STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

EBT SERVICES RFP

PROPOSALS ARE DUE NO LATER THAN March 30, 2018 5:00 PM CDT

RFP #: 952 BUYER: Department of Social Services POC: Mark Close
Mark.Close@state.sd.us

READ CAREFULLY

FIRM NAME: _____ AUTHORIZED SIGNATURE: _____

ADDRESS: _____ TYPE OR PRINT NAME: _____

CITY/STATE: _____ TELEPHONE NO: _____

ZIP (9 DIGIT): _____ FAX NO: _____

FEDERAL TAX ID#: _____ E-MAIL: _____

PRIMARY CONTACT INFORMATION

CONTACT NAME: _____ TELEPHONE NO: _____

FAX NO: _____ E-MAIL: _____

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1 General Information

1.1 Purpose of Request For Proposal (RFP)

The South Dakota Department of Social Services (DSS) in conjunction with and on behalf of the North Dakota Department of Human Services (DHS) (hereinafter referred to as the States) are issuing a Request for Proposal (RFP) to establish a contract (or contracts) through competitive negotiations with one or more qualified EBT Contractor(s), (hereinafter referred to as the "Contractor") for the re-procurement of Electronic Benefit Transfer (EBT) services for the Supplemental Nutrition Assistance Programs (SNAP).

Each State's SNAP EBT contract for EBT services expires on June 30, 2019. It is the intent of the States to function as a consortium with the mutual objectives and goals for the re-procurement of SNAP EBT processing services in each State. The States share in the procurement to achieve standard processing platforms for the States and retailers. In addition, the States cooperate in the development and implementation of new federal regulations and technological changes. Each State will contract separately with the successful Offeror(s). Each State will also independently evaluate the proposals received from Offerors (see Section 6). As such, it is possible for different Offerors to be awarded the EBT Services contract for each State. The successful EBT planning or consulting firm and its principal officers are prohibited from competing for the re-procurement of EBT services.

Our objective is to transition or convert to a Contractor's EBT system by July 1, 2019.

1.2 Issuing Office and RFP Reference Number

The Secretariat/Division of Finance - EBT, is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota, Department of Social Services, 700 Governors Drive, Pierre, SD 57501; and the State of North Dakota, Department of Human Services, Judicial Wing – Third Floor, 600 East Boulevard Ave, Dept. 325, Bismarck, ND 58505-0250. The reference number for the transaction is RFP # 952. Refer to this number on all proposals, correspondence, and documentation relating to the RFP.

Please refer to the Department of Social Services website link http://dss.sd.gov/keyresources/rfp.aspx for the RFP, any related questions/answers, amendments, changes to schedule of activities, etc.

1.3 Letter of Intent

All interested Offerors must submit a **Letter of Intent** to respond to this RFP.

The letter of intent must be received by DSS via email no later than 5:00 p.m. CDT, January 12, 2018, and must be addressed to Mark.Close@state.sd.us. Place the following in the subject line of your email: **"Letter of Intent for RFP # 952."** Be sure to reference the RFP number in any attached letter or document.

1.4 Schedule of Activities (Subject to Change)

RFP Publication	December 15, 2017
Letter of Intent to Respond Due	NLT 5:00 p.m. CDT, January 12, 2018
Deadline for Submission of Written Inquiries	February 2, 2018
Responses to Offeror Questions	February 21, 2018
Proposal Submission	NLT 5:00 p.m. CDT, March 30, 2018
Oral Presentations/discussions (if required)	To be announced, if needed
Anticipated Award Decision/Contract Negotiation	May 4, 2018

1.5 Submitting Your Proposal

All proposals must be submitted and received in the offices listed below by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

One (1) original hard copy, six (6) additional hard copies and one (1) digital copy of the proposal shall be submitted to each office listed below. At a minimum, the digital copy (flash drive preferred) must include the entire proposal broken down into single chapter documents, each in Portable Document Format (PDF). For instructions regarding submission of the cost proposal, refer to RFP Section 7.

