% |
| 10 | Call Resolution | Ability of the IVR and CSR to resolve a call at the first instance based on CSR call resolution expectations defined in the Administrations Desk Reference Guide. | First-Call Resolution | >90% | 1% |
| 11 | Call Transfer | Calls transferred to the CSR from the total calls coming into the IVR. IVR is required to resolve more than 75% of the incoming Customer calls) | Transfer rate | <25% | 1% |
| 12 | Inbound Outbound Call-back Ratio | The ratio of the number of calls that come into the call center in relation to the number of Callback requests from Customers. | Percentage | 1% | 1% |
| 13 | Customer Satisfaction | Rate the quality, timeliness, and other service delivery elements carried out by the call center. Criteria for consistent quality of Customer satisfaction  ● Exceeds Expectations  ● Meets Expectations  ● Below Expectations | Monthly random sampling and survey | >80% of sample to fulfill Meets or Exceeds Expectations criteria | 1% |
| 14 | Customer Complaint  Level 1 | The rate of complaints against the call center staff per month. | Percentage of calls escalated to call center Supervisors | <5% | 1% |
| 15 | Customer Complaint  Level 2 | Any problem or complaint that the call center supervisor was unable to resolve in Level 1. | Percentage of calls escalated to DHS | <1% | 1% |

#### Customer Service Level Measurements SLAs with SLA Credit Damages

This performance standard applies to both Cardholder Call Center and Retailer Help Desk. The Contractor shall meet the following customer service standards. These standards shall be measured on a calendar week basis with circumstances beyond Contractor’s control taken into consideration before application of the remedy. The Contractor shall comply with the service level measurements in the following table:

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Area | Performance Requirements | Deficiency that may trigger SLA Credit |
| 1 | Customer Service | 97% of CSR calls answered within 2 minutes measured monthly | The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Manual Transactions |
| 2 | Customer Service | No more than 10% of calls shall receive a busy signal | The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Manual Transactions |
| 3 | Customer Service | Calls to a CSR – 100% of all calls to a CSR shall be documented, including the date, time, nature and resolution of the call; 100% of all calls to a CSR shall be recorded and retrievable for investigative and/or monitoring purposes. | The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Manual Transactions |
| 4 | Customer Service | The EBT Contractor shall provide a report of compliance on a calendar month basis. | The State may, at its discretion, assess the Contractor damages of $2500 for each failure to meet stated Manual Transactions |

#### Problem Response SLAs

The Contractor shall comply with the service level measurements for all problems in the following table.

| No. | Service Requirement | Measurement | Service Level Agreement | SLA Credit |
| --- | --- | --- | --- | --- |
| 1 | Problem Response Time – High | Average Response Time for High Priority Problems. | 98% <15 minutes | 1% |
| 2 | Problem Response Time - Normal | Average Response Time for Normal or Low Priority Problems | 98% <2 hours | 1% |
| 3 | Problem Resolution Time - High | Resolution Time for each High Priority Problem | 98% <4 hours | 1% |
| 4 | Problem Resolution Time - Normal | Resolution Time for Normal Priority Problems | 98% <24 hours | 1% |
| 5 | Problem Resolution Time - Low | Resolution Time for Low Priority Problems | 98% <72 hours | 1% |

### Problem Response Definitions and Times

1. The Contractor shall meet the Problem response time and resolution requirements.
2. The Contractor shall provide a monthly report to monitor and detail response times and resolution times.

| Service Priority | Response Time | Resolution Time | Response Availability | Work Outage | Users Affected |
| --- | --- | --- | --- | --- | --- |
| Emergency | Less than 15 minutes | Within 2 hours of first report | 24 hours per day, seven days per week | Major portions of the System are inaccessible  Systems or users are unable to work, or to perform some portion of their job. | Users or internal System functionalities are impaired. |
| High | Less than 30 minutes | Within 4 hours after first report | 24 hours per day, seven days per week | Major portions of the System are inaccessible  Systems or users are unable to work, or to perform some portion of their job. | Affects the majority of users to include public facing users.  Affects high profile users (i.e. executive management) |
| Normal | Within 2 hours | Within 1 day (24 hours) after first report. If the outage is not resolved a resolution plan must be in place. | Mon-Fri, 7AM-7PM | Specific non-critical features are not operating as specified  Systems or users are unable to perform a small portion of their job, but are able to complete most tasks. | Affects several users |
| Low | Within 2 hours | Within 3 days (72 hours) after first report. If the outage is not resolved a resolution plan must be in place. | Mon-Fri, 7AM-7PM | Lower priority features that can be done manually are not operating as specified  Often a request for service with ample lead time. | Affects several users |

# Contractor Requirements: General

## Contract Initiation Requirements

### Post-Award Orientation Conference

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 within 14 Calendar Days of the NTP Date.  The date, time and location of the Post-Award Orientation Conference will be indicated to the successful Contractor after award.

### Kick Off Meeting

The State shall schedule and hold a Kick-Off meeting within 30 Calendar Days of the NTP Date. At the Kick-Off, the State will outline the transition period which can be a period of up to 12 months. The Contractor shall furnish an updated Project Work Plan describing the activities for the Contractor, the State, and any third parties for fully transitioning to the Contractor’s Solution, the NTP, service delivery, invoice processing, monitoring and other Contract terms and conditions.

## End of Contract Transition

The Contractor shall provide transition assistance as requested by the State to facilitate the orderly transfer of services to the State or a follow-on contractor, for a period up to 12 Months prior to Contract end date, or the termination thereof.

Such transition efforts shall consist, not by way of limitation, of:

1. Provide additional services and support as requested to successfully complete the transition;
2. Maintain the services called for by the Contract at the required level of proficiency;
3. Provide updated System Documentation (see Appendix 1), as appropriate; and
4. Provide current operating procedures (as appropriate).

### Prompt and Timely Transition

The Contractor shall work toward a prompt and timely transition, proceeding in accordance with the directions of the Contract Monitor. The Contract Monitor may provide the Contractor with additional instructions to meet specific transition requirements prior to the end of the Contract.

### Materials and Knowledge Transfer

The Contractor shall ensure that all necessary knowledge and materials for the tasks completed are transferred to the custody of State personnel or a third party, as directed by the Contract Monitor.

### Transition-Out Tasks

The Contractor shall support end-of-Contract transition efforts with technical and project support to include but not be limited to:

1. The Contractor shall provide a draft Transition-Out Plan 18 Months in advance of the Contract end date; the final Transition-Out Plan is due within 13 Months.
2. The Transition-Out Plan shall address at a minimum the following areas:
   1. Any staffing concerns/issues related to the closeout of the Contract;
   2. Communications and reporting processes between the Contractor, the outgoing contractor the DHS and the State Project Manager;
   3. Supporting the requirements for SNAP/cash transition as specified in the FNS EBT Transition Guide Version 2.0, June 6, 2005 or the latest conversion guidance issued by FNS;
   4. The EBT Contractor shall work in a professional manner with the new EBT Contractor/processor to execute a smooth and timely transition at the end of its contract term. This includes but is not limited to:
      1. Data conversion
      2. PIN encryption key exchange
      3. Retailer EBT Only POS equipment conversion
      4. Porting of the Cardholder Customer Service phone number
      5. Continuity of EBT services to cardholders and retailers
   5. Security and system access review and closeout;
   6. Any hardware/software inventory or licensing including transfer of any point of contact for required software licenses to the DHS Services or a designee;
   7. Any final training/orientation of DHS staff;
   8. Connectivity services provided, activities and approximate timelines required for Transition-Out;
   9. Knowledge transfer, to include:
      1. A working knowledge of the current system environments as well as the general business practices of the DHS Services;
      2. Review with the DHS the procedures and practices that support the business process and current system environments;
      3. Working knowledge of all technical and functional matters, architecture, data file structure, interfaces, any batch programs, and any hardware or software tools utilized in the performance of the Contract;
      4. Documentation that lists and describes all hardware and software tools utilized in the performance of the Contract;
      5. A working knowledge of various utilities and corollary software products used in support and operation of the EBT system;
   10. Plans to complete tasks and any unfinished work items (including open change requests, and known bug/issues); and
   11. Any risk factors with the timing and the Transition-Out schedule and transition process. The Contractor shall document any risk factors and suggested solutions.
3. The Contractor shall ensure all documentation and data including, but not limited to, System Documentation and current operating procedures, is current and complete with a hard and soft copy in a format prescribed by the State Project Manager.
4. The Contractor shall provide copies of any current daily and weekly back-ups to the DHS or a third party as directed by the State Project Manager as of the final date of transition, but no later than the final date of the Contract.
5. Access to any data or configurations of the furnished product and services shall be available after the expiration of the Contract as described in **Section 3.2.5, Disaster Recovery and Data**.

### Return and Maintenance of State Data

1. Upon termination or the expiration of the Contract Term, the Contractor shall:
   1. Return to the State all State data in either the form it was provided to the Contractor or in a mutually agreed format along with the schema necessary to read such data;
   2. Preserve, maintain, and protect all State data until directed by the State to delete such data;
   3. After the retention period, the Contractor shall securely dispose of and permanently delete all State data in all of its forms such that it is not recoverable, according to National Institute of Standards and Technology (NIST)-approved methods with certificates of destruction to be provided to the State; and
   4. Prepare an accurate accounting from which the State may reconcile all outstanding accounts. The final monthly invoice for the services provided hereunder shall include all charges for the data retention period.
2. During any period of service suspension, the Contractor shall maintain all State data in its then existing form, unless otherwise directed in writing by the Contract Monitor.
3. In addition to the foregoing, the State shall be entitled to any post-termination/expiration assistance generally made available by Contractor with respect to the services.

## Invoicing

### General

1. The Contractor shall e-mail each invoice and signed authorization to invoice to the Contract Monitor and Judy Marsh at e-mail address: [judy.marsh@maryland.gov](file://ssc-vcl-data/SHARED_DIRECTORIES/Procurement/Nneka/OTHS.OTHS.22.002.S/Solicitation%20Drafts/judy.marsh@maryland.gov).
2. All invoices for services shall be verified by the Contractor as accurate at the time of submission.
3. An invoice not satisfying the requirements of a Proper Invoice (as defined at COMAR 21.06.09.01 and .02) cannot be processed for payment. To be considered a Proper Invoice, invoices must include the following information, without error:
   1. Contractor name and address;
   2. Remittance address;
   3. Federal taxpayer identification (FEIN) number, social security number, as appropriate;
   4. Invoice period (i.e., time period during which services covered by invoice were performed);
   5. Invoice date;
   6. Invoice number;
   7. State assigned Contract number;
   8. State assigned (Blanket) Purchase Order number(s);
   9. Goods or services provided;
   10. Amount due; and
   11. Any additional documentation required by regulation or the Contract.
4. Invoices that contain both fixed price and time and material items shall clearly identify each item as either fixed price or time and material billing.
5. The DHS reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the DHS with all required deliverables within the time frame specified in the Contract or otherwise breaches the terms and conditions of the Contract until such time as the Contractor brings itself into full compliance with the Contract.
6. Any action on the part of the DHS, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.04.
7. The State is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. The Contractor; however, is not exempt from such sales and use taxes and may be liable for the same.
8. Invoices for final payment shall be clearly marked as “FINAL” and submitted when all work requirements have been completed and no further charges are to be incurred under the Contract. In no event shall any invoice be submitted later than 60 calendar days from the Contract termination date.

### Invoice Submission Schedule

The Contractor shall submit invoices in accordance with the following schedule:

1. For items of work for which there is one-time pricing (see **Attachment B, Financial Proposal Instructions & Form**) those items shall be billed in the month following the acceptance of the work by DHS
2. For items of work for which there is annual pricing, see **Attachment B, Financial Proposal Instructions & Form**, those items shall be billed in equal monthly installments for the applicable Contract year in the month following the performance of the services.

### Deliverable Invoicing

1. Deliverable invoices shall be accompanied by notice(s) of acceptance issued by the State for all invoices submitted for payment. Payment of invoices will be withheld if a signed DPAF is not submitted (see online example at http://doit.maryland.gov/contracts/Documents/\_procurementForms/DeliverableProductAcceptanceForm-DPAFsample.pdf).
2. Payment for deliverables will only be made upon completion and acceptance of the deliverables as defined in **Section 2.4, Deliverables**.

### Invoicing for EBT Cost Per Case Month (CPCM) Activity

At the end of each calendar month, the EBT Contractor shall prepare an invoice for services rendered during the month and submit an invoice to DHS.

1. Invoices must be received by DHS by the 15th calendar day following the close of the month being billed.
2. Incorrect/ disputed invoices will not be paid until corrected.
3. The invoice must be accompanied by supporting documentation that substantiates each individual line item on the invoice.
4. Invoice charges must be validated and substantiated, including pass-through expenses to the State, in order for payment to be approved.
5. At a minimum the invoice shall include the period of service covered by the invoice and shall itemize the following:
   1. Total number of active cases served segmented by active SNAP accounts (also known as cases), cash accounts, Direct Deposit accounts, and CPCM pricing for all active accounts served. See **Attachment B, Financial Proposal Instructions & Form** for the definition of active account/case.
   2. Other type of active SNAP programs supported for the State, such as P-EBT and Summer EBT shall be identified separately from the active SNAP and cash accounts.
   3. If applicable, equipment by type, number of units and cost per unit, and total cost by type of equipment.
   4. Any other fees, services or adjustments.
   5. Applicable State and local taxes.
   6. Total amount due.

### For the purposes of the Contract an amount will not be deemed due and payable if:

1. The amount invoiced is inconsistent with the Contract;
2. The proper invoice has not been received by the party or office specified in the Contract;
3. The invoice or performance is in dispute or the Contractor has failed to otherwise comply with the provisions of the Contract;
4. The item or services have not been accepted;
5. The quantity of items delivered is less than the quantity ordered;
6. The items or services do not meet the quality requirements of the Contract;
7. If the Contract provides for progress payments, the proper invoice for the progress payment has not been submitted pursuant to the schedule;
8. If the Contract provides for withholding a retainage and the invoice is for the retainage, all stipulated conditions for release of the retainage have not been met; or
9. The Contractor has not submitted satisfactory documentation or other evidence reasonably required by the Procurement Officer or by the Contract concerning performance under the Contract and compliance with its provisions.

### Travel Reimbursement

Travel will not be reimbursed under this RFP.

## Liquidated Damages

### MBE Liquidated Damages

MBE liquidated damages are identified in **Attachment M.**

### Liquidated Damages other than MBE

Not applicable under this RFP

## Disaster Recovery and Data

The following requirements apply to the Contract:

### Redundancy, Data Backup and Disaster Recovery

1. Unless specified otherwise in the RFP, Contractor shall maintain or cause to be maintained disaster avoidance procedures designed to safeguard State data and other confidential information, Contractor’s processing capability and the availability of hosted services, in each case throughout the Contract term. Any force majeure provisions of the Contract do not limit the Contractor’s obligations under this provision.
2. The Contractor shall provide a fully functional Disaster Recovery (DR) site and/or fully functional Disaster recovery facilities.
3. The DR site shall be at least 100 miles from the primary operations site and have the capacity to take over complete production volume in case the primary site becomes unresponsive.
4. The contingency and DR plans must:
   1. Be designed to ensure that services under the Contract are restored after a disruption within twenty-four (24) hours from notification and a recovery point objective of one (1) hour or less prior to the outage in order to avoid unacceptable consequences due to the unavailability of services.
   2. Provide a process, including length of time to move operations back to the primary system from the back-up after recovery from a disaster.
   3. Provide an escalation process that includes notification of State EBT managers of a disaster.
   4. Document and provide post-incident recovery procedures and responsibilities required to facilitate the rapid restoration of normal operations at the primary site or, if necessary, at an alternate facility, following destruction, major damage, or other significant interruptions of the primary site.
5. The Contractor shall test the contingency/DR plans at least twice annually to identify any changes that need to be made to the plan(s) to ensure a minimum interruption of service. Coordination shall be made with the State to ensure limited system downtime when testing is conducted. At least one (1) annual test shall include backup media restoration and failover/fallback operations at the DR location. The Contractor shall send the Contract Monitor a notice of completion following completion of DR testing.
6. Such contingency and DR plans shall be available for the DHS to inspect and practically test at any reasonable time, and subject to regular updating, revising, and testing throughout the term of the Contract.
7. The Contractor shall test its disaster recovery processes every six (6) months, to include a live drill and tabletop.  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 DHS, and work with DHS 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.
8. 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.
9. Contractor’s Back-up Facility
   1. 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.
   2. The Contractor shall provide information about the site and a point of contact at the alternate site.
   3. The Contractor shall have the EBT hot back-up site begin processing transactions within one hour of a disaster declaration.
   4. The Contractor shall notify the State immediately upon Contractor’s decision to move to a disaster back-up site to provide EBT services.

### Data Export/Import

1. The Contractor shall, at no additional cost or charge to the State, in an industry standard/non-proprietary format:
2. perform a full or partial import/export of State data within 24 hours of a request; or
3. provide to the State the ability to import/export data at will and provide the State with any access and instructions which are needed for the State to import or export data.
4. Any import or export shall be in a secure format per the Security Requirements.

### Data Ownership and Access

1. Data, databases and derived data products created, collected, manipulated, or directly purchased as part of a RFP are the property of the State. The purchasing State agency is considered the custodian of the data and shall determine the use, access, distribution and other conditions based on appropriate State statutes and regulations.
2. Public jurisdiction user accounts and public jurisdiction data shall not be accessed, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of the Contract, including as necessary to perform the services hereunder or (4) at the State’s written request.
3. The Contractor shall limit access to and possession of State data to only Contractor Personnel whose responsibilities reasonably require such access or possession and shall train such Contractor Personnel on the confidentiality obligations set forth herein.
4. At no time shall any data or processes – that either belong to or are intended for the use of the State or its officers, agents or employees – be copied, disclosed or retained by the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the State.
5. The Contractor shall not use any information collected in connection with the services furnished under the Contract for any purpose other than fulfilling such services.

Provisions in Sections 3.5.1 – 3.5.3 shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of Sections 3.5.1-3.5.3 (or the substance thereof) in all subcontracts.

## Insurance Requirements

The Contractor shall maintain, at a minimum, the insurance coverages outlined below, or any minimum requirements established by law if higher, for the duration of the Contract, including option periods, if exercised:

### Minimum Coverage

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

1. Commercial General Liability - of $1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal and advertising injury and $3,000,000 annual aggregate. The minimum limits required herein may be satisfied through any combination of primary and umbrella/excess liability policies.
2. Errors and Omissions/Professional Liability - $1,000,000 per combined single limit per claim and $3,000,000 annual aggregate.
3. Crime Insurance/Employee Theft Insurance - to cover employee theft with a minimum single loss limit of $1,000,000 per loss, and a minimum single loss retention not to exceed $10,000. The State of Maryland and the DHS should be added as a “loss payee.”
4. Cyber Security / Data Breach Insurance – The Contractor shall possess and maintain throughout the term of the Contractor and for three (3) years thereafter, cyber risk/ data breach insurance (either separately or as part of a broad Professional Liability or Errors and Omissions Insurance) with limits of at least five million dollars ($5,000,000) per claim. Any "insured vs. insured" exclusions will be modified accordingly to allow the State additional insured status without prejudicing the State’s rights under the policy(ies). Coverage shall be sufficiently broad to respond to the Contractor's duties and obligations under the Contract and shall include, but not be limited to, claims involving privacy violations, information theft, damage to or destruction of electronic information, the release of Sensitive Data, and alteration of electronic information, extortion, and network security. The policy shall provide coverage for, not by way of limitation, breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
5. Worker’s Compensation - The Contractor shall maintain such insurance as necessary or as required under Workers’ Compensation Acts, the Longshore and Harbor Workers’ Compensation Act, and the Federal Employers’ Liability Act, to not be less than one million dollars ($1,000,000) per occurrence (unless a state’s law requires a greater amount of coverage). Coverage must be valid in all states where work is performed.
6. Automobile or Commercial Truck Insurance - The Contractor shall maintain Automobile or Commercial Truck Insurance (including owned, leased, hired, and non-owned vehicles) as appropriate with Liability, Collision, and PIP limits no less than those required by the State where the vehicle(s) is registered, but in no case less than those required by the State of Maryland.

The State shall be listed as an additional insured on the faces of the certificates associated with the coverages listed above, including umbrella policies, excluding Workers’ Compensation Insurance and professional liability.

All insurance policies shall be endorsed to include a clause requiring the insurance carrier provide the Procurement Officer, by certified mail, not less than 30 days’ advance notice of any non-renewal, cancellation, or expiration. The Contractor shall notify the Procurement Officer in writing, if policies are cancelled or not renewed within five (5) days of learning of such cancellation or nonrenewal. The Contractor shall provide evidence of replacement insurance coverage to the Procurement Officer at least 15 days prior to the expiration of the insurance policy then in effect.

Any insurance furnished as a condition of the Contract shall be issued by a company authorized to do business in the State.

The recommended awardee must provide current certificate(s) of insurance with the prescribed coverages, limits and requirements set forth in this section within five (5) Business Days from notice of recommended award. During the period of performance for multi-year contracts, the Contractor shall provide certificates of insurance annually, or as otherwise directed by the Contract Monitor.

### Subcontractor Insurance

The Contractor shall require any subcontractors to obtain and maintain comparable levels of coverage and shall provide the Contract Monitor with the same documentation as is required of the Contractor.

## Security Requirements

The following requirements are applicable to the Contract:

### Employee Identification

1. Contractor Personnel shall display his or her company ID badge in a visible location at all times while on State premises. Upon request of authorized State personnel, each Contractor Personnel shall provide additional photo identification.
2. Contractor Personnel shall cooperate with State site requirements, including but not limited to, being prepared to be escorted at all times, and providing information for State badge issuance.
3. Contractor shall remove any Contractor Personnel from working on the Contract where the State determines, in its sole discretion, that Contractor Personnel has not adhered to the Security requirements specified herein.
4. The State reserves the right to request that the Contractor submit proof of employment authorization of non-United States Citizens, prior to commencement of work under the Contract.

### Security Clearance / Criminal Background Check

1. A criminal background check for each Contractor Personnel shall be completed prior to each Contractor Personnel providing any services under the Contract OR within four (4) months of Contract award.
2. The Contractor shall obtain at its own expense a Criminal Justice Information System (CJIS) State and federal criminal background check, including fingerprinting, for all Contractor Personnel listed in sub-paragraph A. This check may be performed by a public or private entity.
3. The Contractor shall provide certification to the DHS that the Contractor has completed the required criminal background check described in this RFP for each required Contractor Personnel prior to assignment, and that the Contractor Personnel have successfully passed this check.
4. Persons with a criminal record may not perform services under the Contract unless prior written approval is obtained from the Contract Monitor. The Contract Monitor reserves the right to reject any individual based upon the results of the background check. Decisions of the Contract Monitor as to acceptability of a candidate are final. The State reserves the right to refuse any individual Contractor Personnel to work on State premises, based upon certain specified criminal convictions, as specified by the State.
5. The CJIS criminal record check of each Contractor Personnel who will work on State premises shall be reviewed by the Contractor for convictions of any of the following crimes described in the Annotated Code of Maryland, Criminal Law Article:
   1. §§ 6-101 through 6-104, 6-201 through 6-205, 6-409 (various crimes against property);
   2. any crime within Title 7, Subtitle 1 (various crimes involving theft);
   3. §§ 7-301 through 7-303, 7-313 through 7-317 (various crimes involving telecommunications and electronics);
   4. §§ 8-201 through 8-302, 8-501 through 8-523 (various crimes involving fraud);
   5. §§9-101 through 9-417, 9-601 through 9-604, 9-701 through 9-706.1 (various crimes against public administration); or
   6. a crime of violence as defined in CL § 14-101(a).
6. Contractor Personnel with access to systems supporting the State or to State data who have been convicted of a felony or of a crime involving telecommunications and electronics from the above list of crimes shall not be permitted to work on State premises under the Contract; Contractor Personnel who have 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.

### On-Site Security Requirement(s)

When visiting State facilities, the Contractor shall adhere to all State security requirements. This includes presenting a photo ID, providing information for the obtaining of State-issued Contractor badges, at the discretion of DHS 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, Department of Budget and Management (DBM) and other compliance officers.
3. Ensure Contractor equipment shall meet or exceed DHS’s standards for virus protection and security.
4. Agree to enter into a connectivity agreement with DHS. The agreement shall include, but not be limited to, the following:
   1. Will not attach 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.
   2. Ensure that security settings meet or exceed State security standards as defined within **Section 3.7.3, Onsite Security Requirements**, of this document.
   3. Once established, no security provisions for firewalls, client, and server computers shall be modified without written State approval.
   4. Current updated virus software and virus definition files that are enabled to perform real time scans shall be maintained on all Contractor-supplied hardware.
   5. Dialup modem use is specifically disallowed while attached to the State network.
   6. Not install or utilize remote control or file sharing software unless explicitly approved by the State.
   7. Ensure all necessary documentation is signed in order to keep the Contractor in compliance with state IT security policies.

### Information Technology

1. Contractors shall comply with and adhere to the State IT Security Policy and Standards. 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 IT Policy and Standards are available online at: [www.doit.maryland.gov](http://www.doit.maryland.gov) – keyword: Security Policy.
2. The Contractor shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.

The Contractor shall:

* 1. Implement administrative, physical, and technical safeguards to protect State data that are no less rigorous than accepted industry best practices for information security such as those listed below (see **Section 3.7.5, Data Protection and Controls**);
  2. Ensure that all such safeguards, including the manner in which State data is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws as well as the terms and conditions of the Contract; and
  3. The Contractor, and Contractor Personnel, shall (i) abide by all applicable federal, State and local laws, rules and regulations concerning security of Information Systems and Information Technology and (ii) comply with and adhere to the State IT Security Policy and Standards as each may be amended or revised from time to time. Updated and revised versions of the State IT Policy and Standards are available online at: <https://doit.maryland.gov/policies/Pages/default.aspx> - key word: Security Policy.

### Data Protection and Controls

1. Contractor shall ensure a secure environment for all State data and any hardware and software (including but not limited to servers, network and data components) provided or used in connection with the performance of the Contract and shall apply or cause application of appropriate controls so as to maintain such a secure environment (“Security Best Practices”). Such Security Best Practices shall comply with an accepted industry standard, such as the NIST cybersecurity framework.
2. To ensure appropriate data protection safeguards are in place, the Contractor shall implement and maintain the following controls at all times throughout the Term of the Contract (the Contractor may augment this list with additional controls):
   1. Establish separate production, test, and training environments for systems supporting the services provided under the Contract and ensure that production data is not replicated in test or training environment(s) unless it has been previously anonymized or otherwise modified to protect the confidentiality of Sensitive Data elements. The Contractor shall ensure the appropriate separation of production and non-production environments by applying the data protection and control requirements listed in **Section** **3.7.5**.
   2. Apply hardware and software hardening procedures as recommended by Center for Internet Security (CIS) guides https://www.cisecurity.org/, Security Technical Implementation Guides (STIG) <https://public.cyber.mil/stigs/>, or similar industry best practices to reduce the systems’ surface of vulnerability, eliminating as many security risks as possible and documenting what is not feasible or not performed according to best practices. Any hardening practices not implemented shall be documented with a plan of action and milestones including any compensating control. These procedures may include but are not limited to removal of unnecessary software, disabling or removing unnecessary services, removal of unnecessary usernames or logins, and the deactivation of unneeded features in the Contractor’s system configuration files.
   3. Ensure that State data is not comingled with non-State data through the proper application of compartmentalization Security Measures.
   4. Apply data encryption to protect Sensitive Data at all times, including in transit, at rest, and also when archived for backup purposes. Unless otherwise directed, the Contractor is responsible for the encryption of all Sensitive Data.
   5. For all State data the Contractor manages or controls, data encryption shall be applied to such data in transit over untrusted networks.
   6. Encryption algorithms which are utilized for encrypting data shall comply with current Federal Information Processing Standards (FIPS), “Security Requirements for Cryptographic Modules”, FIPS PUB 140-2:

<http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf>

<http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm>

* 1. Enable appropriate logging parameters to monitor user access activities, authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers and information security standards, including Maryland Department of Information Technology’s Information Security Policy.
  2. Retain the aforementioned logs and review them at least daily to identify suspicious or questionable activity for investigation and documentation as to their cause and remediation, if required. The Department shall have the right to inspect these policies and procedures and the Contractor or subcontractor’s performance to confirm the effectiveness of these measures for the services being provided under the Contract.
  3. Ensure system and network environments are separated by properly configured and updated firewalls.
  4. Restrict network connections between trusted and untrusted networks by physically or logically isolating systems from unsolicited and unauthenticated network traffic.
  5. By default “deny all” and only allow access by exception.
  6. Review, at least annually, the aforementioned network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary.
  7. Perform regular vulnerability testing of operating system, application, and network devices. Such testing is expected to identify outdated software versions; missing software patches; device or software misconfigurations; and to validate compliance with or deviations from the security policies applicable to the Contract. Contractor shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and remediate the vulnerability no later than 30 days following the earlier of vulnerability’s identification or public disclosure, or document why remediation action is unnecessary or unsuitable. The Department shall have the right to inspect the Contractor’s policies and procedures and the results of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.
  8. Enforce strong user authentication and password control measures to minimize the opportunity for unauthorized access through compromise of the user access controls. At a minimum, the implemented measures should be consistent with the most current Maryland Department of Information Technology’s Information Security Policy (<https://doit.maryland.gov/policies/Pages/default.aspx>), including specific requirements for password length, complexity, history, and account lockout.
  9. Ensure State data is not processed, transferred, or stored outside of the United States (“U.S.”). The Contractor shall provide its services to the State and the State’s end users solely from data centers in the U.S. Unless granted an exception in writing by the State, the Contractor shall not allow Contractor Personnel to store State data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its Contractor Personnel to access State data remotely only as required to provide technical support.
  10. Ensure Contractor’s Personnel shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State, which may be revoked at any time for any reason. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor -owned equipment to a State LAN/WAN.
  11. Ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting the services provided under the Contract; that the anti-virus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation. The Contractor shall perform routine vulnerability scans and take corrective actions for any findings.
  12. Conduct regular external vulnerability testing designed to examine the service provider’s security profile from the Internet without benefit of access to internal systems and networks behind the external security perimeter. Evaluate all identified vulnerabilities on Internet-facing devices for potential adverse effect on the service’s security and integrity and remediate the vulnerability promptly or document why remediation action is unnecessary or unsuitable. The Department shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.

### Security Logs and Reports Access

1. For a SaaS or non-State hosted solution, the Contractor shall provide reports to the State in a mutually agreeable format.
2. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all State files related to the Contract.

### Security Plan

1. The Contractor shall protect State data according to a written security policy (“Security Plan”) no less rigorous than that of the State, and shall supply a copy of such policy to the State for validation, with any appropriate updates, on an annual basis.
2. The Security Plan shall detail the steps and processes employed by the Contractor as well as the features and characteristics which will ensure compliance with the security requirements of the Contract.
3. The Security Plan shall describes the administrative, technical and system controls for the EBT system.
4. This Security Plan shall provide for the ongoing certification and examination of the EBT Contractor’s operations and control system.
5. 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.
   6. NIST, FISMA, FEDRAMP, and DoIT security guidelines.
6. The Security Plan shall ensure that the Contractor:
   1. Provides security measures for the following areas:
      1. Facilities Physical Security;
      2. System Security;
      3. System Data Security; and
      4. Administrative and Personnel Security.
   2. Conducts a Risk Assessment of the System consistent with NIST Risk Management framework within ninety (90) days of operation.
   3. Performs and delivers Security Assessment and Authorization documentation prior to operations of the EBT system and every three (3) years thereafter.
   4. Tests security controls annually (at a minimum) to assure that they are operating according to design.
   5. Backs up all current online transactions to an off-site facility on a daily basis and provides encryption for all backups, while in transit and at risk with FIPS 140-2 Encryption.
   6. Establishes policies and procedures for Vulnerability Testing and Patch Management to ensure that application, system and network device vulnerabilities are evaluated, and contractor supplied security is applied in a timely manner.
   7. 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 DHS.