The original hard copy proposal must be signed in ink by an officer of the responder legally authorized to bind the responder to the proposal, and sealed in the form intended by the Offeror. A proposal that is not properly signed may be rejected. The sealed package must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

Request for Proposal # 952 Proposal due March 30, 2018
South Dakota Department of Social Services
Attention: Mark Close
700 Governors Drive
Pierre SD 57501-2291

REQUEST FOR PROPOSAL #325-17-410-049 Proposal due March 30, 2018
ND Dept of Human Services
SNAP – EBT
Attn: Deb Kramer
Judicial Wing – Third Floor
600 East Boulevard Ave Dept 325
Bismarck ND 58505-0250

No punctuation is used in the address. The above address as displayed should be the only information in the address field.

No proposal may be accepted from, or any contract or purchase order awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota or the State of North Dakota, or that otherwise may be deemed irresponsible or unreliable by the States of North Dakota or South Dakota.

1.6 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions

By signing and submitting this proposal, the Offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the Offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

1.7 Non-Discrimination Statement

The States require that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting its

proposal, the Offeror certifies it does not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin, marital status, pregnancy, parenthood, political affiliations, or disability.

1.8 Assistance to Offerors with a Disability

Offerors with a disability who need an accommodation should contact the Point of Contact prior to the deadline for receipt of proposals so that reasonable accommodation can be made.

1.9 Modification or Withdrawal of Proposals

Proposals may be modified or withdrawn, in writing, by the Offeror prior to the established due date and time.

No oral, telephonic, telegraphic, or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

1.10 Offeror Inquiries

No pre-bid conference is scheduled for this RFP. Offerors may email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after February 2, 2018. Email inquiries must be sent to Mark.Close@state.sd.us with the subject line "RFP # 952 – "Question".

The States will respond to Offeror inquiries by posting the Offeror aggregated questions and States' responses on the DSS website at http://dss.sd.gov/keyresources/rfp.aspx no later than February 21, 2018. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

1.11 Preference Laws

The preference given to a resident North Dakota or South Dakota Offeror will be equal to the preference given or required by the State to the nonresident bidder. A "resident" North Dakota or South Dakota Offeror is one that has maintained a bona fide place of business within either North Dakota or South Dakota for at least one year prior to the date on which a contract was awarded.

For a listing of ND State preference laws, visit the following website: http://www.nd.gov/spo/legal/ or contact the North Dakota State Procurement Office at 701-328-2680.

1.12 Proprietary Information

The proposal of the successful Offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the States. All materials submitted become the property of the States and may be returned only at the States' option.

For the State of North Dakota

All proposals and other material submitted become the property of the State of North Dakota, North Dakota Department of Human Services, and may be returned only at State's option. All proposals and related information, including detailed cost information, are exempt records and will be held in confidence until an award is made, in accordance with North Dakota Century Code (N.D.C.C.) § 54-44.4-10(2). "Award" means the selection of a successful Offeror for presentation of a contract

resulting from this RFP. After award, proposals will be subject to the North Dakota open records law. Records are closed or confidential only if specifically stated in law. If a request for public information is received, the procurement officer, in consultation with the Office of the Attorney General, will determine whether the requested information must be disclosed under the North Dakota open records law, and the request will be processed accordingly.

An Offeror may make a written request that trade secrets and other proprietary data contained in proposals be held confidential. An Offeror must include in their proposal a statement that clearly identifies specific page numbers and sections of their proposal considered confidential, or are copyrighted and may not duplicate, or are exempt under N.D.C.C. § 44-04-18.4 for trade secret proprietary, commercial, and financial information, and a brief statement that sets out the reasons for the confidentiality request. In addition to the confidential statement, each identified page must be marked "Confidential" in the proposal.

For additional information, visit the following website at:

- North Dakota Office of the Attorney General
  Website: http://www.ag.nd.gov/OpenRecords/ORM.htm

1.13 Length of Contract

State specific contract start dates, base contract periods and optional extension periods for each State under this procurement will be determined during individual State contract negotiations. The States are anticipating a base contract period of at least four (4) years, beginning with the date of the successful conversion/transition to the Contractor host system. The States reserve the option to renew or extend the contracts for three (3) successive two (2) year terms not to exceed a total of ten (10) years, inclusive of the initial term and any renewals or extensions, at any time prior to or within thirty (30) days following the expiration of the initial term or any term of renewal. Any renewal or extension is subject to the terms and conditions of the existing contract, including price.

State specific contract templates are listed in Addendum G and Addendum E for North Dakota and South Dakota respectively. The contract may be terminated by the parties prior to the end of a term as provided in the standard terms and conditions. By submission of a response, the bidder acknowledges and accepts all terms and conditions of the RFP unless clearly documented in a separate section of the Technical Proposal entitled "Exceptions to Contract Terms".

1.14 Governing Law

Venue for any and all legal action regarding or arising out of the procurement transaction covered herein shall be solely in Hughes County, State of South Dakota. The laws of South Dakota shall govern this transaction.

1.15 Discussions with Offerors (Oral Presentation/Negotiations)

An oral presentation by an Offeror to clarify a proposal may be required at the sole discretion of the States. However, the States may award a contract based on the initial proposals received without discussion with the Offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the Offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each proposal shall be evaluated, and each Offeror shall be available for negotiation meetings at the States' request. The States reserve the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

2 Standard Agreement Terms and Conditions

The Contractor shall comply with all applicable state law, rules, or policies relating to EBT, including state specific terms and conditions within the contract as agreed to by the Contractor and each State. Each State's contract or agreement resulting from this RFP will include, at a minimum, each State's standard terms and conditions as specified in Addendum E and Addendum G.

2.1 Subcontractors

2.1.1 Subcontractor Definition and Reporting Structure

Offerors may subcontract the performance of the required services with other entities or third parties. For purposes of this RFP, a subcontractor is defined as any entity under contract to the Offeror to provide: a service specifically defined and required within this RFP, including, but not limited to, EBT card production, banking or financial services, EBT-only terminal driving, EBT transaction switching, and/or authorization services.

When proposing the use of subcontractors, the Offeror shall explain and document the relationship between the subcontractors and the Offeror. The Offeror shall provide a project organizational chart illustrating the breakdown of duties between the subcontractors and the Offeror.

The Offeror shall explain the subcontractors' role(s) by including the following minimum information in their response:

- Each subcontractor's name and address;
- The specific service(s) the subcontractor will be performing;
- Evidence of each subcontractor's intent to participate, including a signed letter by an authorized representative; and
- A contingency plan to cover any subcontractor stoppage.

The Offeror shall include the following minimum information in their response:

- Description of relevant qualifications, and capabilities in providing the service over the past five years; and
- Three references for each subcontractor, to include: contact names, addresses, telephone numbers, e-mail addresses and a description of the services currently being provided.

2.1.2 Change or Addition of Subcontractor(s)

Any changes in subcontractors or additions to the approved subcontractors after the execution of a contract shall first require written notification and prior approval by the States, whose approval shall not be unreasonably withheld. The Contractor shall provide copies of all new contracts with subcontractors (excluding pricing or proprietary information) upon request by the States 30 calendar days prior to the effective date of such contracts. Upon receipt, the States will have 15 calendar days to review such contracts and provide, in writing, to the Contractor any concerns regarding the level of service that is required of such subcontractors by the Contractor in meeting its contractual obligations to the States. The Contractor shall address each concern in writing to the States no later than ten calendar days from the receipt of the States' concerns.

2.1.3 Subcontractor Performance Standards

The Contractor and any and all subcontractors are subject to the performance standards and requirements as specified in this RFP. As the Contractor, the responsibility for the performance of subcontractors rests solely with the Contractor. If subcontractors are used, the Contractor shall ensure that subcontractors are aware of and are required to adhere to the performance standards

and requirements specified within this RFP and the subsequent contract between the States and the Offeror.

2.2 Contract Performance Standards

The contract for EBT services resulting from this RFP shall be a multi-year, fixed price contract for an indefinite and unlimited quantity of households, retailers, POS equipment, card activation devices, and card stock. Offerors shall accept all contract terms detailed in General Terms and Conditions. The Offeror is encouraged to identify concerns with the contract terms during the question and answer period that ends with the Deadline for Submission of Written Inquiries identified in Section 1.4.

The EBT Contractor shall provide assurance and safeguards to prevent fraud, waste, and abuse, and ensure program integrity. The following table defines the States' requirements for performance standards for the delivery of EBT services.