### Security Incident Response

1. The Contractor shall notify the DHS in accordance with **Section 3.7.9A-D** when any Contractor system that may access, process, or store State data or State systems experiences a Security Incident or a Data Breach as follows:
   1. Notify the DHS within twenty-four (24) hours of the discovery of a Security Incident by providing notice via written or electronic correspondence to the Contract Monitor, the DHS Chief Information Officer (CIO) and the DHS Chief Information Security Officer (CISO);
   2. Notify the DHS within two (2) hours if there is a threat to Contractor’s Solution as it pertains to the use, disclosure, and security of State data; and
   3. Provide written notice to the DHS within one (1) Business Day after Contractor’s discovery of unauthorized use or disclosure of State data and thereafter all information the State (or DHS) requests concerning such unauthorized use or disclosure.
2. Contractor’s notice shall identify:
   1. The nature of the unauthorized use or disclosure;
   2. The State data used or disclosed;
   3. Who made the unauthorized use or received the unauthorized disclosure;
   4. What the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure;
   5. What corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure; and
   6. Such other information, including a written report, as reasonably requested by the State.
3. The Contractor may need to communicate with outside parties regarding a Security Incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing Security Incidents with the State should be handled on an urgent as-needed basis, as part of Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the Contract.
4. The Contractor shall comply with all applicable laws that require the notification of individuals in the event of unauthorized release of State data or other event requiring notification, and, where notification is required, assume responsibility for informing all such individuals in accordance with applicable law and to indemnify and hold harmless the State (or DHS) and its officials and employees from and against any claims, damages, and actions related to the event requiring notification.

### Data Breach Responsibilities

If the Contractor reasonably believes or has actual knowledge of a Data Breach, the Contractor shall, unless otherwise directed:

1. Notify the appropriate State-identified contact within 24 hours by telephone in accordance with the agreed upon security plan or security procedures unless a shorter time is required by applicable law;
2. Cooperate with the State to investigate and resolve the data breach;
3. Promptly implement commercially reasonable remedial measures to remedy the Data Breach;
4. Document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services; and
5. If a Data Breach is a direct result of the Contractor’s breach of its Contract obligation to encrypt State data or otherwise prevent its release, bear the costs associated with (1) the investigation and resolution of the data breach; (2) notifications to individuals, regulators or others required by State law; (3) a credit monitoring service required by State or federal law; (4) a website or a toll-free number and call center for affected individuals required by State law; and (5) complete all corrective actions as reasonably determined by Contractor based on root cause. Items [(1) through (5)] subject to the Contract’s limitation of liability.

Additional security requirements may be established in a Task Order and/or a Work Order.

The State shall, at its discretion, have the right to review and assess the Contractor’s compliance to the security requirements and standards defined in the Contract.

Provisions in **Sections** **3.7.1 – 3.7.10** shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of **Sections** **3.7.4-3.7.10** (or the substance thereof) in all subcontracts.

## Problem Escalation Procedure

The Contractor must provide and maintain a Problem Escalation Procedure (PEP) for both routine and emergency situations. The PEP must 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 appropriate timeframes.

The Contractor shall provide contact information to the Contract Monitor, as well as to other State personnel as directed should the Contract Monitor not be available.

The Contractor must provide the PEP no later than ten (10) Business Days after notice of recommended award. The PEP, including any revisions thereto, must also be provided within ten (10) Business Days after the start of each Contract year and within ten (10) Business Days after any change in circumstance which changes the PEP. The PEP shall detail how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner that is agreeable to the State. The PEP shall include:

1. The process for establishing the existence of a problem;
2. Names, titles, and contact information for progressively higher levels of personnel in the Contractor’s organization who would become involved in resolving a problem;
3. For each individual listed in the Contractor’s PEP, the maximum amount of time a problem will remain unresolved with that individual before the problem escalates to the next contact person listed in the Contractor’s PEP;
4. Expedited escalation procedures and any circumstances that would trigger expediting them;
5. The method of providing feedback on resolution progress, including the frequency of feedback to be provided to the State;
6. Contact information for persons responsible for resolving issues after normal business hours (e.g., evenings, weekends, holidays) and on an emergency basis; and
7. A process for updating and notifying the Contract Monitor of any changes to the PEP.

Nothing in this section shall be construed to limit any rights of the Contract Monitor or the State which may be allowed by the Contract or applicable law.

### EBT Problem Management

The Contractor shall Monitor the EBT application, network devices, telecommunications, online activity and batch activity 24x7x365 and notify DHS of any issues. 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 PEP must 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 appropriate timeframes. The Contractor shall:

1. Ensure that the system performs as designed and required by the RFP.
2. Ensure Contract Monitor and Department have Contractor’s current 24/7, 365 contact information.
3. Have a contingency plan for circumventing communication outages of longer than five (5) minutes.
4. Promptly document reported problems upon receipt and monitor controls, communicate, and report on each problem until resolved and/or completed correctly.
5. Maintain appropriate and timely communications with DHS and affected users on all problems from the onset through resolution.  Updates will be provided to DHS at no more than 20-minute intervals until the problem is resolved.  DHS will define the list of notifications after Contract award.  Contractor may also be required to produce or assist DHS in the notification to customers or retailers as defined by DHS.
6. Correct all problems within the reasonable scope of Contractor’s responsibility.  A problem is not considered corrected until the Contractor receives validation from DHS that the issue is resolved to DHS’s satisfaction.
7. Proactively provide to the State Project Manager appropriate reports on problems, including statistics on total number of problems, outstanding problems and resolution time.
8. Integrate and coordinate problem reporting processes and procedures with the EBT Project Manager.
9. Upon notification of an issue, the Contractor shall notify DHS 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:
   1. Critical/Severity 1 (SEV1)- trouble ticket has one or more of the following characteristics:
   2. The incident has a major business impact
   3. Normal Business operations cannot be conducted
   4. Multiple end-users cannot run a production application
   5. The affected end-user is high profile (as defined by DHS/OTHS)
   6. The incident cannot be circumvented
   7. High/Severity 2 (SEV 2)- trouble ticket has one or more of the following characteristics:
   8. The incident has a substantial business impact
   9. Normal business operations are severely impeded
   10. The application/system functions but usability is severely limited for multiple end-users
   11. The application/system has experienced continual or repeated incidents
   12. Medium/Severity 3 (SEV 3)- trouble ticket has one or more of the following characteristics:
   13. The incident has a limited business impact
   14. Normal business operations are minimally impeded
   15. The end-user can run the application but has lost some functionality
   16. The incident is not continual or repeated
   17. Low/Severity 4 (SEV 4)- trouble ticket has one or more of the following characteristics:
   18. The incident has no business impact
   19. Normal business operations are not impeded
   20. The end-user can run the application
   21. The request is an end-user inquiry only

**NOTE:** The Contract Monitor 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 Contract Monitor 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.

## SOC Audit Reporting

The Contractor shall:

1. Cooperate and submit copies of its annual audits of its data processing, operations, disaster recovery, and security functions upon request by DHS.  DHS shall be permitted to inspect, review, investigate and audit Contractor performance records concerning EBT and facilities engaged in EBT work.
2. 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:
   1. Compliance 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.
   2. Compliance with Quest® EBT Operating Rules.
   3. Compliance with Benefit Program Rules: For example, 7 CFR Parts 272, 274, and 276 through 278.
   4. Compliance with Internal controls and physical and personnel security requirements.
   5. An evaluation of its compliance with the EBT program specific requirements, the applicable regulatory requirements, and the effectiveness of the internal control structure.
   6. An explanation of how determinations were made, including bank examination, audit, and internal review.
   7. An explanation of any exceptions and description of corrective actions taken or planned to address such exceptions.
3. 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. 18 on the issuance, redemption and settlement of SNAP benefits. Audits shall be performed at the Contractor’s expense and are subject to the following:
   1. 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.
   2. 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.
4. 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.

### SOC 2 Type 2 Audit Requirements

A SOC 2 Type 2 Audit applies to the Contract. 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 and online purchasing 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 2 of 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 Customer 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:

1. 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.
2. 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.
3. 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 and every year thereafter.

### Critical Functions

In the event the Contractor provides services for identified critical functions, handles Sensitive Data, or hosts any related implemented system for the State under the Contract, the Contractor shall have an annual audit performed by an independent audit firm of the Contractor’s handling of Sensitive Data or the DHS’s critical functions. Critical functions are identified as all aspects and functionality of the Solution including any add-on modules and shall address all areas relating to Information Technology security and operational processes. These services provided by the Contractor that shall be covered by the audit will collectively be referred to as the “Information Functions and Processes.” Such audits shall be performed in accordance with audit guidance: Reporting on an Examination of Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2) as published by the American Institute of 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, as agreed to by the DHS, to assess the security of outsourced client functions or data (collectively, the “Guidance”) as follows:

1. The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the “SOC 2 Audit” or “SOC 2 Report”). All SOC2 Audit Reports shall be submitted to the Contract Monitor as specified in **Section 3.9.4.F** below. The initial SOC 2 Audit shall be completed within a timeframe to be specified by the State. The audit period covered by the initial SOC 2 Audit shall start with the Contract Effective Date unless otherwise agreed to in writing by the Contract Monitor. All subsequent SOC 2 Audits after this initial audit shall be performed at a minimum on an annual basis throughout the Term of the Contract, and shall cover a 12-month audit period or such portion of the year that the Contractor furnished services.
2. The SOC 2 Audit shall report on the suitability of the design and operating effectiveness of controls over the Information Functions and Processes to meet the requirements of the Contract, including the Security Requirements identified in **Section 3.7, Security Requirements**, relevant to the trust services criteria identified in **Section 3.9.1, SOC 2 Type 2 Audit Requirements** as defined in the aforementioned Guidance.
3. The audit scope of each year’s SOC 2 Report may need to be adjusted (including the inclusion or omission of the relevant trust services criteria of Security, Availability, Processing Integrity, Confidentiality, and Privacy) to accommodate any changes to the environment since the last SOC 2 Report. Such changes may include but are not limited to the addition of Information Functions and Processes through modifications to the Contract or due to changes in Information Technology or the operational infrastructure. The Contractor shall ensure that the audit scope of each year’s SOC 2 Report engagement shall accommodate these changes by including in the SOC 2 Report all appropriate controls related to the current environment supporting the Information Functions and/or Processes, including those controls required by the Contract.
4. The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the TO Contractor or essential support to the Information Functions and Processes provided to the DHS under the Contract. The Contractor shall ensure the audit includes all such subcontractors operating in performance of the Contract.
5. All SOC 2 Audits, including those of the Contractor, shall be performed at no additional expense to the DHS.
6. The Contractor shall provide to the Contract Monitor, within 30 calendar days of the issuance of each SOC 2 Report, a complete copy of the final SOC 2 Report(s) and a documented corrective action plan addressing each audit finding or exception contained in the SOC 2 Report. The corrective action plan shall identify in detail the remedial action to be taken by the Contractor along with the date(s) when each remedial action is to be implemented.
7. If the Contractor currently has an annual, independent information security assessment performed that includes the operations, systems, and repositories of the Information Functions and Processes being provided to the DHS under the Contract, and if that assessment generally conforms to the content and objective of the Guidance, the DHS will determine in consultation with appropriate State government technology and audit authorities whether the Contractor’s current information security assessments are acceptable in lieu of the SOC 2 Report(s).
8. If the Contractor fails during the Contract term to obtain an annual SOC 2 Report by the date specified in **Section 3.9.2.A**, the Department shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report of the Information Functions and Processes utilized or provided by the Contractor and under the Contract. The Contractor agrees to allow the independent audit firm to access its facility/ies for purposes of conducting this audit engagement(s) and will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. The Department will invoice the Contractor for the expense of the SOC 2 Report(s) or deduct the cost from future payments to the Contractor.
9. Provisions in **Section 3.9.1-2** shall survive expiration or termination of the Contract. Additionally, the Contractor and shall flow down the provisions of **Section 3.9.1-2** (or the substance thereof) in all subcontracts.

### Corrective Action Plan for Audit Deficiencies

In the event that deficiencies are identified in a SOC audit requiring a 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 timeline (begin and end dates) for completing each action and shall be subject to review and approval by State Project Manager.

### Failure to Perform Annual Audit

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 and online purchasing, 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.

## Experience and Personnel

### Preferred Offeror Experience

The Preferred Offeror Experience for this RFP is to have a minimum of Seven (7) years of experience in developing, implementing and managing financial systems such as EBT, EFT and financial network services, and transaction processing.

The following experience is expected and will be evaluated as part of the Technical Proposal (see the Offeror experience, capability and references evaluation factor from **Section 6.2, Technical Proposal Evaluation Criteria**):

1. Demonstrated knowledge of developing and managing EBT, EFT financial systems, network services and transaction processing.
2. Prior senior level experience implementing EBT, EFT financial systems, network services and transaction processing.

### Key Personnel Identified

For the Contract, the following positions to be identified in the Technical Proposal will be considered Key Personnel, and shall be required to meet the qualifications stated below:

1. EBT Project Manager (PM)
   1. Education: Preferred degree from an accredited college or university with a major in Computer Science, Information Systems, Engineering, Business, or other related technical discipline and a minimum of 5 years PM experience. In lieu of the educational requirement, a minimum of eight (8) years of PM experience may be substituted.
   2. Specialized Experience:  At least five (5) years of implementing EBT services.
2. Lead Business Analyst
   1. 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. Or a minimum of five (5) years of Lead Business Analyst experience. At least five (5) years of implementing EBT services
   2. General Experience:  Must have five (5) years of experience designing, developing, testing, implementing and maintaining application systems and programs.
3. Lead Programmer
   1. 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. Or must have five (5) years of experience in a Senior Information systems oversight role.
   2. 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.
4. Retailer Lead
   1. Education: Preferred degree from an accredited college or university with a major in Computer Science, Information Systems, Engineering, Business, or other related technical discipline and a minimum of 5 years retailer management experience. In lieu of the educational requirement, a minimum of eight (8) years of retailer management experience may be substituted.
   2. Specialized Experience:  At least five (5) years of implementing EBT services.
5. The personnel filling these key positions shall meet all of the Key Personnel requirements stated in this RFP.

### Contractor Personnel Experience Equivalency (including Key Personnel submitted in response to this RFP)

1. A Substitution of Education for Experience: Bachelor’s Degree or higher may be substituted for the general and specialized experience for key personnel requiring a High School Diploma. A Master’s Degree may be substituted for two years of the general and specialized experience for those labor categories requiring a Bachelor’s Degree. Substitution shall be reviewed and approved by the State at its discretion.
2. Substitution of Experience for Education: Substitution of experience for education may be permitted at the discretion of the State.
3. Substitution of Professional Certificates for Experience: Professional certification (e.g., Microsoft Certified Solutions Expert, SQL Certified Database Administrator) may be substituted for up to two (2) years for general and specialized experience at the discretion of the State.

### Contractor Personnel Maintain Certifications

Any Contractor Personnel provided under this RFP shall maintain in good standing any required professional certifications for the duration of the Contract.

### Administrative and Personnel Security:

1. The Contractor shall be responsible for ensuring the integrity of the EBT system operations, including personnel involved in system administration and security administration.
2. The Contractor shall ensure that appropriate screening is conducted of all Contractor and subcontractor personnel who are assigned to work on the EBT system.

## Substitution of Personnel

### Continuous Performance of Key Personnel

When Key Personnel are identified for the Contract, the following apply:

1. Key Personnel shall be available to perform Contract requirements as of the NTP Date. Unless explicitly authorized by the Contract Monitor or specified in the Contract, Key Personnel shall be assigned to the State of Maryland as a designated resource.
2. Key Personnel shall perform continuously for the duration of the Contract, or such lesser duration as specified in the Technical Proposal. Key Personnel may not be removed by the Contractor from working under the Contract without the prior written approval of the Contract Monitor.
3. The provisions of this section apply to Key Personnel identified in any Task Order proposal and agreement, if issued, and any Work Order Request and Work Order, if issued.

### Definitions

For the purposes of this section, the following definitions apply:

1. **Extraordinary Personal Event** – means any of: leave under the Family Medical Leave Act; an Incapacitating injury or Incapacitating illness; or other circumstances that in the sole discretion of the State warrant an extended leave of absence, such as extended jury duty or extended military service that precludes the individual from performing his/her job duties under the Contract.
2. **Incapacitating** – means any health circumstance that substantially impairs the ability of an individual to perform the job duties described for that individual’s position in the RFP or the Contractor’s Technical Proposal.

### Contractor Personnel General Substitution Provisions

The following provisions apply to all of the circumstances of Contractor Personnel substitution described in **Section 3.11.4, Replacement Circumstances**.

1. The Contractor shall demonstrate to the Contract Monitor’s satisfaction that the proposed substitute has qualifications at least equal to those of the Contractor Personnel proposed to be replaced.
2. The Contractor shall provide the Contract Monitor with a substitution request that shall include:
   1. A detailed explanation of the reason(s) for the substitution request;
   2. The resume of the proposed substitute, signed by the substituting individual and his/her formal supervisor;
   3. The official resume of the current personnel for comparison purposes; and
   4. Evidence of any required credentials.
3. The Contract Monitor may request additional information concerning the proposed substitution and may interview the proposed substitute personnel prior to deciding whether to approve the substitution request.
4. The Contract Monitor will notify the Contractor in writing of: (i) the acceptance or denial, or (ii) contingent or temporary approval for a specified time limit, of the requested substitution. The Contract Monitor will not unreasonably withhold approval of a proposed Contractor Personnel replacement.

### Replacement Circumstances

1. Directed Personnel Replacement
   1. The Contract Monitor may direct the Contractor to replace any Contractor Personnel who, in the sole discretion of the Contract Monitor, are perceived as being unqualified, non-productive, unable to fully perform the job duties, disruptive, or known, or reasonably believed, to have committed a major infraction(s) of law, DHS policies, or Contract requirements. Normally, a directed personnel replacement will occur only after prior notification of problems with requested remediation, as described in paragraph **3.11.4.A.2**.
   2. If deemed appropriate in the discretion of the Contract Monitor, the Contract Monitor may give written notice of any Contractor Personnel performance issues to the Contractor, describing the problem and delineating the remediation requirement(s). The Contractor shall provide a written response to the remediation requirements in a Remediation Plan within ten (10) days of the date of the notice and shall immediately implement the Remediation Plan upon written acceptance by the Contract Monitor. If the Contract Monitor rejects the Remediation Plan, the Contractor shall revise and resubmit the plan to the Contract Monitor within five (5) days, or in the timeframe set forth by the Contract Monitor in writing.
   3. Should performance issues persist despite an approved Remediation Plan, the Contract Monitor may give written notice of the continuing performance issues and either request a new Remediation Plan within a specified time limit or direct the substitution of Contractor Personnel whose performance is at issue with a qualified substitute, including requiring the immediate removal of the Contractor Personnel at issue.
   4. Replacement or substitution of Contractor Personnel under this section shall be in addition to, and not in lieu of, the State’s remedies under the Contract or which otherwise may be available at law or in equity.
   5. If the Contract Monitor determines to direct substitution under **3.11.4.A.1**, if at all possible, at least fifteen (15) days advance notice shall be given to the Contractor. However, if the Contract Monitor deems it necessary and in the State’s best interests to remove the Contractor Personnel with less than fifteen (15) days’ notice, the Contract Monitor may direct the removal in a timeframe of less than fifteen (15) days, including immediate removal.
   6. In circumstances of directed removal, the Contractor shall, in accordance with paragraph **3.11.4.A.1** of this section, provide a suitable replacement for approval within 45 days of the notification of the need for removal, or the actual removal, whichever occurs first.
2. Key Personnel Replacement
   1. To replace any Key Personnel in a circumstance other than as described in **3.11.4.B**, including transfers and promotions, the Contractor shall submit a substitution request as described in **Section 3.11.3** to the Contract Monitor at least fifteen (15) days prior to the intended date of change. A substitution may not occur unless and until the Contract Monitor approves the substitution in writing.
   2. Key Personnel Replacement Due to Sudden Vacancy
   3. The Contractor shall replace Key Personnel whenever a sudden vacancy occurs (e.g., Extraordinary Personal Event, death, resignation, termination). A termination or resignation with thirty (30) days or more advance notice shall be treated as a replacement under **Section 3.11.4.B.1.**
   4. Under any of the circumstances set forth in this paragraph B, the Contractor shall identify a suitable replacement and provide the same information and items required under **Section 3.11.3** within fifteen (15) days of the actual vacancy occurrence or from when the Contractor first knew or should have known that the vacancy would be occurring, whichever is earlier.
   5. Key Personnel Replacement Due to an Indeterminate Absence
   6. If any Key Personnel has been absent from his/her job for a period of ten (10) days and it is not known or reasonably anticipated that the individual will be returning to work within the next twenty (20) days to fully resume all job duties, before the 25th day of continuous absence, the Contractor shall identify a suitable replacement and provide the same information and items to the Contract Monitor as required under **Section 3.11.3**.
      1. However, if this person is available to return to work and fully perform all job duties before a replacement has been authorized by the Contract Monitor the Contract Monitor may, at his/her sole discretion, authorize the original personnel to continue to work under the Contract, or authorize the replacement personnel to replace the original personnel, notwithstanding the original personnel’s ability to return.

### Substitution Prior to and Within 30 Days After Contract Execution

Prior to Contract execution or within thirty (30) days after Contract execution, the Contractor may not substitute proposed Key Personnel except under the following circumstances (a) for actual full-time personnel employed directly by the Contractor: the vacancy occurs due to the sudden termination, resignation, or approved leave of absence due to an Extraordinary Personal Event, or the death of such personnel; and (b) for any temporary staff, subcontractors or Independent contractors: the vacancy occurs due to an Incapacitating event or the death of such personnel. To qualify for such substitution, the Offeror must demonstrate to the State's satisfaction the event necessitating substitution. Proposed substitutions shall be of equal caliber or higher, in the State's sole discretion. Proposed substitutes deemed by the State to be less qualified than the originally proposed individual may be grounds for pre-award disqualification or post-award termination.

## Minority Business Enterprise (MBE) Reports

If this solicitation includes an MBE Goal (see **Section 4.26, MBE Participation Goal**), the Contractor shall:

1. All MBE reports shall be submitted between the 1st and the 15th of each month to the Contract Monitor and the DHS MBE Liaison Officer. After the 15th reports are considered late:
   1. A Prime Contractor Paid/Unpaid MBE Invoice Report (**Attachment D-4A**) listing any unpaid invoices, over 45 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made; and
   2. (If Applicable) An MBE Prime Contractor Report (**Attachment D-4B**) identifying an MBE prime’s self-performing work to be counted towards the MBE participation goals.
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit an MBE Subcontractor Paid/Unpaid Invoice Report (**Attachment D-5**) by the 10th of each month to the Contract Monitor and the DHS MBE Liaison Officer that identifies the Contract and lists all payments to the MBE subcontractor received from the Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amounts of those invoices.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the Contract, type of work performed by each, and actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants must 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. Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the Contract.
5. Upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

## Veteran Small Business Enterprise (VSBE) Reports

If this solicitation includes a VSBE Goal (see **Section 4.27, VSBE Participation Goal**), the Contractor shall:

1. Submit the following reports by the 10th of the month following the reporting period to the Contract Monitor and the DHS VSBE representative:
   1. VSBE Participation Prime Contractor Paid/Unpaid VSBE Invoice Report (**Attachment E-3**) listing any unpaid invoices, over 45 days old, received from any VSBE subcontractor, the amount of each invoice and the reason payment has not been made; and
   2. **Attachment E-4**, the VSBE Participation Subcontractor Paid/Unpaid VSBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the VSBE Liaison Officer.
2. Include in its agreements with its VSBE subcontractors a requirement that those subcontractors submit monthly by the 10th of the month following the reporting period to the Contract Monitor and the DHS VSBE representative a report that identifies the prime contract and lists all payments received from Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amount of those invoices (**Attachment E-4**).
3. Maintain such records as are necessary to confirm compliance with its VSBE participation obligations. These records must indicate the identity of VSBE and non-VSBE subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. The subcontract agreement documenting the work performed by all VSBE participants must 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 VSBE participation obligations. The Contractor must retain all records concerning VSBE participation and make them available for State inspection for three years after final completion of the Contract.
5. At the option of the DHS, upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from VSBE subcontractors.

## Work Orders

1. Additional services and resources will be provided via a Work Order process. Work shall not begin in advance of a fully executed Work Order. A Work Order may be issued for either fixed price or time and materials (T&M) pricing.
2. Work Order Requests (See sample at <http://doit.maryland.gov/contracts/Documents/_procurementForms/WorkOrderSample.pdf>) for the provision of services or resources that are within the scope of this RFP will be issued to the Contractor. The Work Order Request will include:
   1. Technical requirements and description of the service or resources needed;
   2. Performance objectives and/or deliverables, as applicable;
   3. Due date and time for submitting a response to the request; and
   4. Required place(s) where work must be performed.
3. The Contractor shall e-mail a response to the Contract Monitor within the specified time and include at a minimum:
   1. A response that details the Contractor’s understanding of the work;
   2. A price to complete the Work Order Request using the format provided using the format provided (see online sample).
   3. A description of proposed resources required to perform the requested tasks, with labor categories listed in accordance with **Attachment B, Financial Proposal Instructions & Form**.
   4. An explanation of how tasks shall be completed. This description shall include proposed subcontractors and related tasks.
   5. Contractor’s expectations for State-furnished information, work site, and/or access to equipment, facilities, or personnel
   6. The proposed personnel resources, including any subcontractor personnel, to complete the task.
4. For a T&M Work Order, the Contract Monitor will review the response and will confirm the proposed labor rates are consistent with this RFP. For a Fixed Price Work Order, the Contract Monitor will review the response and will confirm the proposed prices are acceptable.
5. The Contract Monitor may contact the Contractor to obtain additional information, clarification or revision to the Work Order, and will provide the Work Order to the Procurement Officer for a determination of compliance with the Contract and a determination whether a change order is appropriate. Written Procurement Officer approval is required before Work Order execution by the State.
6. Proposed personnel on any type of Work Order shall be subject to DHS approval. The Contractor shall furnish resumes of proposed personnel specifying the labor category(ies) proposed. The Contract Monitor shall have the option to interview the proposed personnel and, in the event of an interview or not, shall notify the Contractor of acceptance or denial of the personnel.
7. Performance of services under a Work Order shall commence consistent with an NTP issued by the Contract Monitor for such Work Order.

## Additional Clauses

The Contractor shall be subject to the requirements in this section and shall flow down the provisions of **Sections 3.15.1 – 3.15.3** (or the substance thereof) in all subcontracts.

### Change Control and Advance Notice

1. Unless otherwise specified in an applicable Service Level Agreement (SLA), the Contractor shall give seven (7) days advance notice to the State of any upgrades or modifications that may impact service availability and performance.
2. Contractor may not modify the functionality or features of any SaaS provided hereunder if such modification materially degrades the functionality of the SaaS.

### The State of Maryland’s Commitment to Purchasing Environmentally Preferred Products and Services (EPPs)

[Maryland’s State Finance & Procurement Article §14-410](https://trackbill.com/bill/maryland-house-bill-629-environmentally-preferable-procurement-maryland-green-purchasing-committee/647077/) defines environmentally preferable purchasing as “the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose.” Accordingly, Bidders are strongly encouraged to offer EPPs to fulfill this contract, to the greatest extent practicable.

### No-Cost Extensions

In accordance with Maryland’s Board of Public Works (BPW) Advisory 1995-1 item 7.b, in the event there are unspent funds remaining on the Contract, prior to the Contract's expiration date, the Procurement Officer may modify the Contract to extend the Contract beyond its expiration date for a period up to, but not exceeding, one-third of the base term of the Contract (e.g., eight-month extension on a two-year contract) for the performance of work within the Contract's scope of work. Notwithstanding anything to the contrary, no funds may be added to the Contract in connection with any such extension.

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# Procurement Instructions

## Pre-Proposal Conference

### A pre-Proposal conference (Conference) will be held at the date, time, and location indicated on the Key Information Summary Sheet.

### Attendance at the Conference is not mandatory, but all interested parties are encouraged to attend in order to facilitate better preparation of their Proposals. If the solicitation includes an MBE goal, failure to attend the Conference will be taken into consideration as part of the evaluation of an offeror’s good faith efforts if there is a waiver request.

### It is highly recommended that ALL Prime Contractors bring their intended subcontractors to the Conference/Site Visit to ensure that all parties understand the requirements of the contract and the MBE Goal.

### MBE subcontractors are encouraged to attend the Conference to market their participation to potential prime contractors.

### Following the Conference, the attendance record and summary of the Conference will be distributed via the same mechanism described for amendments and questions (see Section 4.2.1, eMMA).

### Those wishing to attend the web conference may request a meeting invitation by emailing the Samuel Eduful at [Samuel.Eduful@Maryland.Gov](mailto:Samuel.Eduful@Maryland.Gov) no later than 2:00 PM on September 25, 2023. An invitation e-mail is required for registration, and therefore attendance. Upon receipt of the email, the Procurement Officer will reply with a registration email with a link that may be used to register for the conference. Registration must be completed by 2:00 PM on September 25, 2023.

## eMaryland Marketplace Advantage (eMMA)

### eMMA is the electronic commerce system for the State of Maryland. The RFP, Conference summary and attendance sheet, Offerors’ questions and the Procurement Officer’s responses, addenda, and other solicitation-related information will be made available via eMMA.

### In order to receive a contract award, a bidder must be registered on eMMA. Registration is free. Go to [emma.maryland.gov](https://emma.maryland.gov/page.aspx/en/usr/login?ReturnUrl=%2fpage.aspx%2fen%2fbuy%2fhomepage), click on “New Vendor? Register Now” to begin the process, and then follow the prompts.

## Questions

### All questions, including concerns regarding any applicable MBE or VSBE participation goals, shall identify in the subject line the Solicitation Number and Title - Electronic Benefits Transfer System OTHS/EBT-23-017-S and shall be submitted in writing via e-mail to the Procurement Officer no later than the date and time specified the Key Information Summary Sheet. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the Proposal due date.

### Answers to all questions that are not clearly specific only to the requestor will be distributed via the same mechanism as for RFP amendments and posted on eMMA.

### The statements and interpretations contained in responses to any questions, whether responded to verbally or in writing, are not binding on the DHS unless it issues an amendment in writing.

## Procurement Method

A Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03.

## Proposal Due (Closing) Date and Time

### Proposals, in the number and form set forth in Section 5, Proposal Format, must be received by the Procurement Officer no later than the Proposal due date and time indicated on the Key Information Summary Sheet in order to be considered.

### Requests for extension of this date or time shall not be granted.

### Offerors submitting Proposals should allow sufficient delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02.F and 21.05.02.10, Proposals received after the due date and time listed in the Key Information Summary Sheet will not be considered.

### The date and time of an e-mail submission is determined by the date and time of arrival in the e-mail address indicated on the Key Information Summary Sheet.

### Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in the Key Information Summary Sheet for receipt of Proposals.