Performance Standard Requirement	Performance Deficiency
EBT Central Computer Up-time The Contractor's central computer system must be available 99.9% of the time, 24 hours a day, seven days a week measured on a monthly basis, except for scheduled outages. Scheduled uptime shall mean the time the database is available and accessible for transaction processing and excludes scheduled downtime for routine maintenance. The EBT central computer consists of all system functions over which the Contractor has direct control over the performance of the function, either directly or through a subcontractor relationship. This does not include the EBT Switch, third party processors (TPPs), and/or retailers.	Failure of EBT central computer to be up and available 99.9% of the scheduled uptime measured on a calendar monthly basis.
EBT System Uptime The total EBT system, including the host computer, contractor network, intermediate processing facilities, and/or gateway, shall be available 99% of scheduled uptime, 24 hours per day, seven days per week for transaction processing, not including scheduled downtime.	Failure of the total EBT system within the EBT processor's control to be "up" 99% of the scheduled uptime measured on a monthly basis.
EBT System Modifications The EBT system shall not be unilaterally modified without providing prior notification and approval by the States.	Modification to the system without prior notification and approval by the States.
Downtime Scheduling Schedule downtime during early morning hours only, i.e. between 1:00 a.m. and 5:00 a.m. local time. The Contractor shall provide 30 days' advance notice to the States for scheduled downtime.	Failure to schedule downtime during early morning hours, i.e. between 1:00 a.m. and 5:00 a.m. local time.

Performance Standard Requirement	Performance Deficiency
Benefit Availability – Daily Files The EBT Contractor must process daily or overnight batch files or records and make benefits available to customers/providers within one hour of receipt or as specified by the State.	Failure to have benefits available by the State's specified benefit availability time 100% of the time.
Benefit Availability – Monthly Files The Contractor must assure that monthly benefits are in the customers' accounts by 6:00 a.m. prevailing ET on the scheduled day of benefit availability.	Failure to have benefits available by the States' specified benefit availability time 100% of the time, measured on a monthly basis.
Settlement and Reconciliation The timeframe for automated clearinghouse (ACH) settlement window shall be met 100% of the time measured within a rolling 30-day period.	Failure to meet timeframe for ACH settlement window 100% of the time measured within a rolling 30-day period.
Account Management Agent (AMA) entries shall be made with 100% accuracy.	Two or more errors in providing AMA data to the Federal Reserve Bank (FRB) of Richmond within a rolling 60-day period.
STARS daily redemption totals shall be provided to the Retailer Operations Division at FNS at least weekly with 100% accuracy.	Two or more errors in the daily redemption totals provided to the Retailer Operations Division at FNS within a rolling 60-day period.
The Contractor shall notify the States of any settlement or reconciliation discrepancies within 12 hours or the start of the next business day for weekends and State holidays.	Failure to provide notice of discrepancy with 12 hours or the start of the next business day for weekends and State holidays.
Acceptance of Data or File Transmissions The Contractor's system shall be available to accept account set-up or benefit authorization files or data transmissions 24 hours per day, seven days per week. The EBT system shall be made available within 60 minutes of being notified by either State that the Contractor's system was not available to accept a file or data transmission.	Failure of the EBT system to be available to accept account set-up or benefit authorization files or data transmissions 24 hours per day, seven days per week.
Cardholder Account Adjustments The Contractor shall investigate and complete State or retailer initiated cardholder adjustments within ten business days of the date the adjustment request is initiated.	Failure to investigate and complete an adjustment within ten business days.