### Proposals may not be submitted by e-mail or facsimile. Proposals will not be opened publicly.

### Potential Offerors not responding to this solicitation are requested to submit the “Notice to Vendors” form, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements).

## Multiple or Alternate Proposals

Multiple or alternate Proposals will not be accepted.

## Economy of Preparation

Proposals should be prepared simply and economically and provide a straightforward and concise description of the Offeror’s Proposal to meet the requirements of this RFP.

## Public Information Act Notice

### The Offeror should give specific attention to the clear identification of those portions of its Proposal that it considers confidential and/or proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Md. Code Ann., General Provisions Article, Title 4 (See also RFP Section 5.3.2.B “Claim of Confidentiality”). This information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal and if applicable, separately in the Financial Proposal.

### Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information must be disclosed.

## Award Basis

A Contract shall be awarded to the responsible Offeror(s) submitting the Proposal that has been determined to be the most advantageous to the State, considering price and evaluation factors set forth in this RFP (see COMAR 21.05.03.03F), for providing the goods and services as specified in this RFP. See RFP **Section 6, Evaluation and Selection Process,** for further award information.

## Oral Presentation

Offerors may be required to make oral presentations to State representatives. Oral presentations are considered part of the Technical Proposal. Offerors must confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror’s Proposal. The Procurement Officer will notify Offerors of the time and place of oral presentations.

## Duration of Proposal

Proposals submitted in response to this RFP are irrevocable for the latest of the following: 180 days following the Proposal due date and time, best and final offers if requested (see **Section 6.5.2, Selection Process Sequence**), or the date any protest concerning this RFP is finally resolved. This period may be extended at the Procurement Officer’s request only with the Offeror’s written agreement.

## Revisions to the RFP

### If the RFP is revised before the due date for Proposals, the Department shall post any addenda to the RFP on eMMA and shall endeavor to provide such addenda to all prospective Offerors that were sent this RFP or are otherwise known by the Procurement Officer to have obtained this RFP. It remains the responsibility of all prospective Offerors to check eMMA for any addenda issued prior to the submission of Proposals.

### Acknowledgment of the receipt of all addenda to this RFP issued before the Proposal due date shall be included in the Transmittal Letter accompanying the Offeror’s Technical Proposal.

### Addenda made after the due date for Proposals will be sent only to those Offerors that remain under award consideration as of the issuance date of the addenda.

### Acknowledgement of the receipt of addenda to the RFP issued after the Proposal due date shall be in the manner specified in the addendum notice.

### Failure to acknowledge receipt of an addendum does not relieve the Offeror from complying with the terms, additions, deletions, or corrections set forth in the addendum, and may cause the Proposal to be deemed not reasonably susceptible of being selected for award.

## Cancellations

### The State reserves the right to cancel this RFP, accept or reject any and all Proposals, in whole or in part, received in response to this RFP, waive or permit the cure of minor irregularities, and conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State.

### The State reserves the right, in its sole discretion, to award a Contract based upon the written Proposals received without discussions or negotiations.

### In the event a government entity proposes and receives the recommendation for award, the procurement may be cancelled and the award processed in accordance with COMAR 21.01.03.01.A(4).

### If the services that are the subject of the RFP are currently being provided under an interagency agreement with a public institution of higher education and the State determines that the services can be provided more cost effectively by the public institution of higher education, then the RFP may be cancelled in accordance with Md. Code Ann., State Finance and Procurement Art., § 3-207(b)(2).

## Incurred Expenses

The State will not be responsible for any costs incurred by any Offeror in preparing and submitting a Proposal, in making an oral presentation, providing a demonstration, or performing any other activities related to submitting a Proposal in response to this solicitation.

## Protest/Disputes

Any protest or dispute related to this solicitation, or the Contract award shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

## Offeror Responsibilities

### Offerors must be able to provide all goods and services and meet all of the requirements requested in this solicitation and the successful Offeror shall be responsible for Contract performance including any subcontractor participation.

### All subcontractors shall be identified and a complete description of their role relative to the Proposal shall be included in the Offeror’s Proposal. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate Attachment(s) to this RFP (see Section 4.26 “Minority Participation Goal” and Section 4.27 “VSBE Goal”).

### If the Offeror is the subsidiary of another entity, all information submitted by the Offeror, including but not limited to references, financial reports, or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications, if any, 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, signed by an authorized representative of the parent organization, stating 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 or qualifications of the parent under any evaluation criteria pertaining to the actual Offeror’s experience and qualifications. Instead, the Offeror will be evaluated on the extent to which the State determines that the experience and qualifications of the parent are applicable to and shared with the Offeror, any stated intent by the parent to be directly involved in the performance of the Contract, and the value of the parent’s participation as determined by the State.

## Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, shall be deemed to have accepted the terms and conditions of this RFP and the Contract, attached hereto as **Attachment** **M**. Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the Technical Proposal. **All exceptions will be taken into consideration when evaluating the Offeror’s Proposal. The Department reserves the right to accept or reject any exceptions.**

## Proposal Affidavit

A Proposal submitted by the Offeror must be accompanied by a completed Proposal Affidavit. A copy of this Affidavit is included as **Attachment** **C** of this RFP.

## Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment** **N** of this RFP. This Affidavit must be provided within five (5) Business Days of notification of recommended award. For purposes of completing Section “B” of this Affidavit (Certification of Registration or Qualification with the State Department of Assessments and Taxation), a business entity that is organized outside of the State of Maryland is considered a “foreign” business.

## Compliance with Laws/Arrearages

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 applicable to its activities and obligations under the Contract.

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and shall not become so in arrears during the term of the Contract if selected for Contract award.

## Verification of Registration and Tax Payment

Before a business entity can do business in the State, it must be registered with the State Department of Assessments and Taxation (SDAT). SDAT is located at State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. For registration information, visit https://www.egov.maryland.gov/businessexpress.

It is strongly recommended that any potential Offeror complete registration prior to the Proposal due date and time. The Offeror’s failure to complete registration with SDAT may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

## False Statements

Offerors are advised that Md. Code Ann., State Finance and Procurement Article, § 11-205.1 provides as follows:

### In connection with a procurement contract a person may not willfully:

1. Falsify, conceal, or suppress a material fact by any scheme or device.
2. Make a false or fraudulent statement or representation of a material fact.
3. Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

### A person may not aid or conspire with another person to commit an act under Section 4.22.1.

### 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 five (5) years or both.

## Payments by Electronic Funds Transfer

By submitting a Proposal in response to this solicitation, the Offeror, if selected for award:

### Agrees to accept payments by electronic funds transfer (EFT) unless the State Comptroller’s Office grants an exemption. Payment by EFT is mandatory for contracts exceeding $200,000. The successful Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form.

### 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, must include the business identification information as stated on the form, and must include the reason for the exemption. The COT/GAD X-10 form may be downloaded from the Comptroller’s website at:

<https://www.marylandtaxes.gov/forms/state-accounting/static-files/GADX10Form.pdf>

## Prompt Payment Policy

This procurement and the Contract(s) to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor’s Office of Small, Minority & Women Business Affairs (GOSBA) and dated August 1, 2008. Promulgated pursuant to Md. Code Ann., State Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR 21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The Contractor shall comply with the prompt payment requirements outlined in the Contract, Section 31 “Prompt Pay Requirements” (see **Attachment** **M**). Additional information is available on GOSBA’s website at: http://www.gomdsmallbiz.maryland.gov/documents/legislation/promptpaymentfaqs.pdf.

## Electronic Procurements Authorized

### Under COMAR 21.03.05, unless otherwise prohibited by law, the Department may conduct procurement transactions by electronic means, including the solicitation, proposing, award, execution, and administration of a contract, as provided in Md. Code Ann., Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21.

### Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Offeror to conduct by electronic means all elements of the procurement of that Contract which are specifically authorized under the solicitation or Contract. In the case of electronic transactions authorized by this RFP, electronic records and signatures by an authorized representative satisfy a requirement for written submission and signatures.

### “Electronic means” refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes e-mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g., <https://procurement.maryland.gov>), and electronic data interchange.

### In addition to specific electronic transactions specifically authorized in other sections of this solicitation (e.g., RFP § 4.23 describing payments by Electronic Funds Transfer), the following transactions are authorized to be conducted by electronic means on the terms as authorized in COMAR 21.03.05:

1. The Procurement Officer may conduct the procurement using eMMA or e-mail to issue:
   1. The RFP;
   2. Any amendments and requests for best and final offers;
   3. Pre-Proposal conference documents;
   4. Questions and responses;
   5. Communications regarding the solicitation or Proposal to any Offeror or potential Offeror;
   6. Notices of award selection or non-selection; and
   7. The Procurement Officer’s decision on any Proposal protest or Contract claim.
2. The Offeror or potential Offeror may use eMMA to Submit Proposals:
3. The Offeror or potential Offeror may use eMMA or e-mail to:
   1. Ask questions regarding the solicitation;
   2. 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 through eMMA, but only on the terms specifically approved and directed by the Procurement Officer and;
   3. Submit a "No Proposal Response" to the RFP.
4. The Procurement Officer, the Contract Monitor, and the Contractor may conduct day-to-day Contract administration, except as outlined in **Section 4.25.5, Electronic Procurements Authorized,** of this subsection, utilizing e-mail or other electronic means if authorized by the Procurement Officer or Contract Monitor.

### The following transactions related to this procurement and any Contract awarded pursuant to it are not authorized to be conducted by electronic means:

1. Submission of initial Proposals, except through eMMA;
2. Filing of protests;
3. Filing of Contract claims;
4. Submission of documents determined by the Department to require original signatures (e.g., Contract execution, Contract modifications); or
5. 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.

### Any e-mail transmission is only authorized to the e-mail addresses for the identified person as provided in the solicitation, the Contract, or in the direction from the Procurement Officer or Contract Monitor.

## MBE Participation Goal

### Establishment of Goal and Subgoals

An overall MBE subcontractor participation goal as identified in the Key Information Summary Sheet has been established for this procurement, representing a percentage of the total Contract dollar value, including all renewal option terms, if any, has been established for this procurement.

Notwithstanding any subgoals established for this RFP, the Contractor is encouraged to use a diverse group of subcontractors and suppliers from any/all of the various MBE classifications to meet the remainder of the overall MBE participation goal.

By submitting a response to this solicitation, the Offeror acknowledges the overall MBE subcontractor participation goal and subgoals, and commits to achieving the overall goal and subgoals by utilizing certified minority business enterprises, or requests a full or partial waiver of the overall goal and subgoals.

**An Offeror that does not commit to meeting the entire MBE participation goal outlined in this Section 4.26 implies that it is requesting a full or partial waiver for the remainder of the MBE goal or subgoals as applicable and, if recommended for award, shall submit documentation supporting its good faith efforts to meet the MBE goal made prior to submission of its proposal as outlined in Attachment D-1B, Waiver Guidance. Failure of an Offeror to properly complete, sign, and submit Attachment D-1A at the time it submits its Technical Response(s) to the RFP may result in the State’s rejection of the Offeror’s Proposal.**

Attachments.

1. D-1 to D-5 – The following Minority Business Enterprise participation instructions, and forms are provided to assist Offerors:
   1. Attachment D-1A MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (must be submitted with Proposal)
   2. Attachment D-1B Waiver Guidance
   3. Attachment D-1C Good Faith Efforts Documentation to Support Waiver Request
   4. Attachment D-2 Outreach Efforts Compliance Statement
   5. Attachment D-3A MBE Subcontractor Project Participation Certification
   6. Attachment D-3B MBE Prime Project Participation Certification
   7. Attachment D-4A Prime Contractor Paid/Unpaid MBE Invoice Report
   8. Attachment D-4B MBE Prime Contractor Report
   9. Attachment D-5 Subcontractor Paid/Unpaid MBE Invoice Report
2. The Offeror shall include with its Proposal a completed MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1A**) whereby:
   1. The Offeror acknowledges the certified MBE participation goal and commits to make a good faith effort to achieve the goal and any applicable subgoals, or requests a waiver, and affirms that MBE subcontractors were treated fairly in the solicitation process; and
   2. The Offeror responds to the expected degree of MBE participation, as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of Proposal submission. The Offeror shall specify the percentage of total contract value associated with each MBE subcontractor identified on the MBE participation schedule, including any work performed by the MBE prime (including a prime participating as a joint venture) to be counted towards meeting the MBE participation goals.
   3. The Offeror requesting a waiver should review **Attachment D-1B** (Waiver Guidance) and **D-1C** (Good Faith Efforts Documentation to Support Waiver Request) prior to submitting its request.

***If the Offeror fails to submit a completed Attachment D-1A with the Proposal as required, the Procurement Officer shall determine that the Proposal is not reasonably susceptible of being selected for award, unless the inaccuracy is determined to be the result of a minor irregularity that is waived or cured in accordance with COMAR 21.06.02.04.***

Offerors are responsible for verifying that each MBE (including any MBE prime and MBE prime participating in a joint venture) selected to meet the goal and any subgoals and subsequently identified in **Attachment** **D-1A** is appropriately certified and has the correct NAICS codes allowing it to perform the committed work.

Within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, the Offeror must provide the following documentation to the Procurement Officer.

1. Outreach Efforts Compliance Statement (**Attachment D-2**);
2. MBE Subcontractor/Prime Project Participation Certification (**Attachment D-3A/3B**); and
3. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the certified MBE subcontractor participation goal or any applicable subgoals.
4. Further, if the recommended awardee believes a waiver (in whole or in part) of the overall MBE goal or of any applicable subgoal is necessary, the recommended awardee must submit a fully-documented waiver request that complies with COMAR 21.11.03.11.

***If the recommended awardee fails to return each completed document within the required time, the Procurement Officer may determine that the recommended awardee is not responsible and, therefore, not eligible for Contract award. If the Contract has already been awarded, the award is voidable.***

A current directory of certified MBEs is available through the Maryland State Department of Transportation (MDOT), Office of Minority Business Enterprise, 7201 Corporate Center Drive, Hanover, Maryland 21076. The phone numbers are (410) 865-1269, 1-800-544-6056, or TTY (410) 865-1342. The directory is also available on the MDOT website at <http://mbe.mdot.maryland.gov/directory/>. The most current and up-to-date information on MBEs is available via this website. **Only MDOT-certified MBEs may be used to meet the MBE subcontracting goals.**

The Offeror that requested or implied to request a waiver of the goal or any of the applicable subgoals will be responsible for submitting the Good Faith Efforts Documentation to Support Waiver Request (**Attachment D-1C**) and all documentation within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, as required in COMAR 21.11.03.11.

All documents, including the MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (**Attachment D-1A**), completed and submitted by the Offeror in connection with its certified MBE participation commitment shall be considered a part of the Contract and are hereby expressly incorporated into the Contract by reference thereto. All of the referenced documents will be considered a part of the Proposal for order of precedence purposes (see Contract – **Attachment M**, **Section 2.1**).

The Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the requirements of the MBE program and pertinent Contract provisions. (See Contract – **Attachment M**, **Liquidated Damages for MBE,** **section** **39**).

As set forth in COMAR 21.11.03.12-1(D), when a certified MBE firm participates on a contract as a prime contractor (including a joint-venture where the MBE firm is a partner), a procurement agency may count the distinct, clearly defined portion of the work of the contract that the certified MBE firm performs with its own work force towards fulfilling up to fifty-percent (50%) of the MBE participation goal (overall) and up to one hundred percent (100%) of not more than one of the MBE participation subgoals, if any, established for the contract.

In order to receive credit for self-performance, an MBE prime must list its firm in Section 4A of the MBE Participation Schedule (**Attachment D-1A**) and include information regarding the work it will self-perform. For the remaining portion of the overall goal and the subgoals, the MBE prime must also identify other certified MBE subcontractors [see Section 4B of the MBE Participation Schedule (**Attachment D-1A**)] used to meet those goals. If dually-certified, the MBE prime can be designated as only one of the MBE subgoal classifications but can self-perform up to 100% of the stated subgoal.

As set forth in COMAR 21.11.03.12-1, once the Contract work begins, the work performed by a certified MBE firm, including an MBE prime, can only be counted towards the MBE participation goal(s) if the MBE firm is performing a commercially useful function on the Contract. Refer to MBE forms (**Attachment D**) for additional information.

## VSBE Goal

### Purpose

1. The Contractor shall structure its procedures for the performance of the work required in the Contract to attempt to achieve the VSBE participation goal stated in this solicitation. VSBE performance must be in accordance with this section and **Attachment** **E**, 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** **E**.
2. A certified Veteran-Owned Small Business Enterprises (VSBE) must be verified by the State Department of Veterans Affairs or US Department of Veteran’s Affairs [Vets First Verification Program](https://www.va.gov/osdbu/verification/) (VetBiz) and registered as a VSBE on the State's eProcurement platform, eMaryland Marketplace Advantage (eMMA). The listing of VSBEs is available through the “Vendor Search” on [eMMA](https://emma.maryland.gov/page.aspx/en/usr/login?ReturnUrl=%2fpage.aspx%2fen%2fbuy%2fhomepage).

### VSBE Goal

1. A VSBE participation goal of the total Contract dollar amount has been established for this procurement as identified in the Key Information Summary Sheet.
2. By submitting a response to this solicitation, the Offeror agrees that this percentage of the total dollar amount of the Contract will be performed by verified veteran-owned small business enterprises.

### Solicitation and Contract Formation

1. In accordance with COMAR 21.11.13.05 C (1), this solicitation requires Offerors to:
   1. Identify specific work categories within the scope of the procurement appropriate for subcontracting;
   2. Solicit VSBEs 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 VSBEs solicited and to document these attempts;
   4. Assist VSBEs to fulfill, or to seek waiver of, bonding requirements; and
   5. Attempt to attend preProposal or other meetings the procurement agency schedules to publicize contracting opportunities to VSBEs.
2. The Offeror must include with its Proposal a completed VSBE Utilization Affidavit and Prime/Subcontractor Participation Schedule (**Attachment E-1**) whereby the Offeror:
   1. Acknowledges it: a) intends to meet the VSBE participation goal; or b) requests a full or partial waiver of the VSBE participation goal. If the Offeror commits to the full VSBE goal or requests a partial waiver, it shall commit to making a good faith effort to achieve the stated goal; and
   2. Responds to the expected degree of VSBE participation as stated in the solicitation, by identifying the specific commitment of VSBEs at the time of Proposal submission. The Offeror shall specify the percentage of contract value associated with each VSBE prime/subcontractor identified.
3. As set forth in COMAR 21.11.13.05.B(2), when a verified VSBE firm participates on a Contract as a Prime Contractor, a procurement agency may count the distinct, clearly defined portion of the work of the contract that the VSBE Prime Contractor performs with its own work force towards meeting up to one hundred percent (100%) of the VSBE goal.
4. In order to receive credit for self-performance, a VSBE Prime must list its firm in the VSBE Prime/Subcontractor Participation Schedule (**Attachment E-1**) and include information regarding the work it will self-perform. For any remaining portion of the VSBE goal that is not to be performed by the VSBE Prime, the VSBE Prime must also identify verified VSBE subcontractors used to meet the remainder of the goal.
5. Within 10 Business Days from notification that it is the apparent awardee, the awardee must provide the following documentation to the Procurement Officer:
   1. VSBE Project Participation Statement (**Attachment E-2**);
   2. If the apparent awardee believes a full or partial waiver of the overall VSBE goal is necessary, it must submit a fully-documented waiver request that complies with COMAR 21.11.13.07; and
   3. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the VSBE participation goal.

***If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not reasonably susceptible of being selected for award.***

## Living Wage Requirements

1. Maryland law requires that contractors meeting certain conditions pay a living wage to covered employees on State service contracts over $100,000. Maryland Code Ann., State Finance and Procurement Article, § 18-101 et al. The Commissioner of Labor and Industry at the Maryland Department of Labor requires that a contractor subject to the Living Wage law submit payroll records for covered employees and a signed statement indicating that it paid a living wage to covered employees; or receive a waiver from Living Wage reporting requirements. See COMAR 21.11.10.05.
2. If subject to the Living Wage law, Contractor agrees that it will abide by all Living Wage law requirements, including but not limited to reporting requirements in COMAR 21.11.10.05. Contractor understands that failure of Contractor to provide such documents is a material breach of the terms and conditions and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions. Information pertaining to reporting obligations may be found by going to the Maryland Department of Labor website <http://www.dllr.state.md.us/labor/prev/livingwage.shtml>.
3. Additional information regarding the State’s living wage requirement is contained in **Attachment** **F**. Offerors must complete and submit the Maryland Living Wage Requirements Affidavit of Agreement (**Attachment F-1**) with their Proposals. If the Offeror fails to complete and submit the required documentation, the State may determine the Offeror to not be responsible under State law.
4. Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier area. 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 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.
   1. 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. In the event that 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) of the State Finance and Procurement Article shall assign the tier based upon where the recipients of the services are located. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. In this circumstance, the Contract will be determined to be a Tier (enter “1” or “2,” depending on where the majority of the service recipients are located) Contract.
   2. The Contract will be determined to be a Tier 1 Contract or a Tier 2 Contract depending on the location(s) from which the Contractor provides 50% or more of the services. The Offeror must identify in its Proposal the location(s) from which services will be provided, including the location(s) from which 50% or more of the Contract services will be provided.
   3. If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the Contract will be a Tier 1 Contract.
   4. If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the Contract will be a Tier 2 Contract.
5. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. See COMAR 21.11.10.07.
6. The Offeror shall identify in the Proposal the location from which services will be provided.
7. **NOTE:** Whereas the Living Wage may change annually, the Contract price will not change because of a Living Wage change or a change in the State minimum wage.

## Federal Funding Acknowledgement

There are programmatic conditions that apply to the Contract due to federal funding (see **Attachment G**).

The total amount of federal funds allocated for the Maryland DHS is $2,058,508,180 in Maryland State fiscal year 2022 This represents 71.31% of all funds budgeted for the unit in that fiscal year. This does not necessarily represent the amount of funding available for any particular grant, contract, or solicitation.

The Contract contains federal funds. The source of these federal funds is: TANF and SNAP. The CFDA number is: TANF 93.558 and SNAP 10.561. The conditions that apply to all federal funds awarded by the DHS are contained in Federal Funds **Attachment G**. Any additional conditions that apply to this particular federally-funded contract are contained as supplements to Federal Funds **Attachment G** and Offerors are to complete and submit these Attachments with their Proposals as instructed in the Attachments. Acceptance of this agreement indicates the Offeror’s intent to comply with all conditions, which are part of the Contract.

## Conflict of Interest Affidavit and Disclosure

The Offeror shall complete and sign the Conflict of Interest Affidavit and Disclosure (**Attachment** **H**) and submit it with its Proposal.

By submitting a Conflict of Interest Affidavit and Disclosure, the Contractor shall be construed as certifying all Contractor Personnel and subcontractors are also without a conflict of interest as defined in COMAR 21.05.08.08A.

Additionally, a Contractor has an ongoing obligation to ensure that all Contractor Personnel are without conflicts of interest prior to providing services under OR individual Task Orders issued under the Contract. For policies and procedures applying specifically to Conflict of Interests, the Contract is governed by COMAR 21.05.08.08.

Participation in Drafting of Specifications: Disqualifying Event: Offerors are advised that Md. Code Ann. State Finance and Procurement Article §13-212.1(a) provides generally that “an individual who assists an executive unit in the drafting of specifications, an invitation for bids, a request for proposals for a procurement, or the selection or award made in response to an invitation for bids or a request for proposals, or a person that employs the individual, may not: (1) submit a bid or proposal for that procurement; or (2) assist or represent another person, directly or indirectly, who is submitting a bid or proposal for that procurement.” Any Offeror submitting a Proposal in violation of this provision shall be classified as “not responsible.” See COMAR 21.05.03.03.

## Non-Disclosure Agreement

### Non-Disclosure Agreement (Offeror)

A Non-Disclosure Agreement (Offeror) is not required for this procurement.

### Non-Disclosure Agreement (Contractor)

All Offerors are advised that this solicitation and any Contract(s) are subject to the terms of the Non-Disclosure Agreement (NDA) contained in this solicitation as **Attachment** **I**. This Agreement must be provided within five (5) Business Days of notification of recommended award; however, to expedite processing, it is suggested that this document be completed and submitted with the Proposal.

## HIPAA - Business Associate Agreement

A HIPAA Business Associate Agreement is not required for this procurement.

## Nonvisual Access

The bidder or offeror warrants that the information technology offered under this bid or proposal (1) provides equivalent access for effective use by both visual and nonvisual means consistent with the standards of § 508 of the federal Rehabilitation Act of 1973 and Code of Maryland Regulations 14.33.02; (2) provides an individual with disabilities with nonvisual access in a way that is fully and equally accessible to and independently usable by the individual with disabilities so that the individual is able to acquire the same information, engage in the same interactions, and enjoy the same services as users without disabilities, with substantially equivalent ease of use; (3) will present information, including prompts used for interactive communications, in formats intended for both visual and nonvisual use; (4) 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 (5) is available, whenever possible, without modification for compatibility with software and hardware for nonvisual access. The bidder or offeror further warrants that the cost, if any, of modifying the information technology for compatibility with software and hardware used for nonvisual access will not increase the cost of the information technology by more than 15 percent.

Within 18 months after the award of any contract the Secretary of the Department of Information Technology, or the Secretary’s designee, will determine whether the information technology procured under this bid or proposal meets the nonvisual access standards set forth in the Code of Maryland Regulations 14.33.02. If the information technology procured under this solicitation does not meet the nonvisual access standards set forth in the Code of Maryland Regulations 14.33.02, the State will notify the bidder or offeror in writing that the bidder or offeror, at its own expense, has 12 months after the date of the notification to modify the information technology in order to meet the nonvisual access standards. If the bidder or offeror fails to modify the information technology to meet the nonvisual access standards within 12 months after the date of the notification, the bidder or offeror may be subject to a civil penalty of a fine not exceeding $5,000 for a first offense, and a fine not exceeding $10,000 for a subsequent offense.

The bidder or offeror shall indemnify the State for liability resulting from the use of information technology that does not meet the applicable nonvisual access standards.

For purposes of this regulation, the phrase ‘equivalent access' means the ability to receive, use, and manipulate information and operate controls necessary to access and use information technology by nonvisual means. Examples of equivalent access include keyboard controls used for input and synthesized speech, Braille, or other audible or tactile means used for output.

## Mercury and Products That Contain Mercury

This solicitation does not include the procurement of products known to likely include mercury as a component.

## Location of the Performance of Services Disclosure

The Offeror is required to complete the Location of the Performance of Services Disclosure. A copy of this Disclosure is included as **Attachment** **L**. The Disclosure must be provided with the Proposal.

## Department of Human Services (DHS) Hiring Agreement

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a DHS Hiring Agreement. A copy of this Agreement is included as **Attachment** **O**. This Agreement must be provided within five (5) Business Days of notification of recommended award.

## Small Business Reserve (SBR) Procurement

This solicitation is not designated as a Small Business Reserve (SBR) Procurement.

## Bonds

### Performance Bond

1. The successful Offeror shall deliver a Performance Bond, or other suitable security, to the State after notification of recommended award.
2. The successful Offeror must submit a Performance Bond, or other suitable security in the amount of $5,000,000.00, guaranteeing that the Contractor shall well and truly perform the Contract.
3. The Performance Bond shall be in the form provided in **Appendix 4 – Performance Bond** and underwritten by a surety company authorized to do business in the State and shall be subject to approval by the State, or other acceptable security for bond as described in COMAR 21.06.07, as summarized in **4.38.4**: **Bonds**.
4. The Performance Bond shall be maintained throughout the term of the Contract, and renewal option period(s), if exercised. Evidence of renewal of the Performance Bond and payment of the required premium shall be provided to the State.
5. The Performance Bond may be renewable annually. The Contractor shall provide to the State, 30 days before the annual expiration of the bond, confirmation from the surety that the bond will be renewed for the following year. Failure to timely provide this notice shall constitute an event of default under the Contract. Such a default may be remedied if the Contractor obtains a replacement bond that conforms to the requirements of the Contract and provides that replacement bond to the State prior to the expiration of the existing Performance Bond.
6. The cost of this bond, or other suitable security, is to be included in the total prices proposed and is not to be proposed and will not be recoverable as a separate cost item.
7. After the first year of the Contract, the Contractor may request a reduction in the amount of the Performance Bond. The amount and the duration of the reduction, if any, will be at the Department’s sole discretion. If any reduction is granted, the Department’s shall have the right to increase the amount of the Performance Bond to any amount, up to the original amount, at any time and at the Department’s sole discretion.

### Payment 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 DHS. 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 DHS annually or upon renewal.

### Acceptable security

Acceptable security shall be as described below, identified within and excerpted from COMAR 21.06.07:

1. Acceptable security for Proposal, performance, and payment bonds is limited to:
   1. A bond in a form satisfactory to the State underwritten by a surety company authorized to do business in this State;
   2. A bank certified check, bank cashier's check, bank treasurer's check, cash, or trust account;
   3. Pledge of securities backed by the full faith and credit of the United States government or bonds issued by the State; and
   4. An irrevocable letter of credit in a form satisfactory to the Attorney General and issued by a financial institution approved by the State Treasurer.

### Surety Bond Assistance Program

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 guarantee 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 Contract, and those surety bonds that are guaranteed 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 must first be denied bonding by at least one surety on both the standard and specialty markets within 90 days of submitting a bonding application to MSBDFA. The applicant must 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, must not subcontract more than 75 percent of the work, and the business or its principals must have a reputation of good moral character and financial responsibility. Finally, it must 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 Commerce

Maryland Small Business Development Financing Authority

MMG Ventures

826 E. Baltimore Street

Baltimore, Maryland 21202

Phone: (410) 333-4270

Fax: (410) 333-2552

## Maryland Healthy Working Families Act Requirements

On February 11, 2018, the Maryland Healthy Working Families Act went into effect. All offerors should be aware of how this Act could affect your potential contract award with the State of Maryland. See the Department of Labor, Licensing and Regulations web site for Maryland Healthy Working Families Act Information: <http://dllr.maryland.gov/paidleave/>.

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# Proposal Format

## Two Part Submission

Offerors shall submit Proposals in separate volumes (or envelopes):

* + Volume I –Technical Proposal
  + Volume II – Financial Proposal

## Proposal Delivery and Packaging

### Proposals delivered by facsimile and e-mail shall not be considered.

### Provide no pricing information in the Technical Proposal. Provide no pricing information on the media submitted in the Technical Proposal.

### Offerors may submit Proposals through the State’s internet based electronic procurement system, eMMA.

### The Procurement Officer must receive all electronic Proposal material by the RPF due date and time specified in the Key Information Summary Sheet. Requests for extension of this date or time will not be granted. Except as provided in COMAR 21.05.03.02F, Proposals received by the Procurement Officer after the due date will not be considered.

### Offerors shall provide their Proposals in two separate envelopes through eMMA following the [Quick Reference Guides](https://procurement.maryland.gov/emma-qrgs/) (QRG) labelled “5 - eMMA QRG Responding to Solicitations (RFP)” for double envelope submissions.

### Two Part (Double Envelope) Submission:

1. Technical Proposal consisting of:
   1. Technical Proposal and all supporting material in Microsoft Word format, version 2007 or greater,
   2. Technical Proposal in searchable Adobe PDF format,
   3. a second searchable Adobe copy of the Technical Proposal, with confidential and proprietary information redacted (see **Section 4.8, Public Information Act Notice**), and
2. Financial Proposal consisting of:
   1. Financial Proposal entered into the price form spreadsheet within eMMA and all supporting material in PDF format,
   2. Financial Proposal in searchable Adobe PDF format,
   3. a second searchable Adobe copy of the Financial Proposal, with confidential and proprietary information removed (see **Section 4.8, Public Information Act Notice**).

## Volume I - Technical Proposal

NOTE: Omit all **pricing information** from the Technical Proposal (Volume I). Include pricing information only in the Financial Proposal (Volume II).

### In addition to the instructions below, responses in the Offeror’s Technical Proposal shall reference the organization and numbering of Sections in the RFP (e.g., “Section 2.2.1 Response . . .; “Section 2.2.2 Response . . .,”). All pages of both Proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page “x”).

### The Technical Proposal shall include the following documents and information in the order specified as follows. Each section of the Technical Proposal shall be separated by a TAB as detailed below:

1. Title Page and Table of Contents (Submit under TAB A)

The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name and number of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

1. Claim of Confidentiality (If applicable, submit under TAB A-1)

Any information which is claimed to be confidential and/or proprietary information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal, and if applicable, separately in the Financial Proposal. An explanation for each claim of confidentiality shall be included (see Section **4.8, Public Information Act Notice**). The entire Proposal cannot be given a blanket confidentiality designation - any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal and an explanation for each claim shall be included.

1. Offeror Information Sheet and Transmittal Letter (Submit under TAB B)

The Offeror Information Sheet (see **Appendix 2**) and a Transmittal Letter shall accompany the Technical Proposal. The purpose of the Transmittal Letter is to transmit the Proposal and acknowledge the receipt of any addenda to this RFP issued before the Proposal due date and time. Transmittal Letter should be brief, be signed by an individual who is authorized to commit the Offeror to its Proposal and the requirements as stated in this RFP.

1. Executive Summary (Submit under TAB C)

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled “Executive Summary.”

In addition, the Summary shall indicate whether the Offeror is the subsidiary of another entity, and if so, whether all information submitted by the Offeror pertains exclusively to the Offeror. If not, the subsidiary Offeror shall include a guarantee of performance from its parent organization as part of its Executive Summary (see **Section 4.16 “Offeror Responsibilities”**).

The Executive Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment M**), or any other exhibits or attachments. Acceptance or rejection of exceptions is within the sole discretion of the State. **Exceptions to terms and conditions, including requirements, may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.**

1. Minimum Qualifications Documentation (**If applicable,** Submit under TAB D)

The Offeror shall submit any Minimum Qualifications documentation that may be required, as set forth in RFP **Section 1**. If references are required in **RFP Section 1, Minimum Qualifications**, those references shall be submitted in this section and shall contain the information described in both **Section 1, Minimum Qualifications** and **Section 5.3.2.I**.

1. Offeror Technical Response to RFP Requirements and Proposed Work Plan (Submit under TAB E)
   1. The Offeror shall address each RFP requirement (RFP **Section 2, Contractor Requirements: Scope of Work** and **Section 3: Contractor Requirements General**) in its Technical Proposal with a cross reference to the requirement and describe how its proposed goods and services, including the goods and services of any proposed subcontractor(s), will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to an RFP requirement shall include an explanation of how the work will be performed. The response shall address each requirement in **Section 2, Contractor Requirements: Scope of Work** and **Section 3: Contractor Requirements General** in order, and shall contain a cross reference to the requirement.
   2. The Offeror shall give a definitive section-by-section description of the proposed plan to meet the requirements of the RFP, i.e., a Work Plan. The Work Plan shall include the specific methodology, techniques, and number of staff, if applicable, to be used by the Offeror in providing the required goods and services as outlined in RFP Section 2, Contractor Requirements: Scope of Work. The description shall include an outline of the overall management concepts employed by the Offeror and a project delivery plan, including project control mechanisms and overall timelines. Project deadlines considered contract deliverables must be recognized in the Work Plan. The following table identifies special instructions or information requested for specific sections within **Section 2, Contractor Requirements: Scope of Work** and **Section 3: Contractor Requirements General** that shall be addressed and incorporated into the responses to the requirements.

| **Section #** | **Section Title** | **Special Instructions** |
| --- | --- | --- |
| 2.3.1.7.2  2.3.1.7.3 | Initial Card Issuance  Replacement Card Issuance | The Offeror shall also describe their approach to a card mail plan based on historic card issuance data by jurisdiction which is provided in **Attachment P - Pricing Proposal – Historical Data**. DHS is looking for a card replacement solution that would dramatically shorten delivery time for cards. Offerors should propose possible solutions, such as Saturday mailing, or other such solutions, along with estimates on time savings that will result from their proposals. |
| 2.3.1.7.4 | Automatic Card Replacement | The Offeror shall describe in its proposed process to auto replace cards identified as having had too many manual keyed-transaction entries. |
| 2.3.1.10.3 | EBT Data | The Offeror’s response shall indicate their capability to meet or exceed the requirement to provide access to all available transaction history data. |
| 2.3.1.12 | Retailer Management and Training | The Offeror 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) can participate in the EBT program and shall make available the equipment necessary for the retailers to participate. |
| 2.3.1.12.1 | Retailer and Third-Party Processor (TPP) Agreements | The Offeror shall provide a sample copy of the retailer and TPP Agreement with its Proposal. |
| 2.3.1.12.6 | Cash Access | The Offeror shall describe in its Proposal its methodology for ensuring that EBT customers have access to their cash benefits through retailers or ATMs and maintain a database consisting of retailers providing cash back. |
| 2.3.1.17 | Data Warehouse | The Offeror’s response shall fully describe their approach for providing the data warehouse functionality to DHS. The Offeror’s response shall indicate their capability to meet or exceed the requirement to provide access to all available transaction history data. The table of information in **Attachment Q**, **Data Warehouse Data Elements** is meant to demonstrate to Offerors, the minimum type and extent of data that DHS expects the EBT data warehouses to contain. It is important to note that this list represents the minimum expectation of the stored data elements. The data warehouse should include at a minimum, but not necessarily be limited to, these data elements. |
| 2.3.1.17 | Data Warehouse | The Offeror’s response shall include its approach for implementing a data warehouse staff training program based on the type of user and job function specifying training content and duration. |
| 2.3.1.17 | Data Warehouse | The Offeror shall indicate the number of users in each user category that the Offeror will support. The Contractor shall be responsible for paying the data warehouse license fees, if any, for DHS users. |
| 2.3.1.17 | Data Warehouse | The Offeror shall describe their data warehousing 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. |
| 2.3.1.12.15 | System Security | Offeror must submit a description of their Security process to ensure the access to the EBT system is not compromised by any authorized access. |
| 2.3.1.19.1 | Fraud Prevention Support | The Offer shall describe how system environment, support and operational procedures are designed to prevent fraud, promote customer safety and foster accuracy in business processes will be secured. |
| 2.3.2 | Transition/System Conversion | The Offeror shall provide a description of the technical risk of migrating from the existing system. |
| 2.3.2 | Transition/System Conversion | System Conversion Schedule - Offeror shall provide the proposed system conversion schedule with its Proposal. |
| 2.3.2.4 | Customer Service Conversion | The Offeror shall include within the transition plans of their proposals, a description of how they will transition the current telephone numbers over to their call center operations. Explicit detail must describe how the Vendor will handle calls during the transition period. |
| 2.3.2 | Testing Requirements | The Offeror shall describe how system testing will be conducted and the resources to be utilized in order to verify the system complies with SNAP requirements, system design specifications, and performance standards including responsiveness, usability, capacity and security. |
| 2.4.4 | Deliverable Descriptions/Acceptance Criteria | The Offeror shall include a deliverable description and schedule describing the proposed Deliverables as mapped to the State SDLC and the Deliverables table in **Attachment U, Deliverables Table**. The schedule shall also detail proposed submission due date/frequency of each recommended Deliverable. |
| 2.6.7 | SLA Measurements Table | The Offeror shall describe how service level performance is reported to the State and how the State can verify the service level. |
| 3.5.1 | Redundancy, Data Backup and Disaster Recovery | The Offeror shall provide a Backup solution/ strategy recommendation as part of its Proposal. |
| 3.5.1 | Redundancy, Data Backup and Disaster Recovery | Disaster Recovery and Security Model description - For hosted services, the Offeror shall include its DR strategy, and for on premise, a description of a recommended DR strategy. |
| 3.8 | Problem Escalation Procedure | The Offeror shall provide a draft Problem Escalation Procedure (PEP) that includes, at a minimum, titles of individuals to be contacted by the Contract Monitor should problems arise under the Contract and explains how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. Final procedures shall be submitted as indicated in Section 3.8. |
| 3.10 | Experience and Personnel | 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. |
| 3.10 | Experience and Personnel | Offeror must include an affirmative statement in its technical Proposal that the Offeror, if awarded a Contract, agrees that its employees and agents shall not be restricted from working with or for any successor contractor that is awarded the State business. |
| 3.14 | Work Orders | Offeror shall describe their change management process and how changes will be handled in a timely manner. |

* 1. Any exception to a requirement, term, or condition may result in having the Proposal classified as not reasonably susceptible of being selected for award or the Offeror deemed not responsible.
  2. The Offeror shall identify the location(s) from which it proposes to provide services under this contract, including, if applicable, any current facilities that it or any subcontractors operate such as data centers, call centers or card production facilities, and any required construction to satisfy the State’s requirements as outlined in this RFP.
  3. The Offeror shall provide a Voluntary Product Accessibility Template (VPAT) containing a comprehensive analysis of the Offeror’s conformance to accessibility standards in Code of Maryland Regulations 14.33.02 (See RFP §4.33). Failure to supply a VPAT may result in the Offeror’s Proposal being deemed not reasonably susceptible for award.

1. Experience and Qualifications of Proposed Staff (Submit under TAB F)

As part of the evaluation of the Proposal for this RFP, Offerors shall propose exactly four (4) key resources and shall describe in a Staffing Plan how additional resources shall be acquired to meet the needs of the Department. All other planned positions shall be described generally in the Staffing Plan, and may not be used as evidence of fulfilling company or personnel minimum qualifications.

The Offeror shall identify the qualifications and types of staff proposed to be utilized under the Contract including information in support of the Personnel Experience criteria in **Section 3.10.2, Experience and Personnel**. Specifically, the Offeror shall:

* 1. Describe in detail how the proposed staff’s experience and qualifications relate to their specific responsibilities, including any staff of proposed subcontractor(s), as detailed in the Work Plan.
  2. Include individual resumes for Key Personnel, including Key Personnel for any proposed subcontractor(s), who are to be assigned to the project if the Offeror is awarded the Contract. Each resume should include the amount of experience the individual has had relative to the Scope of Work set forth in this solicitation.
  3. Include letters of intended commitment to work on the project, including letters from any proposed subcontractor(s). Offerors should be aware of restrictions on substitution of Key Personnel prior to RFP award (see Substitution Prior to and Within 30 Days After Contract Execution in **Section 3.11.5, Substitution Prior to and Within 30 Days After Contract Execution**).
  4. Provide an Organizational Chart outlining Personnel and their related duties. The Offeror shall include job titles and the percentage of time each individual will spend on his/her assigned tasks. Offerors using job titles other than those commonly used by industry standards must provide a crosswalk reference document.
  5. If proposing differing personnel work hours than identified in the RFP, describe how and why it proposes differing personnel work hours.

1. Offeror Qualifications and Capabilities (Submit under TAB G)

The Offeror shall include information on past experience with similar projects and services including information in support of the Offeror Experience criteria in **Section 3.10.1, Preferred Offeror Experience**. The Offeror shall describe how its organization can meet the requirements of this RFP and shall also include the following information:

* 1. The number of years the Offeror has provided the similar goods and services;
  2. The number of clients/customers and geographic locations that the Offeror currently serves;
  3. The names and titles of headquarters or regional management personnel who may be involved with supervising the services to be performed under the Contract;
  4. The Offeror’s process for resolving billing errors; and
  5. An organizational chart that identifies the complete structure of the Offeror including any parent company, headquarters, regional offices, and subsidiaries of the Offeror.

1. References (Submit under TAB H)

At least three (3) references are requested from customers who are capable of documenting the Offeror’s ability to provide the goods and services specified in this RFP. References used to meet any Minimum Qualifications (see RFP **Section 1, Minimum Qualifications**) may be used to meet this request. Each reference shall be from a client for whom the Offeror has provided goods and services within the past five (5) years and shall include the following information:

* 1. Name of client organization;
  2. Name, title, telephone number, and e-mail address, if available, of point of contact for client organization; and
  3. Value, type, duration, and description of goods and services provided.

The Department reserves the right to request additional references or utilize references not provided by the Offeror. Points of contact must be accessible and knowledgeable regarding Offeror performance.

1. List of Current or Prior State Contracts (Submit under TAB I).

Provide a list of all contracts with any entity of the State of Maryland for which the Offeror is currently performing goods and services or for which services have been completed within the last five (5) years. For each identified contract, the Offeror is to provide:

* 1. The State contracting entity;
  2. A brief description of the goods and services provided;
  3. The dollar value of the contract;
  4. The term of the contract;
  5. The State employee contact person (name, title, telephone number, and, if possible, e-mail address); and
  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 State contracts will be used by the Procurement Officer to determine the responsibility of the Offeror and considered as part of the experience and past performance evaluation criteria of the RFP.

1. Financial Capability (Submit under TAB J)

The Offeror must include in its Proposal a commonly-accepted method to prove its fiscal integrity. If available, the Offeror shall include Financial Statements, preferably a Profit and Loss (P&L) statement and a Balance Sheet, for the last two (2) years (independently audited preferred).

In addition, the Offeror may supplement its response to this Section by including one or more of the following with its response:

* 1. Dun & Bradstreet Rating;
  2. Standard and Poor’s Rating;
  3. Lines of credit;
  4. Evidence of a successful financial track record; and
  5. Evidence of adequate working capital.

1. Certificate of Insurance (Submit under TAB K)

The Offeror shall provide a copy of its current certificate of insurance showing the types and limits of insurance in effect as of the Proposal submission date. The current insurance types and limits do not have to be the same as described in **Section 3.6, Insurance Requirements**. See **Section 3.6** for the required insurance certificate submission for the apparent awardee.

1. Subcontractors (Submit under TAB L)

The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and VSBE subcontracting goal(s), if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate attachment(s) of this RFP.

1. Legal Action Summary (Submit under TAB M)

This summary shall include:

* 1. A statement as to whether there are any outstanding legal actions or potential claims against the Offeror and a brief description of any action;
  2. A brief description of any settled or closed legal actions or claims against the Offeror over the past five (5) years;
  3. A description of any judgments against the Offeror within the past five (5) years, including the court, case name, complaint number, and a brief description of the final ruling or determination; and
  4. In instances where litigation is ongoing and the Offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.

1. Economic Benefit Factors (Submit under TAB N)
   1. The Offeror shall submit with its Proposal a narrative describing benefits that will accrue to the Maryland economy as a direct or indirect result of its performance of the Contract. Proposals will be evaluated to assess the benefit to Maryland’s economy specifically offered. The economic benefit offered should be consistent with the Offeror’s Total Proposal Price from **Attachment B, Financial Proposal Instructions & Form**, the Financial Proposal Form. See COMAR 21.05.03.03A (3). See **Section 5.3.O.7** for examples of economic benefits.
   2. 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.
   3. Offerors shall identify any performance guarantees that will be enforceable by the State if the full level of promised benefit is not achieved during the Contract term.
   4. 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 Procurement Officer 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.
   5. In responding to this section, the following do not generally constitute economic benefits to be derived from the Contract:
   6. generic statements that the State will benefit from the Offeror’s superior performance under the Contract;
   7. descriptions of the number of Offeror employees located in Maryland other than those that will be performing work under the Contract; or
   8. tax revenues from Maryland-based employees or locations, other than those that will be performing, or used to perform, work under the Contract.
   9. 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 the Contract.
   10. 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. Do not include actual fees or rates paid to subcontractors or information from your Financial Proposal;
       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 Offeror has committed, including contractual commitments at both prime and, if applicable, subcontract levels; and whether Maryland employees working at least 30 hours per week and are employed at least 120 days during a 12-month period will receive paid leave. If no new positions or subcontracts are anticipated as a result of the Contract, so state explicitly;
       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; and
       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.
2. Technical Proposal - Required Forms and Certifications (Submit under TAB O)

All forms required for the Technical Proposal are identified in Table 1 of **Section 7, RFP Attachments and Appendices**. Unless directed otherwise by instructions within an individual form, complete, sign, and include all required forms in the Technical Proposal, under TAB O.

* 1. Offerors shall furnish any and all agreements and terms and conditions the Offeror expects the State to sign or to be subject to in connection with or in order to use the Offeror’s services under this Contract. This includes physical copies of all agreements referenced and incorporated in primary documents, including but not limited to any software licensing agreement for any software proposed to be licensed to the State under this Contract (e.g., EULA, Enterprise License Agreements, Professional Service agreement, Master Agreement) and any AUP. The State does not agree to terms and conditions not provided in an Offeror’s Technical Proposal and no action of the State, including but not limited to the use of any such software, shall be deemed to constitute acceptance of any such terms and conditions. Failure to comply with this section renders any such agreement unenforceable against the State.
  2. For each service, hardware or software proposed as furnished by a third-party entity, Offeror must identify the third-party provider and provide a letter of authorization or such other documentation demonstrating the authorization for such services. In the case of an open source license, authorization for the open source shall demonstrate compliance with the open source license.
  3. A Letter of Authorization shall be on letterhead or through the provider’s e-mail. Further, each Letter of Authorization shall be less than twelve (12) months old and must provide the following information:
  4. Third-party POC name and alternate for verification.
     1. Third-party POC mailing address.
     2. Third-party POC telephone number.
     3. Third-party POC email address.
     4. If available, a Re-Seller Identifier.

## Volume II – Financial Proposal

The Financial Proposal shall contain all price information in the format specified in **Attachment** **B, Financial Proposal Instructions & Form**. The Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal Instructions and the Financial Proposal Form itself. Do not amend, alter, or leave blank any items on the Financial Proposal Form or include additional clarifying or contingent language on or attached to the Financial Proposal Form. Failure to adhere to any of these instructions may result in the Proposal being determined to be not reasonably susceptible of being selected for award and rejected by the Department.

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# Evaluation and Selection Process

## Evaluation Committee

Evaluation of Proposals will be performed in accordance with COMAR 21.05.03 by a committee established for that purpose and based on the evaluation criteria set forth below. The Evaluation Committee will review Proposals, participate in Offeror oral presentations and discussions, and provide input to the Procurement Officer. The Department reserves the right to utilize the services of individuals outside of the established Evaluation Committee for advice and assistance, as deemed appropriate.

During the evaluation process, the Procurement Officer may determine at any time that a particular Offeror is not susceptible for award.

## Technical Proposal Evaluation Criteria

The criteria to be used to evaluate each Technical Proposal are listed below in descending order of importance. Unless stated otherwise, any sub-criteria within each criterion have equal weight.

1. Offeror’s Technical Response to Requirements and Work Plan (See RFP **§ 5.3.2.F**)

The State prefers the Offeror’s Technical Proposal to illustrate a comprehensive understanding of work requirements and mastery of the subject matter, including an explanation of how the work will be performed. Proposals which include limited responses to work requirements such as “concur” or “will comply” will receive a lower ranking than those Proposals that address and demonstrate an understanding of the work requirements and include plans to meet or exceed them.

* 1. EBT System
  2. Management Approach
  3. Technical Approach
  4. Quality and Performance Standards

1. Experience and Qualifications of Proposed Staff (See RFP **§ 5.3.2.G**)
2. Offeror Qualifications and Capabilities, including proposed subcontractors (See RFP **§ 5.3.2.H**)
3. Satisfaction of the Nonvisual Access requirements (See RFP § 4.33)
4. Economic Benefit to State of Maryland (See RFP **§ 5.3.2.O**)
5. Preference to a Contractor that holds a form of insurance that can be used to reimburse a beneficiary for identity fraud or identity theft.
6. Preference to a Contractor that provides identity access protections to protect an eligible beneficiary against identity fraud and theft, which may include multifactor authentication.

## Financial Proposal Evaluation Criteria

All Qualified Offerors (see **Section 6.5.2.D**) will be ranked from the lowest (most advantageous) to the highest (least advantageous) price based on the Total Proposal Price within the stated guidelines set forth in this RFP and as submitted on **Attachment** **B, Financial Proposal Instructions & Form**.

## Reciprocal Preference

**6.4.1** Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. COMAR 21.05.01.04 permits procuring agencies to apply a reciprocal preference under the following conditions:

1. The Maryland resident business is a responsible Offeror;
2. The most advantageous Proposal is from a responsible Offeror whose principal office, or principal base of operations is in another state;
3. The other state gives a preference to its resident businesses through law, policy, or practice; and
4. The preference does not conflict with a federal law or grant affecting the procurement Contract.

**6.4.2** The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its resident businesses.

## Selection Procedures

### General

1. The Contract will be awarded in accordance with the Competitive Sealed Proposals (CSP) method found at COMAR 21.05.03. The CSP method allows for the conducting of discussions and the revision of Proposals during these discussions. Therefore, the State may conduct discussions with all Offerors that have submitted Proposals that are determined to be reasonably susceptible of being selected for contract award or potentially so. However, the State reserves the right to make an award without holding discussions.
2. With or without discussions, the State may determine the Offeror to be not responsible or the Offeror’s Proposal to be not reasonably susceptible of being selected for award at any time after the initial closing date for receipt of Proposals and prior to Contract award.

### Selection Process Sequence

1. A determination is made that the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment** **D-1A**) is included and is properly completed, if there is a MBE goal. In addition, a determination is made that the VSBE Utilization Affidavit and subcontractor Participation Schedule (**Attachment** **E-1**) is included and is properly completed, if there is a VSBE goal.
2. Technical Proposals are evaluated for technical merit and ranked. During this review, oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State’s requirements and the Offeror’s ability to perform the services, as well as to facilitate arrival at a Contract that is most advantageous to the State. Offerors will be contacted by the State as soon as any discussions are scheduled.
3. Offerors must confirm in writing any substantive oral clarifications of, or changes in, their Technical Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror’s Technical Proposal. Technical Proposals are given a final review and ranked.
4. The Financial Proposal of each Qualified Offeror (a responsible Offeror determined to have submitted an acceptable Proposal) will be evaluated and ranked separately from the Technical evaluation. After a review of the Financial Proposals of Qualified Offerors, the Evaluation Committee or Procurement Officer may again conduct discussions to further evaluate the Offeror’s entire Proposal.
5. When in the best interest of the State, the Procurement Officer may permit Qualified Offerors to revise their initial Proposals and submit, in writing, Best and Final Offers (BAFOs). The State may make an award without issuing a request for a BAFO. **Offerors may only perform limited substitutions of proposed personnel as allowed in Section 3.11, Substitution of Personnel**.

### Award Determination

Upon completion of the Technical Proposal and Financial Proposal evaluations and rankings, each Offeror will receive an overall ranking. The Procurement Officer will recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this most advantageous Proposal determination, technical factors will receive greater weight than financial factors.

## Documents Required upon Notice of Recommendation for Contract Award

Upon receipt of a Notification of Recommendation for Contract award, the apparent awardee shall complete and furnish the documents and attestations as directed in Table 1 of **Section 7, RFP Attachments and Appendices**.

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# RFP ATTACHMENTS AND APPENDICES

**Instructions Page**

A Proposal submitted by the Offeror must be accompanied by the completed forms and/or affidavits identified as “with Proposal” in the “When to Submit” column in Table 1 below. All forms and affidavits applicable to this RFP, including any applicable instructions and/or terms, are identified in the “Applies” and “Label” columns in Table 1.

For documents required as part of the Proposal:

* 1. For e-mail submissions, submit one (1) copy of each with signatures.
  2. For paper submissions, submit two (2) copies of each with original signatures. All signatures must be clearly visible.

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete certain forms and affidavits after notification of recommended award. The list of forms and affidavits that must be provided is described in Table 1 below in the “When to Submit” column.

For documents required after award, submit three (3) copies of each document within the appropriate number of days after notification of recommended award, as listed in Table 1 below in the “When to Submit” column.

Table 1: RFP ATTACHMENTS AND APPENDICES

| Applies? | When to Submit | Label | Attachment Name |
| --- | --- | --- | --- |
| Y | Before Proposal | A | Pre-Proposal Conference Response Form |
| Y | With Proposal | B | Financial Proposal Instructions and Form |
| Y | With Proposal | C | Bid/Proposal Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf>) |
| Y | With Proposal | D | MBE Forms D-1A (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>)  **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment D-1A is to be submitted for each Functional Area or Service Category where there is a MBE goal. |
| Y | 10 Business Days after recommended award | D | MBE Forms D-1B, D-1C, D-2, D-3A, D-3B (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>)  **Important:** Attachment D-1C, if a waiver has been requested, is also required within 10 days of recommended award. |
| Y | As directed in forms | D | MBE Forms D-4A, D-4B, D-5 (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>) |
| Y | With Proposal | E | Veteran-Owned Small Business Enterprise (VSBE) Form E-1A (see link at <https://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>)  **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment E-1A is to be submitted for each Functional Area or Service Category where there is a VSBE goal. |
| Y | 5 Business Days after recommended award | E | VSBE Forms E-1B, E-2, E-3, E4 (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>)  **Important:** Attachment E-1B, if a waiver has been requested, is also required within 10 days of recommended award. |
| Y | With Proposal | F | Maryland Living Wage Requirements for Service Contracts and Affidavit of Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf>) |
| Y | With Proposal | G | Federal Funds Attachments (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentG-FederalFundsAttachment.pdf>) |
| Y | With Proposal | H | Conflict of Interest Affidavit and Disclosure (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf>) |
| Y | 5 Business Days after recommended award – However, suggested with Proposal | I | Non-Disclosure Agreement (Contractor) (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf>) |
| Y | 5 Business Days after recommended award – However, suggested with Proposal | J | HIPAA Business Associate Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-J-HIPAABusinessAssociateAgreement.pdf>) |
| Y | With Proposal | L | Location of the Performance of Services Disclosure (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf>) |
| Y | 5 Business Days after recommended award | M | Sample Contract (included in this RFP) |
| Y | 5 Business Days after recommended award | N | Contract Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf>) |
| Y | 5 Business Days after recommended award | O | DHS Hiring Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-O-DHSHiringAgreement.pdf>) |
| Y | n/a | P | Historical Data |
| Y | n/a | Q | Data Warehouse Elements |
| Y | n/a | R | DHS Office Locations |
| Y | n/a | S | POS Terminal Locations |
| Y | n/a | T | EBT Required Reports |
| Y | n/a | U | Deliverable Chart |
| Y | n/a | 1 | Abbreviations and Definitions (included in this RFP) |
| Y | With Proposal | 2 | Offeror Information Sheet (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf>) |
| Y | Before Proposal, as directed in the RFP. | 3 | Non-Disclosure Agreement (Offeror)  (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-3-Non-Disclosure-Agreement-Offeror-1.dotx>) |
| Y | 5 Business Days after recommended award | 4 | Performance Bond  (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-z-Performance-Bond.dotx>) |
| Y | 5 Business Days after recommended award | 5 | Payment Bond  (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-yy-Payment-Bond.dotx>) |
| Y | 5 Business Days after recommended award |  | Evidence of meeting insurance requirements (see **Section 3.6**); 1 copy |
| Y | 10 Business Days after recommended award |  | PEP; 1 copy |

1. Pre-Proposal Conference Response Form

**Solicitation Number OTHS/EBT-22-002-S**

Electronic Benefits Transfer System

A Pre-Proposal conference will be held on **September 28, 2023**, **at 10:00 AM – 12:00 PM Local Time**, **via google meet.**

Please return this form by **2:00 PM on September 25, 2023**, advising whether or not your firm plans to attend. The completed form should be returned via e-mail or fax to the Procurement Officer at the contact information below:

Samuel Eduful

Maryland Department of Human Services

E-mail: [Samuel.Eduful@maryland.gov](mailto:Samuel.Eduful@maryland.gov)

Please indicate:

|  |  |
| --- | --- |
|  | Yes, the following representatives will be in attendance. |
|  | Attendees (Check the RFP for limits to the number of attendees allowed):  1.  2.  3. |
|  | No, we will not be in attendance. |

|  |  |  |
| --- | --- | --- |
| Please specify whether any reasonable accommodations are requested (see RFP § 4.1“Pre-Proposal conference”): | | |
| Offeror: |  |
| *Offeror Name (please print or type)* |  |
| By: |  |
| *Signature/Seal* |  |
| Printed Name: |  |
| *Printed Name* |  |
| Title: |  |
| *Title* |  |
| Date: |  |
| *Date* |  |

1. Financial Proposal Instructions & Form

B-1 Financial Proposal Instructions

In order to assist Offerors in the preparation of their Financial Proposal and to comply with the requirements of this solicitation, Financial Proposal Instructions and a Financial Proposal Form have been prepared. Offerors shall submit their Financial Proposal on the Financial Proposal Form in accordance with the instructions on the Financial Proposal Form and as specified herein. Do not alter the Financial Proposal Form or the Proposal may be determined to be not reasonably susceptible of being selected for award. The Financial Proposal Form is to be signed and dated, where requested, by an individual who is authorized to bind the Offeror to the prices entered on the Financial Proposal Form.

The Financial Proposal Form is used to calculate the Offeror’s TOTAL Proposal PRICE. Follow these instructions carefully when completing your Financial Proposal Form:

1. All Unit and Extended Prices must be clearly entered in dollars and cents, e.g., $24.15. Make your decimal points clear and distinct.
2. All Unit Prices must be the actual price per unit the State will pay for the specific item or service identified in this RFP and may not be contingent on any other factor or condition in any manner.
3. All calculations shall be rounded to the nearest cent, e.g., .344 shall be .34 and .345 shall be .35.
4. Any goods or services required through this RFP and proposed by the vendor at No Cost to the State must be clearly entered in the Unit Price, if appropriate, and Extended Price with $0.00.
5. Every blank in every Financial Proposal Form shall be filled in. Any changes or corrections made to the Financial Proposal Form by the Offeror prior to submission shall be initialed and dated.
6. Except as instructed on the Financial Proposal Form, nothing shall be entered on or attached to the Financial Proposal Form that alters or proposes conditions or contingencies on the prices. Alterations and/or conditions may render the Proposal not reasonably susceptible of being selected for award.
7. It is imperative that the prices included on the Financial Proposal Form have been entered correctly and calculated accurately by the Offeror and that the respective total prices agree with the entries on the Financial Proposal Form. Any incorrect entries or inaccurate calculations by the Offeror will be treated as provided in COMAR 21.05.03.03.F, and may cause the Proposal to be rejected.
8. If option years are included, Offerors must submit pricing for each option year. Any option to renew will be exercised at the sole discretion of the State and comply with all terms and conditions in force at the time the option is exercised. If exercised, the option period shall be for a period identified in the RFP at the prices entered in the Financial Proposal Form.
9. All Financial Proposal prices entered below are to be fully loaded prices that include all costs/expenses associated with the provision of services as required by the RFP. The Financial Proposal price shall include, but is not limited to, all: labor, profit/overhead, general operating, administrative, and all other expenses and costs necessary to perform the work set forth in the solicitation. No other amounts will be paid to the Contractor. If labor rates are requested, those amounts shall be fully-loaded rates; no overtime amounts will be paid.
10. Unless indicated elsewhere in the RFP, sample amounts used for calculations on the Financial Proposal Form are typically estimates for evaluation purposes only. Unless stated otherwise in the RFP, the Department does not guarantee a minimum or maximum number of units or usage in the performance of the Contract.
11. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.
12. Content Of Pricing Response

The following information is intended to provide Offeror's with a format for submitting price quotations that will facilitate the evaluation of responses by the State agency. Price quotations shall be submitted in the format specified. Responses that do not provide price proposals in the required format may be rejected at the option of the State. Unless noted otherwise, prices quoted shall apply for the duration of the Contract executed as a result of this RFP. See **Section 5.2, Proposal Delivery and Packaging** for instructions on the submission of the Financial Proposal separate from the Technical Proposal.