Performance Standard Requirement	Performance Deficiency
The Contractor shall provide 15 calendar days advance notice to the States prior to posting an adverse (debit) adjustment to a cardholder account.	Failure to provide 15 calendar days advance notice to the States before posting an adverse adjustment to a cardholder account.
Inaccurate Transactions No more than two inaccurate transactions per every 10,000 SNAP transactions processed, including all types of SNAP transactions permitted at POS terminals and processing through the host computer, manual transactions entered into the system, credits to household accounts, and funds transferred to retailers. Accuracy shall be measured on a monthly basis.	Failure to maintain an accuracy standard of no more than two errors per every 10,000 SNAP transactions during any calendar month.
Customer and Retailer Help Desk Performance 85% of all calls answered within four rings measured over any two-month period. (Four rings are defined as 25 seconds.) 99% of all calls for Customer Service Representatives (CSRs) answered within two minutes measured over any two- month period.	Failure to answer 85% of all calls within four rings measured over any two-month period. Failure to answer 99% of all calls for a CSR within two minutes measured over any two month period.
Customer Service Complaints The Contractor must respond to customer service complaints within the following timeframes: • Priority 1: Four hours (e.g., card and account issues that negatively impact a cardholder's ability to access benefits). • Priority 2: Three business days (e.g., rudeness or other issues that do not impact a cardholder's ability to access benefits).	*Priority 1: Failure to respond within four hours.* *Priority 2: Failure to respond within three business days.*
Host Response Time for Administrative Terminal Transactions Host response time for administrative terminal transactions shall not exceed two seconds 98% of the time measured on a monthly basis.	Failure to respond to administrative terminal transactions within two seconds 98% of the time measured on a monthly basis.

Performance Standard Requirement	Performance Deficiency
Equipment Installation for Exempt Retailers Excepting only retailer-initiated delays, 100% of POS terminals shall be installed and operational within 14 calendar days after the Contractor receives notification of retailer FNS authorization, measured within a rolling 90-day period. This requirement is now limited to only those categories that are exempt from the Agricultural Act of 2014 provision regarding EBT-only terminals, i.e., farmers' markets, direct-marketing farmers, military commissaries, non-profit food buying cooperatives, group living arrangements, treatment centers, and prepared meal services.	Failure to install 95% of the terminals within 14 calendar days of the Contractor's receipt of notification of retailer authorization from FNS measured within a rolling 90-day period, not including a delay in signing the contract by the retailer. Failure to follow up with a retailer who has not returned a contract within the allotted ten calendar days.
EBT-Only POS Equipment Replacement The Contractor must ship, via overnight express, replacement POS equipment within one business day of a request for a replacement of faulty equipment.	Failure to ship replacement POS equipment via overnight express within one business day of a request 98% of the time measured within a rolling 30-day period.
PIN Selection Equipment Replacement The Contractor must ship, via overnight express, replacement PIN selection terminals within one business day of a request for a replacement.	Failure to ship a PIN selection terminal via overnight express within one business day of a request for a replacement terminal 98% of the time measured on a monthly basis.
Access to System by Retailers Using a TPP or Driving Their Own Terminals When a retailer chooses to employ a TPP to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within a rolling 30-day period, or a mutually agreed upon time, to enable any required functional certification to be performed by the Contractor.	Failure to provide access to the system within a rolling 30-day period, or within the mutually agreed upon time period, to retailers using TPPs or driving their own terminals, measured on a monthly basis.
Card Issuance When the cards are issued by mail, the Contractor shall mail cards no later than the next business day after receipt of a card issuance request.	Failure to mail cards in accordance with contractual requirements 98% of the time measured on a monthly basis.
Project Status Reporting – After Conversion Two months after system conversion, a monthly Status Report shall be provided once a month as specified by the States.	Failure to deliver Status Reports to the States on a monthly basis.