* 1. **EBT Pricing**: It is the intent of the State of Maryland to provide improved service to benefit customers at a low cost. The State expects that the prevailing commercial payment practices will be followed for EBT transactions to the extent possible. However, retailers will not be charged an interchange fee for SNAP transactions by the Contractor regardless of prevailing commercial practices.
  2. **State Position on Acquiring Services**: It is the desire of Maryland to maximize competition and promote private sector involvement in acquiring services for retailers that elect to accept the Maryland EBT card. While this RFP includes a provision for the Contractor to deploy and drive terminals and acquire EBT transactions, the Contractor will not have an exclusive arrangement for these services. Retailers that are currently accepting electronic transactions are encouraged to work within their current acquirer or processor agreements to include EBT as a standard service. Retailers that are not currently equipped are encouraged to survey the market for the best combination of services, equipment, and price that best meets their individual needs. The Contractor selected through this process, while not prohibited from offering these services, shall be considered as only one source of the available services. The Contractor shall be required to accept Maryland EBT transactions from any acquirer (or processor acting on behalf of an acquirer) that meet the requirements for acquirers described in the Quest® Operating Rules.
  3. **Pricing Categories:** Each category represents services to be provided to the State. The following is a description of each service priced and the instructions for using the pricing form found in **Attachment B-2** **Financial Proposal Form**.
  4. **Table 1: Base+Options Price**

**Transition/System Conversion Costs:** This represents one-time costs associated with the transition to the new contract and system conversion, if applicable. Pricing is provided for each phase of the transition/system conversion. Payment for services is based on the completion of the deliverables and tasks associated with each phase.

The cost for category Transition/System Conversion Costs shall be entered into the Table 1 – Base+Options Price worksheet, cells D6 to D9 within the Attachment B-2 Financial Proposal Form document.

**Cost Per Case Month (CPCM):** This represents the fully-loaded fixed price to deliver the specified category of services to a single case for one month. A “Case” is defined as the single unit receiving benefits from one or more programs. For invoicing purposes, billable cases shall be those cases for which a benefit authorization has been posted to the account during the month. The following provides a description for each type of billable case.

* **Combined SNAP/Cash CPCM** - An active single case in which one or more SNAP benefits AND one or more cash benefits post to the account during a month
* **SNAP Only CPCM** - An active single case in which one or more SNAP benefits post to the account during a month.
* **Cash Only CPCM** - An active single case in which one or more cash benefits post to the account during a month.
* **P-EBT Only CPCM** - An active single case in which only P-EBT benefits post to an account during a month.
* **SEBT Only CPCM** - An active single case in which only SEBT benefits post to an account during a month.
* **Direct Deposit** - An active single case in which one or more cash benefits are deposited/posted into a customer’s personal checking or savings account during the month.

The cost for the CPCM for each case type (as described above) for the base contract and option periods 1 and 2 shall be entered into the Table 1 – Base+Options Price worksheet, cells D12 to D17, C23-C28 and C34-C39 within the Attachment B-2 Financial Proposal Form document.

**ATM Cash Transaction Fees:** This representsthe transaction fee for an ATM cash transaction withdrawal that is transferred from the EBT card account to the EBT Contractor. The State will pay for the first 3 successful cash withdrawal transactions per case per month and the customer will be charged for the 4th and subsequent successful cash withdrawals from ATMs in a case month.

The Offeror shall provide the per transaction fee that will be passed along from the EBT card accounts to the EBT Contractor. The Offeror shall provide a fully-loaded fixed price not to exceed .49 cents for each of the first 3 cash transactions per case per month to the State and a fee not to exceed .85cents for each successful cash transactions to the customer exceeding 3 transactions per case per month The Contractor is encouraged to propose a lower rate as a measure of financial relief to the State of Maryland’s customers.

The cost ATM Case Transaction Fees for the base contract and option periods 1 and 2 shall be entered into the Table 1 – Base+Options Price worksheet, cells C18, C29, C23-C28 and C34-C39 within the Attachment B-2 Financial Proposal Form document.

**Grand Total:** The cost spreadsheet will total all costs for base years plus option years using the estimated number of cases provided by DHS. The Grand Total will be used for cost evaluation.

* 1. **Table 2: Contractor Labor Rate:** This represents the hourly rate by skilled technical category to perform software design and development for Work Orders requested by DHS. Changes to the system may be necessary due to requests from the State that is outside of the stated requirements of the RFP. Work Orders may be executed in the event a change is needed within the general scope of the project.

Qualifications for key personnel can be found in section **3.10.2 Key Personal.**Non-key personnel qualifications are listed below.

**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. Or must have two (2) years of experience in complex software design.

Specialized Experience: At least two (2) years of experience as an application programmer with knowledge of computer equipment and ability to develop complex software to satisfy design objectives.

**Database Administrator**

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. Or must have five (5) years of experience database management experience.

Specialized Experience: At least three (3) years of experience as database management with knowledge of complex database design to satisfy design objectives.

The cost for the Contractor Hourly Labor Rate shall be entered into the Table 2 – Work Order Request Labor Rates worksheet, cells B6 – D11 within the Attachment B-2 Financial Proposal Form document. Additional rate categories may be added to Table 2. For any additional rate categories, minimum qualifications for the role must be provided.

* 1. **Table 3: Disaster Support:** This represents the costs to provide Disaster Level II Services described in **Section 2.3.1.18.4, Level II Disaster Support.** This cost is paid only when Disaster Level II Services are provided under a disaster declaration.

The cost for the Disaster Support shall be entered into Table 3 – Disaster Support worksheet, cells B5 – B7 within the Attachment B-2 Financial Proposal Form document.

* 1. **Table 4: Alternative Card Technologies:** This representsthe cost for implementing, and increase to CPCM if applicable, alternative card solutions.

The cost for the Alternative Card Technologies shall be entered into Table 4 – Alternative Card Technologies worksheet within the Attachment B-2 Financial Proposal Form document. The type of alternative shall be identified in cells A5 – A9, additional alternatives may be added if more lines are needed. Costs for the implementation of EMV are required to be provided. One-time costs for implementation shall be entered into B5 – B9. Ongoing costs representing an increase to CPCM costs (provided in Table 1) shall be provided for base and optional periods fin cells C5 – E9.

* 1. **Pricing for EBT Services**: Price quotations for the EBT services shall be expressed in terms of **CPCM.** The Offeror shall provide a fully-loaded fixed price to deliver the mandatory category of services to a single case for one month and to operate and support the EBT System. The CPCM is an all-inclusive fee per active account and includes all administrative and ongoing operational costs for EBT services and support. The price charged to the State is based **on the initial benefit deposit only**, applied to the account for each type of Active Case (SNAP, cash/or Direct Deposit). In instances where more than one credit is applied for each type of Active Case in a billing cycle, the State shall not be charged.

**The following fees are not allowed to be charged to Maryland EBT customers nor shall be included the pricing structure:**

* **ATM and or POS Balance Inquiry Fees:** This represents the fee that will be passed along from the EBT card account to the EBT Contractor for balance inquiries conducted at an ATM or POS. All ATM and POS balance inquiries are at “no” charge.
* **POS Cash Transaction Fees:** This represents the fee that will be passed along from the EBT card accounts to the EBT Contractor for POS cash transactions. There is “no charge” for all POS cash transactions to the Customer or the State.
* **Transaction Fees:** This represents the fee that will be passed along from the EBT card accounts to the EBT Contractor for SNAP transactions. All SNAP transactions conducted are at “no” charge.
  + **Inactive Cases:** This represents a Case that has had no financial activity in the billing month. There is “no” charge to the State for Inactive Cases.
  + **Debit Activity:** This represents a Case that has debit activity in the billing month. There is “no” charge to the state for Debit Activity.
  1. **Estimated Caseload Data:** Estimated Data Caseload for the State of Maryland has been provided presented in pricing **Table 1: Base Contract and Option Period Price Entry Table.** This data is to be used in estimating pricing for the Base and Option Contract Periods. These are only estimates for the purpose of pricing and are not guaranteed caseload numbers.
  2. **Maintenance Costs:** Maintenance costs represent the total ongoing cost for providing EBT services to a single case CPCM. Maintenance costs are presented for active, on-line cases in the EBT system and are included in the CPCM price.

**Acknowledgments**

By its submittal of a Proposal in response to the RFP, the Offeror acknowledges its understanding and agreement to the payment conditions as proposed by the State in the RFP or otherwise negotiated and to the following payment exclusions:

1. The State will not pay the awarded Contractor in a manner or for services other than those specified in the executed Contract as a result of the RFP.
2. The Offeror understands that the State will not pay for eligible transactions made necessary as a result of EBT Contractor errors, omissions, or other non-performance.
3. The Offeror understands the State will not pay in excess of the appropriate fee per case per month as determined by the States and in accordance with the negotiated and accepted Contractor Proposal.
4. The Offeror understands the State may withhold or reduce payments in accordance with the provisions of the contract.

B-2 Financial Proposal Form

The Financial Proposal Form shall contain all price information in the format specified on these pages. Complete the Financial Proposal Form only as provided in the Financial Proposal Instructions. Do not amend, alter or leave blank any items on the Financial Proposal Form. If option years are included, Offerors must submit pricing for each option year. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

See separate Excel Financial Proposal Form labeled EBT RFP Attachment B2.xls.

Submitted by:

|  |  |
| --- | --- |
| Offeror: |  |
| Offeror Name (please print or type) |  |
| By: |  |
| Signature of Authorized Representative |  |
| Printed Name: |  |
| Printed Name |  |
| Title: |  |
| Title |  |
| Date: |  |
| Date |  |
| Address: |  |
| Company Address |  |

1. Proposal Affidavit

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf>.

1. Minority Business Enterprise (MBE) Forms

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>.

This solicitation includes a Minority Business Enterprise (MBE) participation goal of \_\_8%\_\_ percent and all of the following subgoals:

1. Veteran-Owned Small Business Enterprise (VSBE) Forms

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>.

This solicitation includes a VSBE participation goal of \_7%\_\_%.

1. Maryland Living Wage Affidavit of Agreement for Service Contracts

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf> to complete the Affidavit.

A. This contract is subject to the Living Wage requirements under Md. Code Ann., State Finance and Procurement Article, Title 18, and the regulations proposed by the Commissioner of Labor and Industry (Commissioner). The Living Wage generally applies to a Contractor or subcontractor who performs work on a State contract for services that is valued at $100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee’s time during any work week on the State Contract.

B. The Living Wage Law does not apply to:

(1) A Contractor who:

(a) Has a State contract for services valued at less than $100,000, or

(b) Employs 10 or fewer employees and has a State contract for services valued at less than $500,000.

(2) A subcontractor who:

(a) Performs work on a State contract for services valued at less than $100,000,

(b) Employs 10 or fewer employees and performs work on a State contract for services valued at less than $500,000, or

(c) Performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(b) above, or B (3) or C below.

(3) Service contracts for the following:

(a) Services with a Public Service Company;

(b) Services with a nonprofit organization;

(c) Services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement (“Unit”); or

(d) Services between a Unit and a County or Baltimore City.

C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.

D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Md. Code Ann., State Finance and Procurement Article, Title 18.

E. Each Contractor/subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.

F. The Commissioner shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry’s website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.

G. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s share of the health insurance premium, as provided in Md. Code Ann., State Finance and Procurement Article, §18-103(c), shall not lower an employee’s wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s share of health insurance premium shall comply with any record reporting requirements established by the Commissioner.

H. A Contractor/subcontractor may reduce the wage rates paid under Md. Code Ann., State Finance and Procurement Article, §18-103(a), by no more than 50 cents of the hourly cost of the employer’s contribution to an employee’s deferred compensation plan. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s contribution to an employee’s deferred compensation plan shall not lower the employee’s wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413.

I. Under Md. Code Ann., State Finance and Procurement Article, Title 18, if the Commissioner determines that the Contractor/subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of $20 per day for each employee paid less than the Living Wage.

J. Information pertaining to reporting obligations may be found by going to the Division of Labor and Industry website <http://www.dllr.state.md.us/labor/prev/livingwage.shmtl> and clicking on Living Wage for State Service Contracts.

1. Federal Funds Attachments

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentG-FederalFundsAttachment.pdf>.

1. Conflict of Interest Affidavit and Disclosure

See link at <https://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf>

1. Non-Disclosure Agreement (Contractor)

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf>.

1. HIPAA Business Associate Agreement

This solicitation does not require a HIPAA Business Associate Agreement.

1. Mercury Affidavit

This solicitation does not include the procurement of products known to likely include mercury as a component.

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1. Location of the Performance of Services Disclosure

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf>.

1. Contract

Department of Human Services (DHS)

“Electronic Benefits Transfer System”

OTHS/EBT-23-017-S

THIS CONTRACT (the “Contract”) is made this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Contractor”) and the STATE OF MARYLAND, acting through the MARYLAND Department of Human Services (“DHS” or the “Department”).

In consideration of the promises and the covenants herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. Definitions

In this Contract, the following words have the meanings indicated:

1.1 “COMAR” means Code of Maryland Regulations.

1.2 “Contractor” means the entity first named above whose principal business address is (Contractor’s primary address) and whose principal office in Maryland is (Contractor’s local address), whose Federal Employer Identification Number or Social Security Number is (Contractor’s FEIN), and whose eMaryland Marketplace Advantage vendor ID number is (eMMA Number).

1.3 “Financial Proposal” means the Contractor’s [pick one: Financial Proposal or Best and Final Offer (BAFO)] dated \_\_\_\_\_\_\_\_\_(Financial Proposal date or BAFO date).

1.4 Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.

1.5 “RFP” means the Request for Proposals for DHS EBT System, Solicitation # OTHS/EBT-23-017-S, and any amendments, addenda, and attachments thereto issued in writing by the State.

1.6 “State” means the State of Maryland.

1.7 “Technical Proposal” means the Contractor’s Technical Proposal dated. \_\_\_\_\_\_\_\_\_\_\_\_ (Technical Proposal date), as modified and supplemented by the Contractor’s responses to requests clarifications and requests for cure, and by any Best and Final Offer.

1.8 “Veteran-owned Small Business Enterprise” (VSBE) means A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

1.9 Capitalized terms not defined herein shall be ascribed the meaning given to them in the RFP.

2. Scope of Contract

2.1 The Contractor shall perform in accordance with this Contract and Exhibits A-D, which are listed below and incorporated herein by reference. If there is any conflict between this Contract and the Exhibits, the terms of the Contract shall control. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision:

Exhibit A – The RFP

Exhibit B – The Contract Affidavit, executed by the Contractor and dated (date of Attachment C)

Exhibit C – The Technical Proposal

Exhibit D – The Financial Proposal

2.2 The Procurement Officer may, at any time, by written order, make unilateral changes in the work within the general scope of the Contract. No other order, statement, or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor’s cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

2.3 Without limiting the rights of the Procurement Officer under Section 2.2 above, the Contract may be modified by mutual agreement of the parties, provided: (a) the modification is made in writing; (b) all parties sign the modification; and (c) all approvals by the required agencies as described in COMAR Title 21, are obtained.

3. Period of Performance

3.1 The term of this Contract begins on the date the Contract is signed by the Department following any required prior approvals, including approval by the Board of Public Works, if such approval is required (the “Effective Date”) and shall continue until \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Initial Term”).

3.2 In its sole discretion, the Department shall have the unilateral right to extend the Contract for two 2-year renewal options (each a “Renewal Term”) at the prices established in the Contract. “Term” means the Initial Term and any Renewal Term(s).

3.3. The Contractor’s performance under the Contract shall commence as of the date provided in a written NTP.

3.4 The Contractor’s obligation to pay invoices to subcontractors providing products/services in connection with this Contract, as well as the audit; confidentiality; document retention; patents, copyrights & intellectual property; warranty; indemnification obligations; and limitations of liability under this Contract; and any other obligations specifically identified, shall survive expiration or termination of the Contract.

4. Consideration and Payment

4.1 In consideration of the satisfactory performance of the work set forth in this Contract, the Department shall pay the Contractor in accordance with the terms of this Contract and at the prices quoted in the Financial Proposal. Unless properly modified (see above Section 2), payment to the Contractor pursuant to this Contract, including the Initial Term and any Renewal Term, shall not exceed the Contracted amount.

4.2 Unless a payment is unauthorized, deferred, delayed, or set-off under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the Department’s receipt of a proper invoice from the Contractor as required by RFP section 3.3.

The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if:

(1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State’s payment of the amount on which the interest accrued; and

(2) A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.

The State is not liable for interest:

(1) Accruing more than one year after the 31st day after the agency receives the proper invoice; or

(2) On any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable.

Final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

Electronic funds transfer shall be used by the State to pay Contractor pursuant to this Contract and any other State payments due Contractor unless the State Comptroller’s Office grants Contractor an exemption.

4.3 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.

4.4 Payment of an invoice by the Department is not evidence that services were rendered as required under this Contract.

5. Rights to Records

5.1 The Contractor agrees that all documents and materials including, but not limited to, software, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the State and shall be available to the State at any time. The State shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, works created as a Deliverable under this Contract (as defined in **Section 7.2**), and services performed under this Contract shall be “works made for hire” as that term is interpreted under U.S. copyright law. To the extent that any products created as a Deliverable under this Contract are not works made for hire for the State, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

5.3 The Contractor shall report to the Contract Monitor, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

5.4 The Contractor shall not affix any restrictive markings upon any data, documentation, or other materials provided to the State hereunder and if such markings are affixed, the State shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

5.5 Upon termination or expiration of the Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.

6. Exclusive Use

6.1 The State shall have the exclusive right to use, duplicate, and disclose any data, information, documents, records, or results, in whole or in part, in any manner for any purpose whatsoever, that may be created or generated by the Contractor in connection with this Contract. If any material, including software, is capable of being copyrighted, the State shall be the copyright owner and Contractor may copyright material connected with this project only with the express written approval of the State.

6.2 Except as may otherwise be set forth in this Contract, Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Department or developed by Contractor relating to the Contract, except as provided for in **Section 8**. **Confidential or Proprietary Information and Documentation**.

7. Patents, Copyrights, and Intellectual Property

7.1. All copyrights, patents, trademarks, trade secrets, and any other intellectual property rights existing prior to the Effective Date of this Contract shall belong to the party that owned such rights immediately prior to the Effective Date (“Pre-Existing Intellectual Property”). If any design, device, material, process, or other item provided by Contractor is covered by a patent or copyright or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the State to use such item or items pursuant to its rights granted under the Contract.

7.2 Except for (1) information created or otherwise owned by the Department or licensed by the Department from third parties, including all information provided by the Department to Contractor; (2) materials created by Contractor or its subcontractor(s) specifically for the State under the Contract (“Deliverables”), except for any Contractor Pre-Existing Intellectual Property included therein; and (3) the license rights granted to the State, all right, title, and interest in the intellectual property embodied in the solution, including the know-how and methods by which the solution is provided and the processes that make up the solution, will belong solely and exclusively to Contractor and its licensors, and the Department will have no rights to the same except as expressly granted in this Contract. Any SaaS Software developed by Contractor during the performance of the Contract will belong solely and exclusively to Contractor and its licensors. For all Software provided by the Contractor under the Contract, Contractor hereby grants to the State a nonexclusive, irrevocable, unlimited, perpetual, non-cancelable, and non-terminable right to use and make copies of the Software and any modifications to the Software. For all Contractor Pre-Existing Intellectual Property embedded in any Deliverables, Contractor grants to the State a license to use such Contractor Pre-Existing Intellectual Property in connection with its permitted use of such Deliverable. During the period between delivery of a Deliverable by Contractor and the date of payment therefor by the State in accordance with this Contract (including throughout the duration of any payment dispute discussions), subject to the terms and conditions contained herein, Contractor grants the State a royalty-free, non-exclusive, limited license to use such Deliverable and to use any Contractor Materials contained therein in accordance with this Contract.

7.3. Subject to the terms of **Section 10**, Contractor shall defend, indemnify and hold harmless the State and its agents and employees, from and against any and all claims, costs, losses, damages, liabilities, judgments and expenses (including without limitation reasonable attorneys’ fees) arising out of or in connection with any third party claim that the Contractor-provided products/services infringe, misappropriate or otherwise violate any third party intellectual property rights. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State’s rights or interests, without the State’s prior written consent.

7.4 Without limiting Contractor’s obligations under Section 5.3, if an infringement claim occurs, or if the State or the Contractor believes such a claim is likely to occur, Contractor (after consultation with the State and at no cost to the State): (a) shall procure for the State the right to continue using the allegedly infringing component or service in accordance with its rights under this Contract; or (b) replace or modify the allegedly infringing component or service so that it becomes non-infringing and remains compliant with all applicable specifications.

7.5 Except as otherwise provided herein, Contractor shall not acquire any right, title or interest (including any intellectual property rights subsisting therein) in or to any goods, Software, technical information, specifications, drawings, records, documentation, data or any other materials (including any derivative works thereof) provided by the State to the Contractor. Notwithstanding anything to the contrary herein, the State may, in its sole and absolute discretion, grant the Contractor a license to such materials, subject to the terms of a separate writing executed by the Contractor and an authorized representative of the State as well as all required State approvals.

7.6 Without limiting the generality of the foregoing, neither Contractor nor any of its subcontractors shall use any Software or technology in a manner that will cause any patents, copyrights or other intellectual property which are owned or controlled by the State or any of its affiliates (or for which the State or any of its subcontractors has received license rights) to become subject to any encumbrance or terms and conditions of any third party or open source license (including, without limitation, any open source license listed on http://www.opensource.org/licenses/alphabetical) (each an “Open Source License”). These restrictions, limitations, exclusions and conditions shall apply even if the State or any of its subcontractors becomes aware of or fails to act in a manner to address any violation or failure to comply therewith. No act by the State or any of its subcontractors that is undertaken under this Contract as to any Software or technology shall be construed as intending to cause any patents, copyrights or other intellectual property that are owned or controlled by the State (or for which the State has received license rights) to become subject to any encumbrance or terms and conditions of any open source license.

7.7 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Deliverables delivered under this Contract.

7.8 The Contractor shall not affix (or permit any third party to affix), without the Department’s consent, any restrictive markings upon any Deliverables that are owned by the State, and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

8. Confidential or Proprietary Information and Documentation

8.1 Subject to the Maryland Public Information Act and any other applicable laws including, without limitation, HIPAA, the HI-TECH Act, and the Maryland Medical Records Act and regulations promulgated pursuant thereto, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor’s computer systems or cloud infrastructure, if applicable) shall be held in confidence by the other party. Each party shall, however, be permitted to disclose, as provided by and consistent with applicable law, relevant confidential information to its officers, agents, and Contractor Personnel to the extent that such disclosure is necessary for the performance of their duties under this Contract. Each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by Contractor of the obligations hereunder, and bound by, confidentiality at least as restrictive as those set forth in this Contract.

8.2 The provisions of this section shall not apply to information that: (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already rightfully in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

9. Loss of Data

9.1 In the event of loss of any State data or records where such loss is due to the act or omission of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for restoring or recreating, as applicable, such lost data in the manner and on the schedule set by the Contract Monitor. The Contractor shall ensure that all data is backed up and recoverable by the Contractor. At no time shall any Contractor actions (or any failures to act when Contractor has a duty to act) damage or create any vulnerabilities in data bases, systems, platforms, and applications with which the Contractor is working hereunder.

9.2 In accordance with prevailing federal or state law or regulations, the Contractor shall report the loss of non-public data as directed in **RFP** **Section 3.7**.

9.3 Protection of data and personal privacy (as further described and defined in RFP Section 3.8) shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of State information and comply with the conditions identified in **RFP** **Section 3.7**.

10. Indemnification and Notification of Legal Requests

10.1. At its sole cost and expense, Contractor shall (i) indemnify and hold the State, its employees and agents harmless from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to attorneys’ fees and costs), whether or not involving a third party claim, which arise out of or relate to the Contractor’s, or any of its subcontractors’, performance of this Contract and (ii) cooperate, assist, and consult with the State in the defense or investigation of any such claim, demand, action or suit. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State’s rights or interests, without the State’s prior written consent.

10.2. The State has no obligation: (i) to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought against the Contractor or its subcontractors as a result of or relating to the Contractor’s obligations or performance under this Contract, or (ii) to pay any judgment or settlement of any such suit, claim or action. Notwithstanding the foregoing, the Contractor shall promptly notify the Procurement Officer of any such claims, demands, actions, or suits.

10.3. Notification of Legal Requests. In the event the Contractor receives a subpoena or other validly issued administrative or judicial process, or any discovery request in connection with any litigation, requesting State Pre-Existing Intellectual Property, of other information considered to be the property of the State, including but not limited to State data stored with or otherwise accessible by the Contractor, the Contractor shall not respond to such subpoena, process or other legal request without first notifying the State, unless prohibited by law from providing such notice The Contractor shall promptly notify the State of such receipt providing the State with a reasonable opportunity to intervene in the proceeding before the time that Contractor is required to comply with such subpoena, other process or discovery request. .

11. Non-Hiring of Employees

No official or employee of the State, as defined under Md. Code Ann., General Provisions Article, § 5-101, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall, during the pendency and term of this Contract and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

12. Disputes

This Contract shall be subject to the provisions of Md. Code Ann., State Finance and Procurement Article, Title 15, Subtitle 2, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer’s decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within thirty (30) days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within thirty (30) days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

13. Maryland Law Prevails

13.1 This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

13.2 The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract or any purchase order, task order, or Notice to Proceed issued thereunder, or any software, or any software license acquired hereunder.

13.3 Any and all references to the Maryland Code, annotated and contained in this Contract shall be construed to refer to such Code sections as are from time to time amended.

14. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual’s refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

15. Contingent Fee Prohibition

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Contractor to solicit or secure the Contract, and that the Contractor has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this Contract.

16. Non-Availability of Funding

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State’s or the Contractor’s rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

17. Termination for Default

If the Contractor fails to fulfill its obligations under this Contract properly and on time, fails to provide any required annual and renewable bond 30 days prior to expiration of the current bond then in effect, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State’s option, become the State’s property. The State shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor’s breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

18. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A (2).

19. Delays and Extensions of Time

19.1 The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

19.2 Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

20. Suspension of Work

The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

21. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

22. Financial Disclosure

The Contractor shall comply with the provisions of Section13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate, $200,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches $200,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

23. Political Contribution Disclosure

The Contractor shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of $200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of $500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Elections website: <http://www.elections.state.md.us/campaign_finance/index.html>.

24. Retention of Records

1. The Contractor and subcontractors shall retain and maintain all records and documents in any way relating to this Contract for (i) three (3) years after final payment by the State hereunder, or (ii) any applicable federal or State retention requirements (such as HIPAA) or condition of award, , whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, as designated by the Procurement Officer, at all reasonable times. The Contractor shall provide copies of all documents requested by the State, including, but not limited to itemized billing documentation containing the dates, hours spent and work performed by the Contractor and its subcontractors under the Contract. All records related in any way to the Contract are to be retained for the entire time provided under this section.

25. Right to Audit

25.1 The State reserves the right, at its sole discretion and at any time, to perform an audit of the Contractor’s performance under this Contract. An audit is defined as a planned and documented independent activity performed by qualified personnel, including but not limited to State and federal auditors, to determine by investigation, examination, or evaluation of objective evidence from data, statements, records, operations and performance practices (financial or otherwise) the Contractor’s compliance with the Contract, including but not limited to adequacy and compliance with established procedures and internal controls over the services performed pursuant to the Contract.

25.2 Upon three (3) Business Days’ notice, the State shall be provided reasonable access to Contractor’s records to perform any such audits. The Department may conduct these audits with any or all of its own internal resources or by securing the services of a third party accounting or audit firm, solely at the Department’s election. The Department may copy any record related to the services performed pursuant to the Contract. The Contractor agrees to fully cooperate and assist in any audit conducted by or on behalf of the State, including, by way of example only, making records and employees available as, where, and to the extent requested by the State and by assisting the auditors in reconciling any audit variances. Contractor shall not be compensated for providing any such cooperation and assistance.

25.3 The right to audit shall include any of the Contractor’s subcontractors including but not limited to any lower tier subcontractor(s). The Contractor shall ensure the Department has the right to audit such subcontractor(s).

26. Compliance with Laws

The Contractor hereby represents and warrants that:

1. It is qualified to do business in the State and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
2. It is not in arrears with respect to the payment of any monies due and owing the State, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Term;
3. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
4. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

27. Cost and Price Certification

27.1 The Contractor, by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as of the date of its Proposal.

27.2 The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its Proposal, was inaccurate, incomplete, or not current.

28. Subcontracting; Assignment

The Contractor may not subcontract any of its obligations under this Contract without obtaining the prior written approval of the Procurement Officer, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the Procurement Officer, each at the State’s sole and absolute discretion; provided, however, that a Contractor may assign monies receivable under a contract after written notice to the State. Any subcontracts shall include such language as may be required in various clauses contained within this Contract, exhibits, and attachments. The Contract shall not be assigned until all approvals, documents, and affidavits are completed and properly registered. The State shall not be responsible for fulfillment of the Contractor’s obligations to its subcontractors.

29. Limitations of Liability

29.1 Contractor shall be liable for any loss or damage to the State occasioned by the acts or omissions of Contractor, its subcontractors, agents or employees as follows:

(a) For infringement of patents, trademarks, trade secrets and copyrights as provided in **Section 7 “Patents, Copyrights, Intellectual Property”** of this Contract;

(b) Without limitation for damages for bodily injury (including death) and damage to real property and tangible personal property; and

(c) For all other claims, damages, loss, costs, expenses, suits or actions in any way related to this Contract and regardless of the basis on which the claim is made, Contractor’s liability shall not exceed five (5) times the total value of the Contract or $1,000,000, whichever is greater. The above limitation of liability is per incident.

(d) In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that all subcontractors shall be held to be agents of Contractor.

29.2 Contractor’s indemnification obligations for Third party claims arising under Section 10 (“Indemnification”) of this Contract are included in this limitation of liability only if the State is immune from liability. Contractor’s indemnification liability for third party claims arising under Section 10 of this Contract shall be unlimited if the State is not immune from liability for claims arising under Section 10.

29.3. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that it is responsible for performance of the services and compliance with the relevant obligations hereunder by its subcontractors.

30. Commercial Nondiscrimination

30.1 As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State’s Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual’s refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or otherwise unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

30.3 As a condition of entering into this Contract, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past four (4) years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

30.4 The Contractor shall include the language from 30.1, or similar clause approved in writing by the Department, in all subcontracts.

31. Prompt Pay Requirements

31.1 If the Contractor withholds payment of an undisputed amount to its subcontractor, the Department, at its option and in its sole discretion, may take one or more of the following actions:

(a) Not process further payments to the Contractor until payment to the subcontractor is verified;

(b) Suspend all or some of the Contract work without affecting the completion date(s) for the Contract work;

(c) Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due to the Contractor;

(d) Place a payment for an undisputed amount in an interest-bearing escrow account; or

(e) Take other or further actions as appropriate to resolve the withheld payment.

31.2 An “undisputed amount” means an amount owed by the Contractor to a subcontractor for which there is no good faith dispute. Such “undisputed amounts” include, without limitation: (a) retainage which had been withheld and is, by the terms of the agreement between the Contractor and subcontractor, due to be distributed to the subcontractor; and (b) an amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.

31.3 An act, failure to act, or decision of a Procurement Officer or a representative of the Department concerning a withheld payment between the Contractor and a subcontractor under this **section 31**, may not:

(a) Affect the rights of the contracting parties under any other provision of law;

(b) Be used as evidence on the merits of a dispute between the Department and the Contractor in any other proceeding; or

(c) Result in liability against or prejudice the rights of the Department.

31.4 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.

31.5 To ensure compliance with certified MBE subcontract participation goals, the Department may, consistent with COMAR 21.11.03.13, take the following measures:

(a) Verify that the certified MBEs listed in the MBE participation schedule actually are performing work and receiving compensation as set forth in the MBE participation schedule. This verification may include, as appropriate:

i. Inspecting any relevant records of the Contractor;

ii. Inspecting the jobsite; and

iii. Interviewing subcontractors and workers.

Verification shall include a review of:

i. The Contractor’s monthly report listing unpaid invoices over thirty (30) days old from certified MBE subcontractors and the reason for nonpayment; and

ii. The monthly report of each certified MBE subcontractor, which lists payments received from the Contractor in the preceding thirty (30) days and invoices for which the subcontractor has not been paid.

(b) If the Department determines that the Contractor is not in compliance with certified MBE participation goals, then the Department 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 MBE participation schedule.

(c) If the Department determines that the Contractor is in material noncompliance with MBE Contract provisions and refuses or fails to take the corrective action that the Department requires, then the Department may:

i. Terminate the Contract;

ii. Refer the matter to the Office of the Attorney General for appropriate action; or

iii. Initiate any other specific remedy identified by the Contract, including the contractual remedies required by any applicable laws, regulations, and directives regarding the payment of undisputed amounts.

(d) Upon completion of the Contract, but before final payment or release of retainage 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.

32. Living Wage

If a Contractor subject to the Living Wage law fails to submit all records required under COMAR 21.11.10.05 to the Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation, the Department may withhold payment of any invoice or retainage. The Department may require certification from the Commissioner on a quarterly basis that such records were properly submitted.

33. Use of Estimated Quantities

Unless specifically indicated otherwise in the State’s solicitation or other controlling documents related to the Scope of Work, any sample amounts provided are estimates only and the Department does not guarantee a minimum or maximum number of units or usage in the performance of this Contract.

34. Risk of Loss; Transfer of Title

Risk of loss for conforming supplies, equipment, materials and Deliverables furnished to the State hereunder shall remain with the Contractor until such supplies, equipment, materials and Deliverables are received and accepted by the State, following which, title shall pass to the State.

35. Effect of Contractor Bankruptcy

All rights and licenses granted by the Contractor under this Contract are and shall be deemed to be rights and licenses to “intellectual property,” and the subject matter of this Contract, including services, is and shall be deemed to be “embodiments of intellectual property” for purposes of and as such terms are used and interpreted under § 365(n) of the United States Bankruptcy Code (“Code”) (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the State’s rights of election, all rights and licenses granted to the State under this Contract shall continue subject to the respective terms and conditions of this Contract; and (b) the State shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the State’s possession, shall be promptly delivered to the State, unless the Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

36. Miscellaneous

36.1 Any provision of this Contract which contemplates performance or observance subsequent to any termination or expiration of this Contract shall survive termination or expiration of this Contract and continue in full force and effect.

36.2 If any term contained in this Contract is held or finally determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such term shall be severed from this Contract, and the remaining terms contained herein shall continue in full force and effect, and shall in no way be affected, prejudiced, or disturbed thereby.

36.3 The headings of the sections contained in this Contract are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Contract.

36.4 This Contract may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures provided by facsimile or other electronic means, e,g, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

37. Contract Monitor and Procurement Officer

37.1 The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The Department may change the Contract Monitor at any time by written notice to the Contractor.

37.2 The Procurement Officer has responsibilities as detailed in the Contract, and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.

38. Notices

All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, as follows:

registered mail, postage prepaid, as follows:

If to the State:

Judy Marsh

Department of Human Services (DHS)

1100 Eastern Blvd., Essex, MD 21221

Phone Number: (410) 238-3568

E-Mail: judy.marsh@maryland.gov

With a copy to:

If to the Contractor:

(Contractor’s Name)

(Contractor’s primary address)

Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Delete the following if a parent company guarantee is inapplicable:]]

Parent Company Guarantor

Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<<39.>> Liquidated Damages for MBE

<<39.>>1 The Contract requires the Contractor to comply in good faith with the MBE Program and Contract provisions. The State and the Contractor acknowledge and agree that the State will incur damages, including but not limited to loss of goodwill, detrimental impact on economic development, and diversion of internal staff resources, if the Contractor does not comply in good faith with the requirements of the MBE Program and MBE Contract provisions. The parties further acknowledge and agree that the damages the State might reasonably be anticipated to accrue as a result of such lack of compliance are difficult to ascertain with precision.

<<39.>>2 Therefore, upon issuance of a written determination by the State that the Contractor failed to comply in good faith with one or more of the specified MBE Program requirements or MBE Contract provisions, the Contractor shall pay liquidated damages to the State at the rates set forth below. The Contractor expressly agrees that the State may withhold payment on any invoices as a set-off against liquidated damages owed. The Contractor further agrees that for each specified violation, the agreed upon liquidated damages are reasonably proximate to the loss the State is anticipated to incur as a result of such violation.

(a) Failure to submit each monthly payment report in full compliance with COMAR 21.11.03.13B (3): $<<insert value>> per day until the monthly report is submitted as required.

(b) Failure to include in its agreements with MBE subcontractors a provision requiring submission of payment reports in full compliance with COMAR 21.11.03.13B (4): $<<insert value>> per MBE subcontractor.

(c) Failure to comply with COMAR 21.11.03.12 in terminating, canceling, or changing the scope of work/value of a contract with an MBE subcontractor and amendment of the MBE participation schedule: the difference between the dollar value of the MBE participation commitment on the MBE participation schedule for that specific MBE firm and the dollar value of the work performed by that MBE firm for the Contract.

(d) Failure to meet the Contractor’s total MBE participation goal and sub goal commitments: the difference between the dollar value of the total MBE participation commitment on the MBE participation schedule and the MBE participation actually achieved.

(e) Failure to promptly pay all undisputed amounts to an MBE subcontractor in full compliance with the prompt payment provisions of the Contract: $<<insert appropriate rate following calculation instructions from GOSBA>> per day until the undisputed amount due to the MBE subcontractor is paid.

<<39.>>2 Notwithstanding the assessment or availability of liquidated damages, the State reserves the right to terminate the Contract and exercise any and all other rights or remedies which may be available under the Contract or Law.

<<40.>> Parent Company Guarantee (If applicable)

(Corporate name of Contractor’s Parent Company) hereby guarantees absolutely the full, prompt, and complete performance by (Contractor) of all the terms, conditions and obligations contained in this Contract, as it may be amended from time to time, including any and all exhibits that are now or may become incorporated hereunto, and other obligations of every nature and kind that now or may in the future arise out of or in connection with this Contract, including any and all financial commitments, obligations, and liabilities. (Corporate name of Contractor’s Parent Company) may not transfer this absolute guaranty to any other person or entity without the prior express written approval of the State, which approval the State may grant, withhold, or qualify in its sole and absolute subjective discretion. (Corporate name of Contractor’s Parent Company) further agrees that if the State brings any claim, action, lawsuit or proceeding against (Contractor), (Corporate name of Contractor’s Parent Company) may be named as a party, in its capacity as Absolute Guarantor.

<<41.>> Compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and State Confidentiality Law

HIPAA clauses do not apply to this Contract.

<<42.>> Hiring Agreement

<<42.>>1 The Contractor agrees to execute and comply with the enclosed Maryland Department of Human Services (DHS) Hiring Agreement (Attachment O). The Hiring Agreement is to be executed by the Offeror and delivered to the Procurement Officer within ten (10) Business Days following 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.

<<42.>>2 The Hiring Agreement provides that the Contractor and DHS will work cooperatively to promote hiring by the Contractor of qualified individuals for job openings resulting from this procurement, in accordance with Md. Code Ann., State Finance and Procurement Article §13-224.

<<43.>> Limited English Proficiency

The Contractor shall provide equal access to public services to individuals with limited English proficiency in compliance with Md. Code Ann., State Government Article, §§ 10-1101 et seq., and Policy Guidance issued by the Office of Civil Rights, Department of Health and Human Services, and MDH Policy 02.06.07.

<<44.>> Equal Employment Opportunity

Executive Order 11246, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375, and as supplemented by the Department of Labor Regulations (41 CFR Part 60): The Executive Order prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. The Executive Order also requires Government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.

<<45.>> The Clean Air Act, Section 306

<<45.>>1 No Federal agency may enter into any contract with any person who is convicted of any offense under section 113(c) for the procurement of goods, materials, and services to perform such contract at any facility at which the violation which gave rise to such conviction occurred if such facility is owned, leased, or supervised by such person. The prohibition in the preceding sentence shall continue until the Administrator certifies that the condition giving rise to such a conviction has been corrected. For convictions arising under section 113(c)(2), the condition giving rise to the conviction also shall be considered to include any substantive violation of this Act associated with the violation of 113(c)(2). The Administrator may extend this prohibition to other facilities owned or operated by the convicted person.

<<45.>>2 The Administrator shall establish procedures to provide all Federal agencies with the notification necessary for the purposes of subsection (a).

<<45.>>3 In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation's air, the President shall, not more than 180 days after enactment of the Clean Air Amendments of 1970 cause to be issued an order (1) requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of this Act in such contracting or assistance activities, and (2) setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

<<45.>>4 The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the United States and he shall notify the Congress of such exemption.

<<45.>>5 The President shall annually report to the Congress on measures taken toward implementing the purpose and intent of this section, including but not limited to the progress and problems associated with implementation of this section. [42 U.S.C. 7606]

<<46.>> The Clean Water Act

<<46.>>1 No Federal agency may enter into any contract with any person who has been convicted of any offense under Section 309(c) of this Act for the procurement of goods, materials, and services if such contract is to be performed at any facility at which the violation which gave rise to such conviction occurred, and if such facility is owned, leased, or supervised by such person. The prohibition in preceding sentence shall continue until the Administrator certifies that the condition giving rise to such conviction has been corrected.

<<46.>>2 The Administrator shall establish procedures to provide all Federal agencies with the notification necessary for the purposes of subsection (a) of this section.

<<46.>>3 In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation’s water, the President shall, not more than 180 days after the enactment of this Act, cause to be issued an order:

requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of this Act in such contracting or assistance activities, and

setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

<<46.>>4 The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the United States and he shall notify the Congress of such exemption.

<<46.>>5 The President shall annually report to the Congress on measures taken in compliance with the purpose and intent of this section, including, but not limited to, the progress and problems associated with such compliance.

<<46.>>6 No certification by a contractor, and no contract clause, may be required in the case of a contract for the acquisition of commercial items in order to implement a prohibition or requirement of this section or a prohibition or requirement issued in the implementation of this section.

In paragraph (1), the term “commercial item” has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

<<47.>> The Anti-Lobbying Act

This Act prohibits the recipients of federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the federal government in connection with a specific contract, grant, or loan. As required by Section 1352, Title 31 of the U.S. Code and implemented at 34 CFR Part 82 for persons entering into a grant or cooperative agreement over $100,000, as defined at 34 CFR Part 82, Section 82.105 and 82.110, the applicant certifies that:

<<47.>>1 No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement;

<<47.>>2 If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Confess in connection with this federal grantor o cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions;

<<47.>>3 The undersigned shall require that the language of this certification be include in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

<<48.>> Americans with Disabilities Act

This Act (28 CFR Part 35, Title II, Subtitle A) prohibits discrimination on the basis of disability in all services, programs, and activities provided to the public by State and local governments, except public transportation services.

<<49.>> Drug Free Workplace Statement

The Federal government implemented the Drug Free Workplace Act of 1988 in an attempt to address the problems of drug abuse on the job. It is a fact that employees who use drugs have less productivity, a lower quality of work, and a higher absenteeism, and are more likely to misappropriate funds or services. From this perspective, the drug abuser may endanger other employees, the public at large, or themselves. Damage to property, whether owned by this entity or not, could result from drug abuse on the job. All these actions might undermine public confidence in the services this entity provides. Therefore, in order to remain a responsible source for government contracts, the following guidelines have been adopted:

<<49.>>1 The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the workplace.

<<49.>>2 Violators may be terminated or requested to seek counseling from an approved rehabilitation service.

<<49.>>3 Employees must notify their employer of any conviction of a criminal drug statue no later than five days after such conviction.

<<49.>>4 Although alcohol is not a controlled substance, it is nonetheless a drug. It is the policy of the Arkansas Department of Health WIC Program that abuse of this drug will also not be tolerated in the workplace.

<<49.>>5 Contractors of federal agencies are required to certify that they will provide drug-free workplaces for their employees.

<<50.>> Debarment, suspension, and other responsibility matters

As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions, as defined at 34 CFR Part 85, Sections 85.105 and 85.110.

<<50.>>1 The applicant certifies that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.

<<50.>>2 Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

<<51.>> Royalty-Free Rights to Use Software or Documentation Developed

The federal government reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for federal government purposes, the copyright in any work developed under a grant, sub-grant, or contract under a grant or sub-grant or any rights of copyright to which a contractor purchases ownership.

SIGNATURES ON NEXT PAGE

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

|  |  |
| --- | --- |
| Contractor | State of Maryland  Department of Human Services (DHS) |
|  |  |
| By: | By: Kenyatta Powers,  DHS Chief Information Officer |
|  |  |
| Date |  |
|  |  |
| PARENT COMPANY (GUARANTOR) (if applicable) | By: |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| By: | Date |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| Date |
| Approved for form and legal sufficiency  this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Assistant Attorney General |  |
|  | |
| APPROVED BY BPW: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_  (Date) (BPW Item #) | |
|  | |

1. Contract Affidavit

See link at <https://procurement.maryland.gov/wp-content/uploads/sites/12/2020/03/Attachment-N-Affidavit.pdf>

1. DHS Hiring Agreement

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-O-DHSHiringAgreement.pdf>.

1. Historical Data

Table 1: EBT Caseload

| **Month** | **Combined SNAP/Cash Cases** | **SNAP Cases** | **Cash**  **Cases** | **P-EBT Cases** | **SEBT Cases** | **Direct Deposit Cases** |
| --- | --- | --- | --- | --- | --- | --- |
| **2021** | | | | | | |
| January | 84,593 | 457,227 | 31,082 | 0 | N/A | 46 |
| February | 81,836 | 469,570 | 34,888 | 1,357 | N/A | 48 |
| March | 85,508 | 476,129 | 35,799 | 1,530 | N/A | 48 |
| April | 84,004 | 480,033 | 35,602 | 1,374 | N/A | 48 |
| May | 87,156 | 483,803 | 35,482 | 1,650,738 | N/A | 47 |
| June | 78,679 | 483,751 | 35,396 | 1,086,746 | N/A | 44 |
| July | 74,939 | 488,071 | 35,636 | 1,074,566 | N/A | 45 |
| August | 75,042 | 492,259 | 35,680 | 1,016,122 | N/A | 43 |
| September | 76,105 | 496,505 | 35,825 | 529,853 | N/A | 42 |
| October | 64,566 | 483,076 | 35,212 | 549,910 | N/A | 43 |
| November | 54,110 | 469,788 | 35,504 | 39,831 | N/A | 43 |
| December | 10,132 | 501,129 | 35,735 | 117 | N/A | 43 |
| **2022** | | | | | | |
| January | 13,277 | 498,422 | 34,128 | 81 | N/A | 43 |
| February | 13,789 | 503,022 | 34,767 | 332 | N/A | 43 |
| March | 12,976 | 490,145 | 34,329 | 361 | N/A | 42 |
| April | 11,212 | 434,649 | 32,100 | 103 | N/A | 44 |
| May | 10,277 | 396,113 | 30,313 | 0 | N/A | 44 |
| June | 10,320 | 367,926 | 29,954 | 4 | N/A | 37 |
| July | 11,268 | 342,628 | 27,256 | 315,708 | N/A | 35 |
| August | 11,536 | 364,298 | 28,383 | 509,634 | N/A | 39 |
| September | 12,214 | 349,611 | 29,658 | 513,166 | N/A | 39 |
| October | 12,707 | 354,580 | 27,639 | 19,997 | N/A | 37 |
| November | 13,500 | 359,969 | 28,215 | 80,261 | N/A | 45 |
| December | 12,927 | 360,086 | 28,391 | 56,499 | N/A | 47 |
| **2023** | | | | | | |
| January | 13,040 | 364,213 | 27,825 | 33 | N/A | 49 |
| February | 13,267 | 372,088 | 28,269 | 0 | N/A | 72 |
| March | 13,241 | 373,092 | 255,452 | 2,252 | N/A | 91 |
| April | 13,678 | 369,141 | 28,378 | 1,008 | N/A | 78 |
| May | 13,626 | 366,176 | 28,694 | 645 | N/A | 85 |
| June | 15,175 | 441,039 | 28,790 | 209,481 | N/A | 90 |

Table 2: ATM Cash Withdrawal Transactions Paid by the State

|  |  |
| --- | --- |
| **Month** | **State Paid ATM Withdrawal Transactions** |
| **2021** | |
| January | 58,261 |
| February | 63,969 |
| March | 68,494 |
| April | 65,238 |
| May | 66,367 |
| June | 66,174 |
| July | 67,799 |
| August | 67,901 |
| September | 68,167 |
| October | 67,751 |
| November | 67,963 |
| December | 68,137 |
| **2022** | |
| January | 62,921 |
| February | 63,677 |
| March | 61,056 |
| April | 56,906 |
| May | 52,616 |
| June | 52,334 |
| July | 50,425 |
| August | 52,154 |
| September | 58,292 |
| October | 53,318 |
| November | 53,050 |
| December | 52,482 |
| **2023** | |
| January | 51,879 |
| February | 51,733 |
| March | 70,808 |
| April | 55,967 |
| May | 54,458 |
| June | 53,902 |

Table 3: EBT Card Issuance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type** | **2020** | **2021** | **2022** | **Jan - June**  **2023** |
| **Mail** | | | | |
| New Issuance | 459,858 | 353,198 | 12,459 | 51,034 |
| Replacement | 175,065 | 197,815 | 33,387 | 68,678 |
| Total | 634,923 | 551,013 | 45,846 | 119,712 |
| **Over-the-Counter** | | | | |
| New issuance | 313 | 87 | 21 | 93 |
| Replacement | 4,671 | 28,745 | 7,877 | 19,979 |
| Total | 4,984 | 28,832 | 7,898 | 20,072 |
| **Total Cards Issued** | **639,907** | **579,845** | **53,744** | **139,784** |

Table 4: Customer Service Call Center/IVR

2020:

A table of numbers and dates

Description automatically generated

2021:

A grid of numbers and a few numbers

Description automatically generated

2022:

A table with numbers and a few numbers

Description automatically generated

2023:

A screenshot of a spreadsheet

Description automatically generated

Table 5: New Benefit Codes

Since the start of the current contract period (starting January 1, 2015), Maryland has added:

* Four (4) new SNAP benefit types
* Seven (7) cash benefit types

1. Data Warehouse Data Elements

|  |  |
| --- | --- |
| **Data Warehouse Elements** | **Description** |
| Access Type | Account access allowed for a Cardholder |
| Access Type Description | Description of account access type |
| Account Balance | Account balance for the account as of the completion of the transaction. |
| Account Number | Identifier for the specific account. |
| Acquirer ID | Acquirer ID associated with this transaction. |
| Applied Amount | Amount of the total transaction amount that was applied to a grant. |
| Applied Grant Number | Grant number against which a transaction was charged. |
| Authorization Response Number | Authorization number for the transaction. |
| Benefit Month | Month for which the benefit was issued |
| Card Entry Type | Identifies whether the card used for a transaction was swiped, manually entered or internet/web-based entry. |
| Card Expiration Date | Expiration date for the card. |
| Card Issue Date | Date card issued. |
| Card Number | Card number of the Customer or Authorized Representative. |
| Cardholder DOB | Cardholder date of birth. |
| Cardholder Full Address | Cardholder Full Address. |
| Cardholder Name | Cardholder Full Name. |
| Cardholder Phone Number | Cardholder phone number. |
| Cardholder primary/alternate indicator | Cardholder primary/alternate indicator. |
| Cardholder Service Site | State specific code indicating which office a cardholder is serviced from. |
| Cardholder SSN | Cardholder social security number. |
| Cardholder Identification Number | Cardholder Identification Number if used by the State |
| Cash back Amount | Cash back amount for the transaction. |
| Completed Issuer Fee Amount | Fee amount actually completed for the transaction. |
| Completed Surcharge Amount | Surcharge amount actually completed for the transaction. |
| Completed Transaction Amount | Completed dollar amount of the transaction that was approved; the transaction amount actually completed. |
| Current Account Balance | Account balance as of the completion of the most current transaction. |
| Delivery Address | The address used for the delivery of groceries purchase via an online shopping platform. |
| FNS Number | Retailer's Food and Nutrition Services assigned Number. |
| Grant Funding Source | Indicates if the grant is federally or State funded. |
| Grant Funding Source Description | Description of the grant funding source. |
| Grant Number | Authorization number for the grant. |
| Local Date | Local date for this transaction as determined by the Terminal Driver. |
| Local Time | Host time that EBT Contractor logged the processing of the transaction. |
| Local Time | Local time for this transaction as determined by the Terminal Driver. |
| Log Date | Host log date that EBT Contractor logged the processing of the transaction. |
| Merchant Full Address | Merchant Full Address. |
| Message Type | Type of message sent on the inbound ISO message. |
| Original Authorization Number | Manual authorization approval number or, on Reversal transactions, the original approval number of the transaction being reversed |
| Program Type | Program Type for a transaction. |
| Received Benefit Type | State supplied Benefit Type for this grant. |
| Reference Number | Device and Switch provided Trace Numbers. Only available for ATM and POS and online purchasing transactions. |
| Rejected Transaction | Indicates whether or not a transaction was accepted or rejected. |
| Reply Code | Response code for a transaction. |
| Reply Code Description | Description of the reply code. |
| Requested Issuer Fee | Amount Fee amount requested for the transaction. |
| Requested Transaction Surcharge Amount | Surcharge amount requested for the transaction. |
| Requested Transaction Amount | Original request amount for this transaction; the transaction amount requested. |
| Restaurant Indicator | Indicates whether or not the Cardholder is authorized for usage of EBT benefits in approved restaurants. |
| Restaurant Indicator Description | Description of the restaurant indicator. |
| Retailer Type Code | Identifies the business type code for the Retailer. |
| Retailer Type Code Description | Description for the Retailer type code. |
| Settlement Date | Settlement Date for the transaction. |
| State Code | Two-character State code identifier. |
| State Unique ID Number | State unique identifier (also referred to as Cardholder Case Claim Number). |

1. DHS Office Locations

| **LOCATION** | **ADDRESS** | **CITY** | **ZIP** |
| --- | --- | --- | --- |
| Allegany County | 1 Frederick St | Cumberland | 21502 |
|  |  |  |  |
| ANNE ARUNDEL COUNTY |  |  |  |
| Annapolis | 80 West St., Suite C | Annapolis | 21401 |
| Glen Burnie | 7500 Richie Hwy | Glen Burnie | 21061 |
|  |  |  |  |
| BALTIMORE CITY |  |  |  |
| Broadway | 2000 N Broadway Room 2209 | Baltimore | 21213 |
| Harborview | 18 Redbird Ave. | Baltimore | 21225 |
| Penn North | 2500 Pennsylvania Ave. | Baltimore | 21217 |
| Dunbar/Orangeville | 2919 E Biddle St. | Baltimore | 21213 |
| Southwest | 1223 W Pratt St. | Baltimore | 21223 |
| Hilton Heights | 500 N Hilton St. | Baltimore | 21229 |
| Northwest | 5818 Reisterstown Rd. | Baltimore | 21215 |
|  |  |  |  |
| BALTIMORE COUNTY |  |  |  |
| Catonsville | 910 Frederick Rd. | Baltimore | 21228 |
| Dundalk | German Hill Plaza  1400 Merritt Blvd. Suite C | Dundalk | 21222 |
| Essex | 439 Eastern Blvd. | Essex | 21221 |
| Reisterstown | 130 Chartley Dr. | Reisterstown | 21136 |
| Towson | Drumcastle Center  6401 York Rd. | Towson | 21212 |
|  |  |  |  |
| Calvert County | 200 Duke St. | Prince Frederick | 20678 |
| Caroline County | 300 Market St. | Denton | 21629 |
| Carroll County | 1232 Tech Ct., Suite 1 | Westminster | 21157 |
| Cecil County | 170 E Main St. | Elkton | 21921 |
| Charles County | 200 Kent Ave. | LaPlata | 20646 |
| Dorchester County | 627 Race St. | Cambridge | 21613 |
| Frederick County | 100 E All Saints St. | Frederick | 21701 21705 |
|  |  |  |  |
| GARRETT COUNTY |  |  |  |
| Oakland | 12578 Garrett Hwy | Oakland | 21550 |
| Grantsville | 28 Hershberger Ln. | Grantsville | 21536 |
|  |  |  |  |
| Harford County | 2 South Bond St. Suite 300 | Bel Air | 21014 |
| Howard County | 7121 Columbia Gateway Dr. | Columbia | 21046 |
| Kent County | 350 High St. | Chestertown | 21620 |
|  |  |  |  |
| MONTGOMERY COUNTY DHHS |  |  |  |
| Germantown | 12900 Middlebrook Rd., 2nd Floor | Germantown | 20874 |
| Rockville | 1301 Picard Dr., 2nd Floor | Rockville | 20850 |
| Silver Spring | 8818 Georgia Ave. | Silver Spring | 20910 |
|  |  |  |  |
| PRINCE GEORGE'S COUNTY |  |  |  |
| Hyattsville | 6505 Belcrest Rd. Ground Floor | Hyattsville | 20782 |
| Landover | 425 Brightseat Rd. | Landover | 20785 |
| Temple Hills | South County Muti-Service Center 4235 28th Ave. | Temple Hills | 20748 |
|  |  |  |  |
| Queen Anne's County | 125 Comet Dr. | Centreville | 21617 |
|  |  |  |  |
| ST. MARY'S COUNTY |  |  |  |
| Leonardtown | 23110 Leonard Hall Dr. | Leonardtown | 20650 |
| Lexington Park | 21775 Great Mills Rd. | Lexington Park | 20653 |
|  |  |  |  |
| Somerset County | 30397 Mt. Vernon Rd. | Princess Anne | 21853 |
| Talbot County | 301 Bay St., Unit 5 | Easton | 21601 |
| Washington County | 122 N Potomac St. | Hagerstown | 21741 |
| Wicomico County | 201 Baptist St., 3rd Floor Suite 27 | Salisbury | 21801-9912 |
| Worcester County | 299 Commerce St. | Snow Hill | 21863 |

1. POS Terminal Locations

Exempt Retailers

| **State** | **FNS Number** | **Retailer Name** | **Terminal Type** | **Terminals** | **Business Type** |
| --- | --- | --- | --- | --- | --- |
| MD | 3552365 | Share | Direct Connect | 1 | BC |
| MD | 517882 | National Capital B'nai B'rith Housing Found | Direct Connect | 1 | CD |
| MD | 749559 | MEALS ON WHEELS OF CENTRAL MD | Direct Connect | 1 | MD |
| MD | 2062917 | ARC of Washington County Inc | Direct Connect | 1 | GL |
| MD | 2673932 | LANGTON GREEN INC | Direct Connect | 1 | GL |
| MD | 5735246 | Calmra Inc | Leased Equipment | 1 | GL |
| MD | 2701952 | Chrysalis House | Direct Connect | 1 | AD |
| MD | 504464 | Clairvaux Farm | Direct Connect | 1 | HP |
| MD | 1141325 | Andrews AFB Commissary #2402 | Direct Connect | 3 | MC |
| MD | 421358 | No Turning Back Inc | Leased Equipment | 1 | HP |
| MD | 816038 | Richcroft Inc. | Direct Connect | 1 | GL |
| MD | 228144 | Three Oaks Center | Direct Connect | 1 | HP |
| MD | 2307278 | FRANCIS GALLAGHER SERVICES | Direct Connect | 1 | GL |
| MD | 2769271 | CHARLES COUNTY HARC | Direct Connect | 1 | GL |
| MD | 4313119 | EMERGE INC | Direct Connect | 1 | GL |
| MD | 269218 | New Vision House of Hope | Direct Connect | 1 | AD |
| MD | 3480046 | SHORE PRODUCE | Direct Connect | 1 | DF |
| MD | 1134655 | Fort Meade Commissary #2517 | Direct Connect | 2 | MC |
| MD | 297204 | Tj Farms | Leased Equipment | 1 | DF |
| MD | 51952 | Community Support Services for the Deaf, Inc. | Direct Connect | 1 | GL |
| MD | 2070863 | MARIAN HOUSE INC | Direct Connect | 1 | CD |
| MD | 2642115 | JEWISH FOUNDATION FOR GROUP HOMES | Direct Connect | 1 | GL |
| MD | 2642255 | SALVATION ARMY | Direct Connect | 1 | GL |
| MD | 2697106 | BELLO MACHRE INC | Direct Connect | 1 | GL |
| MD | 4270908 | FORT DETRICK COMMISSARY #2514 | Direct Connect | 1 | MC |
| MD | 1127233 | Forest Glen Commissary #2532 | Direct Connect | 1 | MC |
| MD | 3162869 | The Arc of PG County | Direct Connect | 1 | GL |
| MD | 2649292 | SPRING DELL CENTER INC | Direct Connect | 1 | GL |
| MD | 2702002 | SOMERSET COUNTY DEVELOPMENTAL CTR | Direct Connect | 1 | GL |
| MD | 3836991 | The Arc Baltimore | Direct Connect | 1 | CD |
| MD | 1134647 | Annapolis Commissary Store #2403 | Direct Connect | 1 | MC |
| MD | 1145827 | Patuxent River NAS Commissary #2428 | Direct Connect | 2 | MC |
| MD | 2550768 | Aberdeen Commissary Deca #2501 | Direct Connect | 4 | MC |
| MD | 472712 | SPIRITUAL RECOVERY | Direct Connect | 1 | AD |

Farmers/Farmers Markets

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Retailer Name** | **Street Address** | **City** | **State** | **Zip** | **County** |
| 32nd Street Farmers Market | 400 E 32nd St | Baltimore | MD | 21218 | BALTIMORE CITY |
| Agrihood Baltimore | 3811 Park Heights Ave | Baltimore | MD | 21215 | BALTIMORE CITY |
| Boonsboro Farmers Market | 241 Potomac St | Boonsboro | MD | 21713 | WASHINGTON |
| Catonsville Farmers Market | 5820 Edmondson Ave | Catonsville | MD | 21228 | BALTIMORE |
| Chestertown Farmers Market | 200 High St | Chestertown | MD | 21620 | KENT |
| Cheverly Community Market | 6401 Forest Rd | Cheverly | MD | 20785 | PRINCE GEORGES |
| City Of Gaithersburg Farmer's Market | 301 Main Street | Gaithersburg | MD | 20878 | MONTGOMERY |
| Clarksville Commons Farmers Market | 12230 Clarksville Pike | Clarksville | MD | 21029 | HOWARD |
| Cross Farms | 9933 Pitts Rd | Berlin | MD | 21811 | WORCESTER |
| Crossroads Farmers Market | Anne St | Takoma Park | MD | 20912 | MONTGOMERY |
| Druid Hill Farmers Market | 3100 Swann Dr | Baltimore | MD | 21217 | BALTIMORE CITY |
| Farm Alliance Of Baltimore | 400 E 32nd St | Baltimore | MD | 21218 | BALTIMORE CITY |
| Field Fresh Farmers Market | 797 E Patrick St | Frederick | MD | 21701 | FREDERICK |
| Govanstowne Farmers Market C/o Loyola University | 5104 York Rd | Baltimore | MD | 21212 | BALTIMORE CITY |
| Greenbelt Farmers Market | 25 Crescent Rd | Greenbelt | MD | 20770 | PRINCE GEORGES |
| Home Grown Farm Market | 21078 Three Notch Road | Lexington Park | MD | 20653 | ST MARYS |
| Kenilworth Farmers Market Inc. | 798 Kenilworth Dr | Towson | MD | 21204 | BALTIMORE |
| Knopp's Farm | 565 Old Oak Rd | Severn | MD | 21144 | ANNE ARUNDEL |
| La Plata Farmers Market | 209 Washington Ave | La Plata | MD | 20646 | CHARLES |
| Local Homestead Products LLC | 2425 Marston Rd | New Windsor | MD | 21776 | CARROLL |
| Milk Lady Markets | 16501 Redland Rd | Derwood | MD | 20855 | MONTGOMERY |
| Mountain Fresh Farmers Market | 1 South 1st St. | Oakland | MD | 21550 | GARRETT |
| Mountain Fresh Farmers Market | 102 Town Park Lane | Oakland | MD | 21550 | GARRETT |
| North Beach Farmers Market | 9010 Chesapeake Ave | North Beach | MD | 20714 | CALVERT |
| Overlea Farmers Market | 6908 Belair Rd | Baltimore | MD | 21206 | BALTIMORE |
| Riverdale Park Farmers Market | 4650 Queensbury Rd | Riverdale | MD | 20737 | PRINCE GEORGES |
| Rockville Farmers Market | Route 28 & Monroe Street | Rockville | MD | 20850 | MONTGOMERY |
| Roving Radish | 3430 Courthouse Drive | Ellicott City | MD | 21043 | HOWARD |
| Shady Grove Farmers Market | JHU Key West Ave & Broschart Rd | Rockville | MD | 20850 | MONTGOMERY |
| Silver Spring FreshFarm Markets | 800 Ellsworth Dr | Silver Spring | MD | 20910 | MONTGOMERY |
| St. Michaels Farmers Market Inc | 111 Freemont St | Saint Michaels | MD | 21663 | TALBOT |
| Takoma Park Farmers Market Inc | 6909 Laurel Ave | Takoma Park | MD | 20912 | MONTGOMERY |
| The Capital Market Of 20743 | 8801 Hampton Mall Dr N | Capitol Heights | MD | 20743 | PRINCE GEORGES |
| Vff Produce | 5623 Amos Reeder Rd | Boonsboro | MD | 21713 | WASHINGTON |
| Walkers Turn Produce | 22563 Walker Turn Rd | McDaniel | MD | 21647 | TALBOT |

1. EBT Required Reports

The Contractor shall maintain all of the information requested in the list of reports on-line. Seven categories of reports have been identified: Financial, Batch Processing, Card, Billing, Security, Program Management and System Performance. The required Reports for each category are described below. Any report that includes county data must be sorted by county and show county totals, as well as, State totals.