Performance Standard Requirement	Performance Deficiency
Response to Enhancement/Change Requests	
The Contractor shall acknowledge receipt of request within one business day and respond to Enhancement/Change requests with the estimated hours to complete the Enhancement and/or Change Request within two weeks (or 14 calendar days) of receiving the request.	Failure to provide a response to any Enhancement and/or Change request within the specified timeframe.
Upon approval of the change request by the State, start and completion date shall be provided within 14 calendar days. In consultation with the States, the Contractor shall designate Enhancement/Change Requests as low, medium, or high priority. Low priority changes shall be initiated within 180 calendar days of written approval by the States. Medium priority changes shall be initiated by the Contractor within 60 calendar days of written approval by the States and high priority changes shall be initiated by the Contractor within 30 calendar days of written approval by the States (Refer to RFP Section 3.11.1).	Failure to initiate change requests within the required timeframe upon written approval by the States. Failure to complete any change request by the approved completion date.
Progress on open change requests must be included in the regularly scheduled Status Reports (Refer to RFP Section 3.4.2).	Failure to report progress in Status Reports.
Response to Reported Defects	
The Contractor shall respond to reported defects/system issues in a timely manner based upon defect priority. Critical priority defects (defects impacting state operations with no work around) shall have a response within two hours of being reported, and shall be resolved as quickly as possible. Medium priority defects (impacting operations but a work around exists) shall have an initial response within four hours, and shall also be resolved as soon as possible. Low priority defects (defects not impacting operations) shall be resolved within one month of being reported.	Not responding to defects in a timely manner, as specified by defect priority.
Status of all reported defects shall be included in the monthly Status Report until resolved.	Not including the reporting of defects in the monthly Status Report.
End of Contract Transition	
After completion of the contract established through this solicitation, the Contractor shall cooperate with each State, its designees, and a different Contractor during conversion to a different party (Refer to RFP Section 3.4.5.17).	Failure to provide information requested by each State, its designees, or a different Contractor, that impairs in any way the transition of EBT services to a subsequent contractor.

Performance Standard Requirement	Performance Deficiency
ALERT The Contractor shall provide an ALERT file to FNS on a daily basis. The Contractor shall correct data, as required, within one month of a State request to correct data in the ALERT file.	Failure to provide the ALERT file within two business days. Failure to correct data within one month of receipt of a request by the States.
Viruses and/or Bombs The Contractor shall warrant that the software provided by the Contractor to the States, including software provided by third parties under this contract, shall contain no viruses, backdoors, bombs, or other software mechanisms, techniques, or devices designed to intercept and retransmit data, provide unauthorized use of system resources, disrupt, disable, or stop its processing of data.	Failure to provide software, including third-party software, free of disruptive viruses, bombs, backdoors, or other invasive or destructive techniques.

2.3 Fiscal Remedies for Non-Compliance with Performance Standards

Failure to meet a performance standard specified in Section 2.2 may result in financial remedies in the form of holdbacks of Contractor payment(s). The remedies set forth do not preclude the use of any other remedy provided by the States' contracts or applicable laws. The States agree to invoke the hold-back remedies as their first avenue in seeking to resolve performance deficiencies, except in instances set forth in the Contract Terms and Conditions or as negotiated in the individual State contracts with the Contractor. A State's election not to invoke hold-back remedies in any instance of performance deficiency shall not be deemed to be a waiver of that State's right to invoke hold-back remedies in any other instance.

The States will notify the Contractor of any deficiency in meeting one or more of the defined performance standards. The States have the option to immediately invoke the hold-back remedy per the schedule set forth in this section upon identification of a deficiency in meeting a defined standard. It may be necessary for the Contractor to correct a deficiency immediately through a remedial change. Remedial change processes are described in Section 3.11.4.1. For all other deficiencies, the States will request a corrective action plan and will set a due date for submission of the plan. If the States do not receive the plan by the due date and no extension has been granted, the States may invoke hold-back remedies at this point if hold-backs have not already been instigated.

If the States receive the plan by the due date, it will work with the Contractor to mutually agree on a final corrective action plan and a schedule to correct the deficiency. The States may invoke hold-back remedies if the Contractor does not meet the schedule and no extension has been granted.

The States will notify the Contractor when it is satisfied that the problem has been corrected. If the States determine that the deficiency has not been corrected according to the schedule specified in the corrective action plan, the States may invoke hold-back remedies until such time the deficiency is remedied. The following are the hold-back remedies that shall be applied to Contractor payments if deficiencies are not corrected within the timeframes specified in the corrective action plan:

- First month – in the first month in which a deficiency is not corrected within the timeframe specified in the corrective action plan, the States may hold-back payment of 25% of the total payment owed to the Contractor by the States.
- Second consecutive month – the States may hold-back payment of 40% of total payments owed to the Contractor by the States.
- Third and additional consecutive months – the States may hold-back payment of 50% of total payments owed to the Contractor by the States.

Payments may be held-back until the States are reasonably assured that the Contractor has fully complied with the performance standard(s). Upon such assurance the deficiency has been remedied, the States shall promptly pay the Contractor all outstanding payment amounts previously held-back. Payments for SNAP EBT will not be held back for performance deficiencies in other optional services. Payments for other optional services will not be held back for performance deficiencies in providing SNAP EBT services.