All reports designated herein are to be sent to the State Project Manager in electronic format. Daily reports shall be delivered no later than 12 Noon for the previous day’s activity. All reports designated as Monthly shall be due no later than the 2nd business day of the month following the reporting month.

* **FINANCIAL REPORTS**

Financial reports include those reports the Contractor shall provide to the State in order to account, reconcile, and audit the EBT system processing and operations. The Contractor shall provide daily account activity reports reflecting all account actions received from the State via batch and/or on-line administrative terminal processing. The following account activity reports have been defined.

**Account Activity Files Report (Daily)**

The Account Activity Report provides a detailed audit trail of all system functions and transactions which impact the account balance or status of an account.

**ACH Activity (Daily)**

The ACH Activity Report provides detail and summary information on money movement initiated to settle customer transaction activity (e.g., withdrawals and purchases). The detail must include all merchant deposits and direct deposits for each business day.

**Daily Direct Deposit Report (Daily)**

The Direct Deposit Report provides detail and summary information of customer direct deposit transactions on a daily basis. Data elements will include customer name, case number, card number, and direct deposit amount.

**Daily Statistical Report (Daily)**

Provide a daily summary of customer transaction activity on the system. Timing must correspond with the established Settlement Day cutoff. The report will provide a summary by program code and transaction type, with subtotals for cash and food benefits, as well as a grand total. Transaction types will include: authorizations, administrative adjustments, aged, repayments, direct deposits, and withdrawals. The report will provide both the count and amount for each transaction type. The report must also provide a month-to-date summary of the transaction activity for each program code and transaction type.

**Management Statistics Report (Monthly)**

Monthly summary report of transaction activity on the EBT system.

**Card Replacement Fee Report (Daily)**

The Card Replacement Fee report provides a summary of charges for card replacements where a fee has been assessed. Provide a daily summary report that details from which benefit type the card replacement fee was taken. Totals should be provided by cash and SNAP.

**Clearing Report (Daily)**

The Clearing Report provides summary information of customer transaction activity (e.g. direct deposits, withdrawals, purchases, and administrative adjustments) used to determine the daily settlement. Timing must correspond with the established settlement day cutoff. The report must be summarized by program code and provide separate totals for both cash and food benefits, as well as a grand total. The report must also reconcile the total switch log amount to the total settlement amount; accounting for all reconciling items (e.g., direct deposits, card replacement fees, access fees, and switch adjustments).

**System Accounting Report (Daily)**

The System Accounting Report provides information based on the program or sub-program level selected. The report includes all settling transactions and matches the settlement totals for the date selected for all SNAP and cash programs.

**Database Value Report**

This report shows outstanding liabilities for unused benefits residing on the EBT system at the end of the settlement day. Current Balance for the settlement day is reconciled by taking into account the Previous. Balance for the settlement day and adding or subtracting the account activity detailed, as appropriate.

**Benefit Liability Report (Daily)**

The Benefit Liability Report returns benefit liability account information. This includes any activity that impacts the customer’s balance and changes the available outstanding benefit liability of the Contractor’s system. This information shall be presented on selected program or sub-program level for the selected date.

**Benefit Repayment Report (Daily)**

The Benefit Type Repayment Report provides detailed information on repayment transactions done through an administrative terminal. Repayment on cash is not allowed.

**Adjustment Activity Detail Report (Daily)**

The Adjustment Activity Detail Report details debit and credit adjustments made to EBT accounts. List of all daily account adjustments to include: PAN, vendor tracking code, date/time/type and amount of adjustment, date/time and amount of original transaction, initiator. The report shall distinguish between state initiated and non-state (Contractor) initiated adjustments.

**Interoperability (IOP) ACH Report (Daily)**

The ACH IOP Report details the information on settlement for interoperable transactions.

**Store Tracking and Redemption System (STARS) Food Stamp Redemption Report (Daily)**

The STARS Food Stamp Redemption Report is an FNS required report for SNAP activity for a specific settlement date. This report shows transactions authorized for each FNS retailer and reported to the Food and Nutrition Service Redemption Center for tracking and monitoring funds paid. The transaction types are reported to show credits, debits and adjustments to the retailer’s account. The Contractor shall use the FNS required format for the STARS report.

**Anti-Fraud Locator Using Electronic Benefit Transfer (EBT) Retailer Transactions (ALERT) File**

The ALERT file is an FNS required report for SNAP redemption data by retailer that includes store address, financial transaction information, and card number. The data is used to analyze of patterns which indicate potential fraudulent activity by stores. The Contractor shall use the FNS required format for the ALERT file.

**Account Management Agent (AMA) Batch (Daily)**

This report documents the file that was sent to AMA for settlement and reconciliation on a daily basis.

**Retailer Terminal Activity Report (Daily and Monthly)**

The Retailer Terminal Activity Report will provide a detailed listing of ATM, POS and voucher activity by terminal at each location.

* **BATCH PROCESSING REPORTS**

The Contractor shall propose a standard set of batch processing reports to ensure the complete and accurate transfer of data during nightly batch processing. The reports must support the following:

**Batch Confirmation Message (Daily)**

Provide a confirmation message for all overnight batch files received from the State. The confirmation message will contain summary verification data including the total number of records received in the batch and the number of records by record type (e.g. number of add, change, payee change and delete records).

**External File Processing Report (Daily)**

Provide detailed totals of all external files that have processed each day. This file also captures any errors external files encountered during the processing.

* **CARD REPORTS**

**Card Issuance/Replacement Report – Vault Cards (Daily and Monthly)**

Provide daily and monthly reports detailing vault card activity, listing the card numbers issued. Categories include District Office, User name, Cardholder Name, Case Number, New card number, old card number, reason, and issuance date and time. Also, include a summary for each district office showing the replacement reason and the number of cards issued for each reason. Also, show the number of cards that were a new issuance and the number that were replacement cards.

**Card Issuance/Replacement Summary – Mailed Cards (Daily and Monthly)**

Provide daily and monthly reports that summarize the number of cards issued by mail. Include a summary for each district office showing the replacement reason and the number of cards issued for each reason. Also, show the number of cards that were a new issuance and the number that were replacement cards.

**Card Replacement Analysis Report (Monthly)**

The Card Replacement Analysis provides a monthly report by county, the customers who were issued replacement cards during the month. The report must show the case number, customer name, card number, date last replacement was issued, user ID of the issuer and the total number of cards issued.

**Card Replacement Analysis (Monthly)**

Provide a monthly report by county then by case number, of all customers who were issued a replacement card during the month. The report will show the district office, case number, cardholder name, card number, issue date and time and number of cards replaced.

**Card Replacement Analysis Summary (Monthly)**

The Card Replacement Analysis Summary provides a monthly report which summarizes the number of cards replaced for each county. The report will list each county and show for each a list of customers who have been issued 3 cards, 4 cards, 5 cards, 6 cards, 7 cards and more than 7 cards.

**Returned Card Report (Daily)**

The Returned Card Report is a daily report that details cards that have been returned to the Contractor as undeliverable.

**Inactive Cards (Daily)**

The Inactive Cards Report identifies the cards that have been issued and not activated after 10 days or greater from the issuance date.

* **BILLING REPORTS**

**Billing Report (Monthly)**

The Billing Report provides a monthly report with details of billable cases – defined as a case for which one or more financial transactions have been posted during the billing month. A financial transaction represents a credit to the customer’s EBT account.

**Billing Summary Report (Monthly)**

The Billing Summary Report provide a monthly summary of billing information for each benefit type, including miscellaneous billing information, and showing a net billed amount for the month.

* **SYSTEM SECURITY REPORTS**

**Administrative Terminal Activity Report (Daily)**

The Administrative Terminal Activity Report provides a listing of all administrative terminal activities received and processed by the EBT system. Administrative terminal activity will include but not limited to: benefit repayment, customer card replacement fee, pending card replacement fee, open card replacement fee adjustment, user login, user, logout, AT user change password, card status, open new case, and set up customer.

**Protective Password Report**

Report shows cases which have had the Protective Password enabled or disabled. This is a cumulative report in that new additions are added each month when an enable or disable occurs. There is also a totals page for the monthly enables and disables as well as cumulative.

**Administrative Terminal Last Access Report (Monthly)**

Provide a monthly on-line report of all MD DHS users, showing the last time they logged into the EBT system and indicating those where it has been greater than 60 days since they logged into the system.

**Administrative Terminal Failed Logon (Monthly)**

Provide a daily report of all MD DHS users who entered an invalid password for their user ID while trying to log onto the EBT system.

**Access Definition Report**

The Access Definition Report provides a daily account of all users of the EBT system with the roles identified. The report shall include, the date user was added, Login ID, Name, Role ID, Role Name, and Status (date changed or deleted). The report shall also show each role with the privileges’ of each role.

* **PROGRAM MANAGEMENT REPORTS**

**Out of State ATM Activity Report (Monthly)**

The Out-Of-State Activity Report identifies all transactions that occur outside of the state. The state would like to have the ability to type in a date range but for the date range requested only the consecutive months the EBT card was used for the date range typed. For example: card #001 is on the report because the card was used out of state a minimum of at least once a month for 7 consecutive months. Card #002 is not on the report because it was used 010101, 030101 and 060101 out of state (this would not be on the report due to it not being consecutive).

The report does not include transactions that occurred in Maryland and Border States e.g. Delaware, Pennsylvania, Virginia, DC, and West Virginia.

**Transaction Fee Report (Monthly)**

The Transaction fee Report provides a daily report summary of fees charged against an EBT account.

**Repayment Report (Daily)**

Provide a daily report that details repayments made by customers for SNAP benefits, repayment on cash is not allowed.

**Voucher Authorization Report (Monthly)**

The Voucher Authorization Report details the voucher authorizations performed during the month. The report includes FNS retailer number, voucher authorization number, dollar amount, and date/time.

**Voucher Expiration Report (Daily)**

The Voucher Expiration Report is a daily report that details the voucher authorizations that have expired. The report includes FNS retailer number, voucher authorization number, dollar amount, and date/time.

**Voucher Settlement Report (Daily)**

The Voucher Settlement Report is a daily report that details the vouchers that have cleared.

The report includes FNS retailer number, voucher authorization number, dollar amount, and date/time.

**Authorized Representative Report (Monthly)**

Report lists cases which have an authorized representative. Listed by Case, Customer Name, Authorized Representative Name and access type granted.

**Large Account Balance Report (Monthly)**

The Large Account Balance Report lists all customers with a large balance in the SNAP and/or cash account. The report will list all cases with a balance of $1,000 or more dollars in the EBT account.

**Large Dollar Transactions Report (Monthly)**

The Large Dollar Transactions Report lists transactions made during the month, SNAP only, for $100 or more. The $100 amount is a configurable parameter, and can be changed in the future if desired. Do not include large stores where large transactions occur frequently. Report shall have the ability to provide data from a date range entered.

**Even Dollar Transactions Report Monthly)**

The Even Dollar Transactions Report contains a list of even dollar transactions made during the

month -SNAP only ($100.00 or more). Report shall have the ability to provide data from a date range entered.

**Rapid or Repeated Transactions Report (Monthly)**

The Rapid or Repeated Transactions Report lists the transactions made during the month, SNAP only, where a Customer performs two or more transactions within three minutes of each other at the same store. Three minutes is a configurable parameter.

**Redemption of Entire Benefit in One Transaction Report (Monthly)**

The Redemption of Entire Benefit in One Transaction Report lists transactions made during the month, SNAP only, for $200 or more, where the account balance after completion of the transaction is $0. The $200 amount is a configurable parameter, and can be changed in the future if desired. Report can be queried to pull more than one month to look for pattern.

**Multiple Transactions on the Same Day – Retailer Report (Monthly)**

The Multiple Transactions on the Same Day – Retailer Report lists transactions made during the month, SNAP only, for $50 or more, where two or more transactions occur at the same store on the same day, performed by the same or multiple cardholders. The two transactions and the $50 amount are both configurable parameters, and may be changed in the future if desired.

**Retailer Manual Key Entered Transaction Report (Monthly)**

The Retailer Manual Key Entered Transaction Report provides a monthly report that details all of the SNAP transaction manual entries occurring at a retailer location.

**Phone Number Tracking of for Specific IVR/Customer Service Activities**

Provide data showing phone numbers used for card activation, balance inquiries, PIN selection/changes, or card replacement requests.

**Combined Queries for Suspected Individuals Using Multiple Cards.**

Ability to enter multiple customers (customer IDs or card #s) and run a single report with all of the transactions where those cards were used (for cases where we suspect the same person is using multiple cards). Include out of state transactions.

**Multiple Transactions/Multiple Cards Used within a Specified Timeframe.**

Ability to run a report that shows multiple transactions/ multiple cards within a given date and time span. This includes looking for transaction occurring minutes apart using different cards where a balance inquiry (via any method POS, IVR, portal, etc.) was performed recently on each card. The transaction may also be originated from the same terminal ID. The intent of the reporting is to assist investigators in identifying a retailer that may be trafficking benefits or someone using multiple cloned cards for single large transaction. Investigator could then analyze out miscellaneous transactions.

**Same Card Used in Multiple Locations within a Short Timeframe**

Provide a report or data that identifies transactions using the same card at multiple physical locations where the distance is such that it would be improbable for the cardholder to be able to travel between the sites. For example, transactions originating from Miami, Los Angeles, and Baltimore within an hour.

**Card Balance in Excess of Specified Amount**

Display the client’s whose balances are in excess of a predefined dollar amount.

**Out of State Transactions Grouping with Mapping**

Group out of state transactions together (by state) so the State can see the number of transaction per state. The reporting shall also support using GIS data to map and reporting on the distance from the subject's home to the store.

**On-line Purchasing Deliveries Different Delivery Address from EBT Account Address**

Provide reporting on online purchase where the delivery address is different from the customer’s address associated with their EBT account.

**Primary/Alternate Cardholder Activation or PIN Selection/Changes within Short Timeframe**

Provide reporting for situations when both the primary and alternate cardholders’ cards are activated or there is a PIN selection/change on both cards within a specified timeframe. For example, all cases where the primary and the alternate cards associated with an account have a PIN change within 5 minutes of each other.

**Same FNS ID/Different Store Name or Location**

Provide reporting on transactions where the same FNS ID is used, but the Store Name or Store Location are different.

**POS Supply ACH (Monthly)**

The POS Supply ACH is a monthly report that details the amount of funds sent to retailers for POS supply credit reimbursement.

**FIN007 Reversal Activity Report (Daily)**

The Reversal Activity Report provides a daily report of all reversal transactions.

**Customer Portal Activity Report (Daily and Monthly)**

The Customer Portal Activity Report provides a monthly report showing how many times the Customer Portal is accessed.

**Customer Portal Statistics Report (Daily and Monthly)**

Details monthly aggregate totals for Customer Portal activity for PIN Changes, New Customers Registered, Total Customers Registered, Logins for the Month, Lost/Stolen/Damaged, Cards Replacement requests and Total Number of 2 Month Transaction History Mailed Statements Requested

**Restaurant Meals Program Eligible Customer Report (Monthly)**

The Restaurant Meal Eligible Customer report lists EBT cardholders, by County, local office, and State Unique ID, who are eligible to use their Food Stamp benefits to purchase meals at Food and Nutrition Service-authorized restaurants.

**Restaurant Meal Program Food Stamp Activity Report (Monthly)**

The Restaurant Meal Eligible Customer report lists EBT cardholders, by County, local office, and State Unique ID, who are eligible to use their Food Stamp benefits to purchase meals at Food and Nutrition Service-authorized restaurants.

**Heat and Eat Program**

Report of redemptions for the Heat and Eat Program.

**SNAP Aging/Inactive Report (Daily)**

This report shows all benefits that have been inactive due to the Aging process. DHS considers SNAP benefits to be “inactive” if there has been no debit transaction or credit return transaction for 229 consecutive days.

**Multiple Issuance Report**

This weekly report identifies when a customer receives multiple issuances on the same day with the same benefit code. It can also be run on demand.

* **SYSTEM PERFORMANCE REPORTS**

System performance reports will be used by the State to monitor the operations and performance of the EBT system, Customer Service operations, and the Integrated Voice Response System (IVRS). These reports will provide statistical information on the system utilization and response time.

**Host Response Time Analysis Report (Monthly)**

The Host Response Time Report provides analysis information including a statistical summary of response time by retailer terminal, ATM, third party, and network acquirers.

**Network Statistics Report**

This report provides a summary of transactions by day of month. It provides transaction activity by day by count and dollar amount for POS cash, POS Food Stamps and ATM transactions. There are totals at the end of the report for each of the above counts and amounts.

**Capacity Utilization**

Provide a Capacity Utilization report to identify vendor resource capacity as follows:

* Maryland percentage to total capacity to all resources
* Maryland percentage to specific resource

This report will generate whenever a change in the allocation of resources (i.e., new machine added, new user added etc.) occurs and will be submitted to the State EBT Director.

**System Availability (Monthly)**

The System Availability Report provides a monthly report of system availability, including detailed documentation and explanation of both scheduled and unscheduled downtime or processing interruptions. This report is to ensure compliance with the system availability requirements specified in this document, the FNS EBT Regulations, and the EBT Operating Rules.

**Customer Program Service Level Report – IVR**

The Customer Program Service Level Report summarizes all calls received by the IVR during the month. The report identifies number of calls to IVR, Calls Answered, Speed of Answer (ASA), Average Talk Time, CSR Opt Outs, PIN request information and includes monthly totals.

**Customer and Retailer’s Customer Service Call Center and IVRS Activity Report (Monthly)**

Provide the following IVRS data on a monthly basis:

1. Total number of call
2. Total minutes spent on IVRS
3. Average call duration
4. Total calls transferred to Customer Service Representative (CSR)
5. Percent of calls transferred to CSR

Provide the following CSR data on a monthly basis:

1. Total number of calls received
2. Number of calls answered
3. Number of abandoned calls
4. Average time of abandoned calls
5. Average speed of answer
6. Average talk time

**Customer Help Desk Statistics Report**

This report shows indicators of customer service call center performance for the month by day (e.g. number of calls, number of handled calls, abandoned calls, Average Talk time, Average Speed of Answer and Average Speed of Abandon.). Report contains both Customer CSR calls and Retailer CSR calls

**Retailer Program Service Level Report**

The Retailer Program Service Level Report summarizes all calls received by the IVR during the month. The report identifies number of calls to IVR, Calls Answered, ASA, Average Talk Time, CSR Opt Outs, and includes monthly totals.

1. Deliverables Chart

| **Item** | **Deliverable Description** | **Acceptance Criteria** | **Section** | **Timeline** |
| --- | --- | --- | --- | --- |
| **Project Initiation** | | | | |
|  | **Transition In Kick-Off Meeting and Presentation** – The Contractor shall furnish an updated Project Delivery Plan describing the activities for the Contractor, the State, and any third parties for fully transitioning to the Contractor’s Solution, the NTP, service delivery, invoice processing, monitoring, and other Contract terms and conditions. | Acceptance of Deliverable Form | 3.1.2 | NTP + 30 calendar days |
|  | **Project Delivery Plan** – The project delivery plan shall include the following at a minimum:   1. All required deliverables and how they will be achieved through the appropriate state approved delivery method. 2. Automated tools, including application of software solutions 3. Configuration management – approach and solution 4. Document repository and control 5. Calendar of events and deadlines 6. Decision support and prioritization 7. Project deliverable review procedures 8. Customer/stakeholder relationship management 9. Reporting of status and other regular communications with DHS, including a description of the Contractor’s proposed method of ensuring adequate and timely reporting of information   The Project Delivery Plan (and components thereof) shall be reviewed and updated periodically as needed, but, in any event it shall also include the following:   1. Project Work Plan (PWP 2. Staffing Plan 3. Communication Plan 4. Risk Management Plan 5. Quality Assurance (QA)/Quality Control (QC) Plan 6. Configuration Management Plan 7. Change Management Plan | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days |
|  | **Project Work Plan (PWP)**  PWP shall include a clear breakdown of tasks and responsibilities, including those tasks that will be the responsibility of DHS during the transition. The PWP shall incorporate the following:   * Task and subtasks to be undertaken in order to successfully transition/implement EBT * Draft and final deliverables or documentation * Milestones * Anticipated invoice dates (as applicable) * Go/no go decisions * State Agency and contractor activities   At a minimum, the PWP shall include fields to track:   * Tasks, * Resources, * 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 DHS’s management-consulting contractor to demonstrate the Contractor’s capability to deliver reliable service.  The PWP shall be developed using a current version of MS Project or an approved State selected tool. The Contractor shall update its PWP on a weekly basis during transition and as required by DHS. A copy of the updated PWP will be provided to the State Project Manager. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days for draft  30 days thereafter for final plan  Updated weekly |
|  | **Staffing Plan –** The Staffing plan shall address identification of resources needed to support the project and their organization, how resources will be assigned, schedule for resources’ assignment to the project, training needs, management of resources, and how resources will be replaced when vacancies occur. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days; then 30 days thereafter for final plan |
|  | **Communications Plan --** The Communications plan shall address project stakeholders including objectives and impacts, communications channels, schedules/events critical to project communications, and roles and responsibilities. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days; then 30 days thereafter for final plan |
|  | **Risk and Issue Management Plan** – The Risk and Issue Management plan shall address the following related to risks and issues: identification, management/logging, analysis, response planning, and monitoring and control. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days; then 30 days thereafter for final plan |
|  | **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 DHS 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. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days |
|  | **Configuration Management Plan –** The Configuration Management 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. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days |
|  | **Change Management Plan –** The Change Management Plan shall include the Contractor’s approach to change management and long-term planning, change management stakeholders and coordination with the State in planning for changes, change management processes, how changes are evaluated, and how changes are planned as part of long term planning activities. | Acceptance of Deliverable Form | 2.3.5 | NTP + 30 calendar days |
|  | **Establishment of Document Library –** The Library 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 DHS upon conclusion of this Contract. | Acceptance of Deliverable Form | 2.3.5 | NTP + 15 calendar days |
|  | **Transition/Conversion Plan -** The plan shall:   * Comply with the FNS EBT Transition Guide, Version 2.0., dated June 6, 2005 or the most recent version issued by FNS. * Must address the verification and validation of the transition process, in particular the validation of the clients’ account balances and cardholder PINs that are converted to the new system. * Cover all aspects of the transition, including TPPs, Gateways, databases, data warehouse, cards and card stock, customer service, IVR, toll free helpdesk lines, training, marketing material, and replacement of EBT and branded debit cards if required. * Contain a contingency fallback plan in case the conversion cannot be completed in a timely manner due to conversion issues. | Acceptance of Deliverable Form | 2.3.2 | NTP + 45 calendar days |
|  | **Comprehensive Test Plan** – The Test Plan shall include   * Life cycle testing approach. * The types of testing to be performed. * The organization of the test team and associated responsibilities. * Test database generation. * Test case development. * Test schedule. * Documentation of test results. * Acceptance testing, to include functional requirements testing, error condition handling and destructive testing, security testing, recovery testing, controls testing, stress and throughput performance testing, and regression testing; and * The decision criteria, including specific test results that must be met before the Contractor may exit the testing period, the roles or titles of the individuals responsible for verifying that these criteria have been met, and the sign-off process, which will document that the criteria has been met. | Acceptance of Deliverable Form | 2.3.3.1 | NTP + 60 calendar days |
|  | **Training Plan** – The Contractor shall prepare and submit a Training Plan that identifies the proposed deadlines and supportive tasks for planning, design, development, production, and distribution of all training materials. The training plan shall address training and materials that will be provided to State and local office staff, cardholders, and retailers. | Acceptance of Deliverable Form | 2.3.1.7.9  2.3.1.11.5  2.3.1.12 | NTP + 60 calendar days |
|  | **TPP and Retailer (EBT Only) Agreements –** The Contractor shall provide copies of the retailer and Third-Party Processor (TPP) agreements that will be utilized within the State for review and approval by the State and FNS. | Acceptance of Deliverable Form | 2.3.1.12.1 | NTP + 30 calendar days |
| **Design & Development** | | | | |
|  | **Functional Design Document** – The functional design shall describe the logical system flow, data organization, system inputs and outputs, processing rules, and operational characteristics of the product from the user's point of view. The functional design is not concerned with the software or hardware that shall support the operation of the product or the physical organization of the data or the programs that shall accept the input data, execute the processing rules, and produce the required output. | Acceptance of Deliverable Form | 2.3.2.1  2.3.9 | NTP + 45 calendar days |
|  | **Detailed Design Document** – The detailed design shall describe the system requirements, operating environment, system and subsystem architecture, files and database design, input formats, output layouts, human-machine interfaces, detailed design, processing logic, and external interfaces. | Acceptance of Deliverable Form | 2.3.2.1  2.3.9 | NTP + 60 calendar days |
|  | **System Test Scripts** – The 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. | Acceptance of Deliverable Form | 2.3.1.18.2 | 60 calendar days before UAT |
|  | **IVR Scripts** – The Contractor shall provide client and retailer IVR scripts for State approval. The scripts shall provide call flow diagrams and clearly identify prompts and possible caller responses. IVR response wording shall be consistent, grammatically correct and written at a fifth-grade level. The IVR shall support both English and Spanish. | Acceptance of Deliverable Form | 2.3.1.13.1  2.3.1.13.4 | 75 calendar days before UAT |
|  | **CSR Documentation / Scripts** – The EBT Contractor shall provide customer service documentation and scripts used by the CSRs to respond to client and retailer helpdesk calls for State approval. | Acceptance of Deliverable Form | 2.3.1.13.1  2.3.1.13.4 | 75 calendar days before System Conversion |
|  | **Data Back-Up and Recovery Plans** – The Contractor shall provide a plan that details the approach to and steps taken to ensure data availability and recovery. The plan shall identify primary and back-up site locations. The plan shall include procedures for failover to a back-up site as well as when the State has to fail over to its back-up site. | Acceptance of Deliverable Form | 3.5  3.5.1 | 90 calendar days before System Conversion |
|  | **Business Continuity Plan** – 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. For each potential interruption type, the EBT Contractor shall, at a minimum, detail the steps to be taken to survive and recover from the interruption. The plan shall include provisions to ensure that benefits continue to be accessible to cardholders, in either instances of system outages or in localized disasters. The EBT Contractor shall outline the resources committed (i.e., people, systems, networks, and operation sites) and indicate whether the contingency plan has been tested under real or simulated conditions. The Business Continuity Plan must include a contingency plan for circumventing communication outages of longer than five (5) minutes. | Acceptance of Deliverable Form | 2.6.7.1 | 90 calendar days before System Conversion |
|  | **Disaster Recovery Plan** – The Contactor shall provide a disaster recovery plan that must address service interruptions caused by a localized or statewide disaster within the state and approaches for ensuring cardholder access to benefits using the FNS 901 Handbook Section 9.3.4.2. | Acceptance of Deliverable Form | 3.5 | 90 calendar days before System Conversion |
|  | **System Security Plan** – The System Security Plan shall describe the administrative, technical, and system controls for the EBT system. This plan shall provide for the ongoing certification and examination of the EBT contractor’s operations and control system. | Acceptance of Deliverable Form | 3.7  2.3.1.15.1  2.3.9 | NTP + 60 calendar days |
|  | **Anti-Fraud Plan** – The Anti-Fraud Plan shall include locating and stopping fraud by actively and aggressively monitoring the activities of cardholders, employees, retailers, and others for the purpose of identifying at the earliest possible opportunity, evidence of fraudulent conduct. | Acceptance of Deliverable Form | 2.3.1.19.1 | NTP + 60 calendar days |
|  | **Settlement/Reconciliation Manual** – The Contractor shall provide a Settlement/Reconciliation Manual that provides the procedures required for a State to perform a daily reconciliation of the EBT Contractor’s EBT system. The manual shall identify the specific settlement and reconciliation reports including formats and data elements. | Acceptance of Deliverable Form | 2.3.1.11  2.3.9 | 90 calendar days before System Conversion |
|  | **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. | Acceptance of Deliverable Form | 2.3.1.2  2.3.9 | NTP + 60 calendar days |
|  | **Reports Manual** – The Contractor shall provide a Reports Manual describing all standard reports to be generated by the Contractor. The Reports Manual shall also provide a brief description of the data files provided to the State for internal report generation. | Acceptance of Deliverable Form | 2.3.9 | Provide updated manuals to State PM for approval |
|  | **Administrative System Manual** – The Contractor shall develop an Administrative System Manual as a training guide for all DHS EBT and fiscal staff and all LDSS EBT staff trainers and shall include any procedures, screens, workflows, processes, security access management, and/or reports used by the staff and users. | Acceptance of Deliverable Form | 2.3.1.10.5 | 90 calendar days before System Conversion |
|  | **EBT System/Administrative System Training Video** **–** The Contractor shall develop a video or online resources such as short topic focused videos for State staff which shall include an overview of the EBT system, provides training on the functions of the Administrative System, EBT troubleshooting, and reporting. | Acceptance of Deliverable Form | 2.3.1.10.5 | 90 calendar days before System Conversion |
|  | **Data Warehouse Manual** – The Contractor shall develop a Data Warehouse Manual as a training guide for State staff and shall include an overview of the tool and the organization of the data within it, how to use/modify predefined queries, how create new queries, how to save queries, how to export data, and security access management. | Acceptance of Deliverable Form | 2.3.1.17 | 90 calendar days before System Conversion |
|  | **Data Warehouse Online Resources** – The Contractor shall develop online resources such as short topic focused videos for State staff which shall include an overview of the tool and the organization of the data within it, how to use/modify predefined queries, how create new queries, how to save queries, how to export data, and security access management. | Acceptance of Deliverable Form | 2.3.1.17 | 90 calendar days before System Conversion |
|  | **Cardholder Training Brochure** – The Contractor shall provide an EBT cardholder training brochure, support all training brochure and mobile/online training updates, and maintain the DHS supply of EBT cardholder training brochures throughout the period of the Contract. It shall be written at a 5th grade reading level, comply with ADA requirements, be prepared in English, Spanish, Vietnamese, and Russian. | Acceptance of Deliverable Form | 2.3.1.7.2  2.3.1.7.9 | 120 calendar days before System Conversion |
|  | **Card Mailer –** The Contractor shall develop a card mailer that to which mailed cards will be affixed. The Card Mailer will provide information on how to activate cards, how to select or change a PIN, where cardholders can obtain information (customer service, cardholder portal, and mobile app). Other content may be identified during project initiation. All card mailers shall be written in English, Spanish, Vietnamese and Russian. | Acceptance of Deliverable Form | 2.3.1.7.8 | 90 calendar days before System Conversion |
|  | **Cardholder Interactive Online and Mobile Training** – The Contractor shall provide EBT cardholder interactive online and mobile trainings such as short topic focused videos. The training shall address all of the topics required for the Cardholder Brochure. | Acceptance of Deliverable Form | 2.3.1.7.9 | 90 calendar days before System Conversion |
|  | **Retailer EBT Only POS Device Manual with Quick Reference Guide** – The Contractor shall provide a manual that addresses the following:   * Device set up and installation * Setting up users and passcodes * How to perform all SNAP and Cash transactions * End of day processes * Reporting functions * Troubleshooting * How to obtain assistance   The Contractor shall provide quick reference guide that includes the steps to perform EBT transactions and any other common actions taken on the device.  All materials shall be:   * Be 508 and ADA compliant for all materials * Easily accessed online and via mobile technology | Acceptance of Deliverable Form | 3.2.3 | 120 calendar days before System Conversion |
| **Testing/Go Live Readiness** | | | | |
|  | **UAT Completion –** UAT shall be consider complete if there are no Critical or major defects. If any other defects are unresolved, for UAT to be considered complete, the remaining defects must have a work around and/or have a limited impact to users as determined by the State. | Acceptance of Deliverable Form | 2.3.3.5 | No later than 4 weeks prior to Conversion |
|  | **Test Reports (Transition/Conversion) –** The Contractor shall provide reports describing the results of data conversion testing and UAT. These test reports must be approved by the State prior to proceeding to the System Conversion. | Acceptance of Deliverable Form | 2.3.3  2.3.3.1 | Completion of Test + 1 week |
|  | **Certification Test Results** **(Transition/ Conversion) –**The Contractor will 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 the applicable Quest® and FNS regulations and guidance. | Acceptance of Deliverable Form | 2.3.1.12.2 | Completion of Test + 1 week |
|  | **Minimum 95% of all EBT-Only Terminals Converted** – EBT only retailers shall be considered ready for conversion which 95% of the EBT only retailers have POS terminals replaced/installed and are operational. Conversion may be considered a no-go (as determined by the State) until the 95% threshold is met. | Acceptance of Deliverable Form | 2.3.2.3 | 1 week before System Conversion |
| **System Conversion** | | | | |
|  | **EBT Database Conversion Complete** – The Contractor shall complete the conversion of all data from the outgoing contractor into its EBT system. | Acceptance of Deliverable Form | 2.3.2.5 | Day of the System Conversion |
|  | **Customer Service Conversion Complete** – The Contractor shall complete the conversion of all customer service functions from the outgoing contractor. | Acceptance of Deliverable Form | 2.3.2.4 | Day of the System Conversion |
|  | **All EBT-Only Terminals Converted** – The Contractor shall complete the conversion of all EBT only POS terminals. | Acceptance of Deliverable Form | 2.3.2.3 | No later than 14 calendar days post System Conversion |
|  | **Meeting Minutes (Transition/Conversion)** – Documents the key outcomes, decisions, and action items of meeting facilitated by the Contractor | Acceptance of Deliverable Form | 2.3.5 | + 2 days after meeting |
|  | **Status Reports (Transition/Conversion)** –  During transition/implementation the status report shall also include:   * A summary, by task, completed activities and scheduled activities. This report shall specify the completed activities and scheduled activities for the next two-week period. * A summary of problems encountered, status, actions taken to resolve them, and support required from DHS and/or Federal agencies. * A summary of anticipated and unanticipated delays, reasons for the delays, and corrective actions taken. Any delays that require a change to the Project Work Plan (PWP) shall be specifically noted and changed in the work plan. The modified work plan shall be provided with this report. | Acceptance of Deliverable Form | 2.3.2.6 | Semi-monthly until two (2) months prior to the conversion date.  Weekly starting at two (2) months prior to the conversion date.  Daily starting at two (2) weeks prior to the conversion date. |
| **Operations** | | | | |
|  | **Transition-Out Plan –**The Transition-Out Plan shall address at a minimum the following areas:   * Any staffing concerns/issues related to the closeout of the Contract; * Communications and reporting processes between the Contractor, the outgoing contractor, the DHS, and the Contract Monitor; * Supporting the requirements for SNAP/cash transition as specified in the FNS EBT Transition Guide Version 2.0, June 6, 2005 or the latest conversion guidance issued by FNS; * The EBT Contractor shall work in a professional manner with the new EBT Contractor/processor to execute smooth and timely transition at the end of the contract term; * Security and system access review and closeout; * Any hardware/software inventory or licensing including transfer of any point of contact for required software licenses to the DHS Services or a designee; * Any final training/orientation of DHS staff; * Connectivity services provided, activities and approximate timelines required for Transition-Out; * Knowledge transfer | Acceptance of Deliverable Form | 3.2.3 | Draft Transition-Out Plan due 18 months in advance of Contract end date  Final Transition-Out Plan is due within 13 months |
|  | **Problem Escalation and Resolution Procedure –** The Contractor must provide and maintain a Problem Escalation Procedure (PEP) for both routine and emergency situations. The PEP must 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 appropriate timeframes. | Acceptance of Deliverable Form | 3.8 | Due 10 business days prior to Contract start date and 10 business days prior to each Contract anniversary date |
|  | **All Reports in Attachment T** – The Contractor shall maintain all of the information requested in the list of reports online. Seven categories of reports have been identified: Financial, Batch Processing, Card, Billing, Security, Program Management, and System Performance. | Acceptance of Deliverable Form | Attachment T | Daily reports shall be delivered no later than 12 Noon for the previous day’s activity.  All reports designated as Monthly shall be due no later than the 2nd business day of the month following the reporting month. |
|  | **Disaster Recovery Test Results –** The Contractor disaster recovery process tests shall include a live drill and tabletop. The Contractor shall review results with DHS, and work with DHS 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. | Acceptance of Deliverable Form | 3.5.1 | Disaster recovery processes tested every six (6) months.  Test results provided to the State within ten (10) calendar days of the date that the test is completed. |
|  | **Corrective Action Plan (CAP) –** It is the goal of the corrective action plan to acquire and evaluate data, identify commodity and quality concerns, and adopt the necessary and efficient corrective or preventative action to avoid the issue from recurring. | Acceptance of Deliverable Form | 3.9.2  3.9.3 | Identification of issue + 30 calendar days |
|  | **SLA Monthly Metrics Report –** The Contractor shall provide service at or above the defined SLAs as outlined in **Section 2.6.7 Service Level Measurements** and provide monthly metrics to show if these SLA standards are being met. | Acceptance of Deliverable Form | 2.6  2.6.2 | 2nd business day of each month |
|  | **Performance Readiness Review** – As part of PRR review and document contract requirements against current services, perform inspection against contract requirements and to develop Corrective Action Plans (CAPs) | Acceptance of Deliverable Form | Appendix 1 | NTP-Yearly |
|  | **Status Reports (Operations)** – Status reports shall be succinct but comprehensive and shall include the following information.   * Tasks accomplished during the previous period * Deliverables submitted during the previous period * Updated Project Schedule, indicating baseline and actual start and completion dates * Risk log with status, mitigation, probability, and severity * Issues and progress on resolution * Status of change requests and changes * Status of reported defects * Miscellaneous items of import (e.g., the Project Manager will be on vacation and his/her replacement designee) * Performance standards not met with corrective action plan * Next period’s activities/tasks and deliverables * Programming hours available and used * Customer Service Center ticket status * PRR review activity status | Acceptance of Deliverable Form | 2.3.5  2.3.9 | Monthly |
|  | **Meeting Minutes (Operations)** – Documents the key outcomes, decisions, and action items of meeting facilitated by the Contractor | Acceptance of Deliverable Form | 2.3.5 | + 2 days after meeting |
|  | **Test Reports (Operations) –** The Contractor shall provide reports describing the results of testing to include TPP certifications and release testing. | Acceptance of Deliverable Form | 2.3.9 | Completion of Test + 1 week |
|  | **Test Reports (Transition/Conversion) –** The Contractor shall provide reports describing the results of data conversion testing and UAT. These test reports must be approved by the State prior to proceeding to the System Conversion. | Acceptance of Deliverable Form | 2.3.3  2.3.3.1 | Completion of Test + 1 week |
| **Annual Certifications, Attestations and Audits** | | | | |
|  | Copies of annual audits of data processing, operations, disaster recovery, and security functions | Acceptance of Deliverable Form | 3.9 | Yearly |
|  | Annual Written Certification stating that the Contractor and its subcontractors are in compliance with applicable banking regulatory requirements and EBT program specific requirements. | Acceptance of Deliverable Form | 3.9 | Yearly at the Contract anniversary date |
|  | Statement on Standards for Attestation Engagements (SSAE) No. 18 Service Organization Controls (SOC 2) Audit Report | Acceptance of Deliverable Form | 3.9 | Within 45 days of the end of the State’s fiscal year (June 30). |
|  | Statement on Standards for Attestation Engagements (SSAE) No. 18 Service Organization Controls (SOC 1) Audit Report | Acceptance of Deliverable Form | 3.9 | NTP-Yearly |

Appendix 1. – Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below: Acceptable Use Policy (AUP) - A written policy documenting constraints and practices that a user must agree to in order to access a private network or the Internet.

1. Access – The ability or the means necessary to read, write, modify, or communicate data/information or otherwise use any information system resource.
2. Active Case – A single case for which one or more financial transactions have been posted during the billing month for one or more programs.
3. 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.
4. Agency Deliverable Product Acceptance Form (DPAF)- https://doit.maryland.gov/contracts/Documents/\_procurementForms/DeliverableProductAcceptanceForm-DPAFsample.pdf
5. American with Disabilities Act (ADA) – The Americans with Disabilities Act of 1990 or ADA is a civil rights law that prohibits discrimination based on disability.
6. American National Standards Institute (ANSI) - A private nonprofit organization that oversees the development of voluntary consensus standards for products, services, processes, systems, and personnel in the United States. ANSI maintains the X9.58 Financial transaction messages — Electronic Benefits Transfer (EBT) — Supplemental Nutrition Assistance Program (SNAP) and Cash Benefit Programs.
7. Application Program Interface (API) – Code that allows two software programs to communicate with each other.
8. Authorized Representative – An individual designated by a customer to have access to his or her benefits.
9. Automated Call Distribution System (ACD) - ACD systems are commonly found in any office that handles a large volume of inbound calls. The primary purpose of an automatic call distributor is to route incoming calls to contact center agents or employees with specific skills.
10. Automated Clearing House (ACH) – a network and format governing electronic financial transactions.
11. Automated Data Processing (ADP) – The creation and implementation of technology that automatically processes data. This technology includes computers and other communications electronics that can gather, store, manipulate, prepare and distribute data.
12. Automated Standard Application for Payments (ASAP) – A completely electronic system that federal agencies use to quickly and securely transfer money to recipient organizations. Federal agencies enroll recipient organizations, authorize their payments, and manage their accounts.
13. Automated Teller Machine (ATM) – An electronic [telecommunications](https://en.wikipedia.org/wiki/Telecommunications) device that enables customers of [financial institutions](https://en.wikipedia.org/wiki/Financial_institution) to perform [financial transactions](https://en.wikipedia.org/wiki/Financial_transaction), such as cash withdrawals, deposits, funds transfers, balance inquiries or account information inquiries, at any time and without the need for direct interaction with bank staff.
14. Balance Inquiry – A non-financial transaction that permits the customer to obtain the available amount of benefits in food supplement and cash accounts.
15. Bankers Identification Number (BIN) – The number assigned by the American Bankers Association that is required for electronic interchange.
16. Billable Case – A single case for which a benefit authorization has been posted to the account during the month.
17. Business Day(s) – The official working days of the week to include Monday through Friday. Official working days excluding State Holidays (see definition of “Normal State Business Hours” below).
18. Central Processing Unit (CPU) – **Electronic machinery that carries out instructions from programs that allows a computer or other device to perform its tasks**.
19. Customer Information System (CIS) - **A system used by an organization to assist employees to obtain customer information efficiently**. The users' satisfaction with the system will lead to improvement in task productivity and allow the employees to fully utilize the system.
20. Code of Federal Regulations (CFR) - The Code of Federal Regulations is a codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles which represent broad areas subject to Federal regulation. Each title is divided into chapters which usually bear the name of the issuing agency. Each chapter is further subdivided into parts covering specific regulatory areas
21. Code of Maryland Regulations (COMAR) - available on-line at <http://www.dsd.state.md.us/COMAR/ComarHome.html>.
22. Concentrator Bank – The bank where the settlement money is sent. The State Treasurer’s Office approves the bank. Currently both food supplement and cash settlements are sent to one account. The same account is used to settle with the banks/retailers doing business with our customers.
23. Contract – The Contract awarded to the successful Offeror pursuant to this RFP. The Contract will be in the form of **Attachment M**.
24. Contract Monitor – The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The Department may change the Contract Monitor at any time by written notice to the Contractor.
25. Contractor – The selected Offeror that is awarded a Contract by the State.
26. Contractor Personnel – Employees and agents and subcontractor employees and agents performing work at the direction of the Contractor under the terms of the Contract awarded from this RFP.
27. Corrective Action Plan (CAP) – It is the goal of the corrective action plan to acquire and evaluate data, identify commodity and quality concerns, and adopt the necessary and efficient corrective or preventative action to avoid the issue from recurring.
28. Cost per Case per Month (CPCM) –
29. Customer – Any person who received assistance benefits from DHS.
30. Customer Service Call Center (CSC) – Call center agents use several channels, including social media, email, chat, and phone, to manage customer interactions, provide information and assistance with any problem the customers might have.
31. Customer Service Representative (CSR) – Customer service representatives work with customers to resolve complaints, process orders, and provide information about an organization's products and services
32. Database Administrator (DBA) - Database administrators use specialized software to store and organize data. The role may include capacity planning, installation, configuration, database design, migration, performance monitoring, security, troubleshooting, as well as backup and data recovery.
33. Data Breach – The unauthorized acquisition, use, modification or disclosure of State data (includes cardholder and retailer data), or other Sensitive Data.
34. Database Management System (DBMS) – A software tool that enables users to manage a database easily. It allows users to access and interact with the underlying data in the database. These actions can range from simply querying data to defining database schemas that fundamentally affect the database structure.
35. Deliverable – Quantifiable goods or services that need to be provided at the various steps of a project as well as at the end of a project.
36. Department of General Services (DGS) – An agency within the State of Maryland.
37. Department of Information Technology (DoIT) - Created by 2008 legislation in an effort to consolidate state agency information technology functions and policies into one department; elevating the department to one that reports directly to the Governor.
38. Department of Human Resources Information System (DHRIS)  Software that provides a centralized repository of employee master data that the human resource management ([HRM](https://www.techtarget.com/searchhrsoftware/definition/human-resource-management-HRM)) group needs for completing core human resource ([core HR](https://www.techtarget.com/searchhrsoftware/definition/core-HR-core-human-resources)) processes
39. Department of Human Services or (DHS or the “Department”).
40. Direct Deposit – The process that results in electronic depositing of funds into a customer’s checking or savings account.
41. Disaster Recovery Plan (DRP) - Disaster recovery is the process of maintaining or reestablishing vital infrastructure and systems following a natural or human-induced disaster, such as a storm or battle. It employs policies, tools, and procedures.
42. Dormant Account – A benefit account not accessed by the customer by debit transaction for 180 calendar days or longer.
43. EBT Processor – The company that provides EBT account management, card management, benefit accounting, transaction processing, financial settlement and reconciliation, reporting, and cardholder and retailer support on behalf of another company or government agency.
44. Electronic Benefits Transfer (EBT) The automation of benefit authorization, delivery, redemption, and settlement processes through computers, cards, and telecommunications technology which results in the elimination of paper benefits.
45. Electronic Funds Transfer (EFT) – Digital movement of money from one bank account to another. EFT is a way to move money across an online network, between banks and people. EFT payments are frequently used in place of paper-based payment methods—like checks and cash—to make transactions faster and safer.
46. Electronic Product Environmental Assessment Tool (EPEAT) – Helps purchasers, manufacturers, resellers, and others buy and sell environmentally preferable electronic products. EPEAT-registered products must meet environmental performance criteria that address materials selection, supply chain greenhouse gas emissions reduction, design for circularity and product longevity, energy conservation, end-of-life management and corporate performance.
47. Eligibility and Enrollment Department (E&E) - System used to process applications from [Medicaid](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=0e504496534ec33a1f9a4f95c7a8fa57&term_occur=999&term_src=Title:42:Chapter:IV:Subchapter:C:Part:433:Subpart:C:433.111) or CHIP applicants and beneficiaries to determine [eligibility](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=103a43749e6e515a2601211616807ec6&term_occur=999&term_src=Title:42:Chapter:IV:Subchapter:C:Part:433:Subpart:C:433.111) for enrollment in the [Medicaid](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=0e504496534ec33a1f9a4f95c7a8fa57&term_occur=999&term_src=Title:42:Chapter:IV:Subchapter:C:Part:433:Subpart:C:433.111) or CHIP programs, as well as change in circumstance updates and renewals.
48. eMMA – eMaryland Marketplace Advantage (see RFP **Section 4.2**). Maryland conducts the majority of its procurements through eMaryland Marketplace Advantage, the online procurement system that is a business tool to provide vendors with easy access to State procurement information. Vendors have the ability to:
49. Complete the Small Business Reserve (SBR) self-certification
50. Receive notice of bid opportunities
51. Search for contracting opportunities
52. Submit bids electronically
53. Obtain bid results online
54. Enterprise License Agreement (ELA) – An agreement to license the entire population of an entity (employees, on-site contractors, off-site contractors) accessing a software or service for a specified period of time for a specified value.
55. Environmental Protection Agency (EPA) – An independent executive agency of the United States federal government tasked with environmental protection matters.
56. Family Investment Administration (FIA) – FIA oversees a number of public assistance programs administered by the 24 local department of social services (LDSSs) including the Temporary Cash Assistance (TCA) Program, Home Energy Assistance Program, and the Supplemental Nutrition Assistance Program (SNAP).
57. Financial Management Service (FMS) – A proactive, cost-effective organization providing value-added financial management services, expertise, and consultation to Federal Agencies to generate efficiencies for the benefit of the taxpayer.
58. Food and Nutrition Service (FNS) – A subdivision of the United States Department of Treasury. leverages its 15 nutrition assistance programs to ensure children, income eligible individuals, and families have equitable access to healthy, safe, and affordable foods that promote optimal health and well-being, while building a more resilient food system.
59. Global Positioning System (GPS) - A space-based radio-navigation system consisting of a constellation of satellites broadcasting navigation signals and a network of ground stations and satellite control stations used for monitoring and control.
60. Information System – A discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.
61. Information Technology (IT) – All electronic information-processing hardware and software, including: (a) maintenance; (b) telecommunications; and (c) associated consulting services.
62. Interactive Voice Response System (IVRS) – An automated telephone system that combines pre-recorded messages or text-to-speech technology with a dual-tone multi-frequency (DTMF) interface to engage callers, allowing them to provide and access information without a live agent.
63. International Standards Organization (ISO) - is an independent, non-governmental organization that develops standards to ensure the quality, safety and efficiency of products, services and systems.
64. Key Personnel – All Contractor Personnel identified in the solicitation as such that are essential to the work being performed under the Contract. See RFP **Sections 3.10**.
65. Local Area Network (LAN) – A computer network that interconnects computers within a limited area such as a residence, school, laboratory, university campus or office building. By contrast, a wide area network not only covers a larger geographic distance, but also generally involves leased telecommunication circuits.
66. Local Department of Social Services (LDSS) – A city or county social services district as constituted by §61 of the SSL. The Maryland Department of Human Services helps vulnerable Marylanders buy healthy foods, pay energy bills, and obtain medical assistance as well as provide stable environments for at-risk children and adults.
67. Local Time – Time in the Eastern Time Zone as observed by the State of Maryland. Unless otherwise specified, all stated times shall be Local Time, even if not expressly designated as such.
68. Manual Transaction –An alternative method for accessing benefits when the ability to process an electronic transaction isn’t available.
69. Minneapolis Computer Support Center (MCSC) – USDA SNAP Minneapolis Computer Support Center.
70. Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.
71. Mobile Apps – Mobile Application Devices – A software application developed specifically to run on small, wireless devices such as smartphones, tablets, and smartwatches, rather than on desktops or laptops. Mobile apps are built and updated based on the current and future limitations of each mobile device
72. National Automated Clearing House Association (NACHA) – Electronic Payments Association, formerly the National Clearing House Association. Through this network, NACHA's 11,000 member banks and other financial institutions offer direct deposit, direct debit and e-checks for consumers and businesses.
73. Normal State Business Hours - Normal State business hours are 8:00 a.m. – 5:00 p.m. Monday through Friday except State Holidays, which can be found at: www.dbm.maryland.gov – keyword: State Holidays.
74. Not-to-Exceed (NTE) - The maximum amount for which Contractor has agreed to provide services under an Agreement.
75. Notice to Proceed (NTP) – A written notice from the Procurement Officer that work under the Contract, project, Task Order or Work Order (as applicable) is to begin as of a specified date. The NTP Date is the start date of work under the Contract, project, Task Order or Work Order. Additional NTPs may be issued by either the Procurement Officer or the Contract Monitor regarding the start date for any service included within this solicitation with a delayed or non-specified implementation date.
76. NTP Date – The date specified in a NTP for work on Contract, project, Task Order or Work Order to begin.
77. Offeror – An entity that submits a Proposal in response to this RFP.
78. Office of the Inspector General, United States Department of Agriculture (OIG, USDA)
79. Office of Technology for Human Services (OTHS) – A unit a unit within DHS.
80. 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.
81. Personally Identifiable Information (PII) – Any information about an individual maintained by the State, including (1) any information that can be used to distinguish or trace an individual identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.
82. Personal Identification Number (PIN)
83. Point of Sale (POS)
84. Preventative Action Plan (PAP)
85. Primary Account Number (PAN)
86. Procurement Officer – Prior to the award of any Contract, the sole point of contact in the State for purposes of this solicitation. After Contract award, the Procurement Officer has responsibilities as detailed in the Contract (**Attachment M**), and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.
87. Project Management Professional (PMP)
88. Project Work Plan (PWP)
89. Proposal – As appropriate, either or both of the Offeror’s Technical or Financial Proposal.
90. Protected Health Information (PHI) – Information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) that identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
91. Quality Assurance/Quality Control (QA/QC)
92. QUEST® Operating Rules – Uniform operating rules that govern the EBT environment nationwide (<https://www.nacha.org/content/quest>).
93. Regulation E – 12 CFR Part 1005 - Electronic Fund Transfers (Regulation E) carries out the purposes of the Electronic Fund Transfer Act, which establishes the basic rights, liabilities, and responsibilities of consumers who use electronic fund transfer and remittance transfer services and of financial institutions or other persons that offer these services. The primary objective of the act and this part is the protection of individual consumers engaging in electronic fund transfers and remittance transfers.
94. Request for Proposals (RFP) – This Request for Proposals issued by DHS, with the Solicitation Number and date of issuance indicated in the Key Information Summary Sheet, including any amendments thereto.
95. Retailer – A retailer authorized by FNS to participate in the SNAP program.
96. Retailer EBT Data Exchange (REDE) – FNS Retailer EBT Data Exchange – a file generated by FNS including newly authorized and de-authorized retailers.
97. Root Cause Analysis (RCA)
98. Security Incident – A violation or imminent threat of violation of computer security policies, Security Measures, acceptable use policies, or standard security practices. “Imminent threat of violation” is a situation in which the organization has a factual basis for believing that a specific incident is about to occur.
99. Security or Security Measures – The technology, policy and procedures that a) protects and b) controls access to networks, systems, and data.
100. Sensitive Data - Means PII;PHI; other proprietary or confidential data as defined by the State, including but not limited to “personal information” under Md. Code Ann., Commercial Law § 14-3501(e) and Md. Code Ann., St. Govt. § 10-1301(c) and information not subject to disclosure under the Public Information Act, Title 4 of the General Provisions Article; and information about an individual that (1) can be used to distinguish or trace an individual‘s identity, such as name, social security number, date and place of birth, mother‘s maiden name, or biometric records; or (2) is linked or linkable to an individual, such as medical, educational, financial, and employment information.
101. Service Level Agreement (SLA) - Commitment by the Contractor to the Department that defines the performance standards the Contractor is obligated to meet.
102. SLA Activation Date - The date on which SLA charges commence under this Contract, which may include, but to, the date of (a) completion of Transition in, (b) a delivery, or (c) releases of work.
103. Service Organizational Control (SOC)
104. Software - The object code version of computer programs licensed pursuant to this Contract. Embedded code, firmware, internal code, microcode, and any other term referring to software that is necessary for proper operation is included in this definition of Software. Software includes all prior, current, and future versions of the Software and all maintenance updates and error corrections. Software also includes any upgrades, updates, bug fixes or modified versions or backup copies of the Software licensed to the State by Contractor or an authorized distributor.
105. Software as a Service (SaaS) - A software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. For the purposes of this RFP, the terms SaaS and PaaS are considered synonymous and the term SaaS will be used throughout this document.
106. Solution - All Software, deliverables, services and activities necessary to fully provide and support the RFP scope of work. This definition of Solution includes all System Documentation developed as a result of this Contract. Also included are all Upgrades, patches, break/fix activities, enhancements and general maintenance and support of the Solution and its infrastructure.
107. State – The State of Maryland.
108. Source Code – Executable instructions for Software in its high level, human readable form which are in turn interpreted, parsed and/or compiled to be executed as part of a computing system.
109. Statement on Standards for Attestation Engagement Audit (SSAE) No. 18
110. Supplemental Nutrition Assistance Program (SNAP) – A federal program that provides food assistance for individuals and families that meet the eligibility requirements.
111. System Availability – The period of time the Solution works as required excluding non-operational periods associated with planned maintenance.
112. System Development Life Cycle (SDLC)
113. System Documentation – Those materials necessary to wholly reproduce and fully operate the most current deployed version of the Solution in a manner equivalent to the original Solution including, but not limited to:
     1. Source Code: This includes source code created by the Contractor or subcontractor(s) and source code that is leveraged or extended by the Contractor for use in the Contract;
     2. All associated rules, reports, forms, templates, scripts, data dictionaries and database functionality;
     3. All associated configuration file details needed to duplicate the run time environment as deployed in the current deployed version of the system;
     4. All associated design details, flow charts, algorithms, processes, formulas, pseudo-code, procedures, instructions, help files, programmer’s notes and other documentation;
     5. A complete list of Third Party, open source, or commercial software components and detailed configuration notes for each component necessary to reproduce the system (e.g., operating system, relational database, and rules engine software);
     6. All associated user instructions and/or training materials for business users and technical staff, including maintenance manuals, administrative guides and user how-to guides; and
     7. Operating procedures.
114. Technical Safeguards – The technology and the policy and procedures for its use that protect State Data and control access to it.
115. Telecommunications Relay Service for Hearing/Speech Impaired (TTY).
116. Temporary Assistance to Needy Families (TANF) – A Federal program that provides cash assistance to families with minor, dependent children residing in the household.
117. Temporary Cash Assistance (TCA) – The State equivalent to the TANF program.
118. Third Party Processor Agreement (TPP Agreement) – An agreement between a TPP and the EBT Processor (Contractor) for the processing of EBT transactions. The State is not a party to the TPP agreements.
119. Third Party Software – Software and supporting documentation that:
     1. are owned by a third party, not by the State, the Contractor, or a subcontractor;
     2. are included in, or necessary or helpful to the operation, maintenance, support or modification of the Solution; and
     3. are specifically identified and listed as Third Party Software in the Proposal.
120. To-be-Determined (TBD)
121. Total Proposal Price - The Offeror’s total price for goods and services in response to this solicitation, included in Financial Proposal **Attachment B, Financial Proposal Instructions & Form**.
122. Transaction Switch – The provider that accumulates the approved SNAP and cash EBT transactions each day on behalf of the EBT processor.  The transaction switch distributes the transactions to the Concentrator Bank with credits to the merchant banks (accounts) and debits to the settlement (Concentrator) account. In the case of direct deposits, the credits are posted to the customer bank accounts rather than merchant bank accounts.
123. United States Department of Agriculture (USDA)
124. Upgrade - A new release of any component of the Solution containing major new features, functionality and/or performance improvements.
125. User Acceptance Testing (UAT)
126. Veteran-owned Small Business Enterprise (VSBE) – A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.
127. Work Order – A subset of work authorized by the Contract Monitor performed under the general scope of this RFP, which is defined in advance of Contractor fulfillment, and which may not require a Contract Modification. Except as otherwise provided, any reference to the Contract shall be deemed to include reference to a Work Order.
128. X9.58 – This standard provides all parties involved in EBT processing for the SNAP and cash benefit programs with technical specifications for exchanging financial transaction messages between an acquirer and an EBT card issuer processor. It specifies message structure, format and content, data elements and values for data elements used in the SNAP and cash benefit programs.

Appendix 2. – Offeror Information Sheet

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf>.

Appendix 3. – Non-Disclosure Agreement (Offeror)

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-3-Non-Disclosure-Agreement-Offeror-1.dotx>.

Appendix 4. – Performance Bond

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-z-Performance-Bond.dotx>

Appendix 5. – Payment Bond

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-yy-Payment-Bond.dotx>