2.4 SNAP EBT Conversion Performance Standards

Conversion Performance Standard	Conversion Deficiency
EBT-only Retailer Conversion 100% of EBT-only Retailer POS equipment must be transitioned to the new EBT system one week prior to database conversion.	Failure to transition 100% of EBT-only Retailer POS equipment one week prior to database conversion.
Transition and Conversion Timeframes Once established and approved, the Contractor shall be required to complete conversion and transition activities within agreed upon timeframes.	Failure to meet agreed upon transition and conversion timeframes.
Database Conversion Once database conversion timeframes are established and approved, the Contractor shall be required to complete conversion and transition activities within agreed upon timeframes.	Failure to meet agreed upon database conversion timeframes.
Data Warehouse Conversion For the States utilizing the data warehouse, five years of transaction data shall be loaded into the data warehouse prior to the conversion date. Final catch-up of transaction data from the previous Contractor shall occur within two weeks following the database conversion and processing on the new Contractor's platform.	Failure to meet agreed upon data warehouse conversion timeframes.
Project Status Reporting – Prior to Conversion Prior to conversion, a weekly Status Report shall be provided to the States.	Failure to deliver status report to the States on a weekly basis.

2.5 Financial Remedies for Conversion Delays

An on-time, successful, and problem free transition from the existing Contractor to the new Contractor is critical to the EBT programs within the States. Because of the importance of the conversion, several deliverables (Refer to RFP Section 3.4.5) are considered critical: 1) the States' specific approved Project Work Plan; 2) the States' specific approved Conversion Plan; and 3) the conversion of the States' EBT database from the existing Contractor's system to the new Contractor's system.

For any delays caused by the new Contractor for each design, development, implementation, and conversion task, the States will impose a remedy of $250 per day for each day of delay beyond the date specified in the States' approved Project Work Plan, Schedule, and/or Conversion Plan. The States will impose a remedy of $1,000 per day for each day of delay in the conversion of the States' EBT database beyond the date specified in the approved Project Work Plan and/or Transition and Implementation Plan. Any additional costs incurred by the States as a result of the failure by the new Contractor to convert the database on the scheduled conversion date, including, but not limited to, additional costs for the continuation of EBT services, shall also be the responsibility of the new Contractor. These remedies shall apply to all EBT program benefit delivery methods.

2.6 Right to Inspect, Correct, or Stop Services

The deliverables and services being provided by Contractor and its subcontractors, if any, shall be available for inspection and review at any reasonable time by representatives of the States.

In addition to its other remedies described herein, the States shall have the right, at any time, to order the services of the Contractor or any of its subcontractors or suppliers to be fully or partially suspended or stopped, if, in the judgment of the States, the deliverables or services fail to conform to specifications and requirements. The States shall also have the right to fully or partially suspend or stop services for its own convenience. The Contractor shall receive notice of the reasons for such an order. The project shall be delayed on a day-for-day basis if the States have issued a stop work order to the Contractor and such stop work order is causing delays in completing services in accordance with the Project Work Plan.

2.7 Deduction for Errors in Processing Benefits

The Contractor shall be liable to the States for any errors in processing benefits or reimbursements, including, without limitation, any overpayments or duplicate payments, except to the extent such errors arise from the actions of the state or federal agencies. Such liabilities may, at the States' option, be deducted from the Contractor payments. This liability of the Contractor shall be in addition to any other liability for processing errors established by operation of law.

3 EBT Program Profile and Scope of Work

This section of the RFP provides the requirements for implementation and ongoing project management of the services to be provided by the Contractor for the States.

- SNAP EBT Services (North Dakota and South Dakota)
- Electronic payment processing - Direct Deposit (South Dakota only)
- Medical Identification Card (MIC) production (South Dakota only)

North Dakota and South Dakota do not provide cash benefits through EBT.

3.1 EBT Program Authority

In addition to the contents of this RFP, the States have provided web links to materials and federal regulations that are related to EBT. The Contractor must comply with all applicable federal and state laws, rules, regulations, action transmittals, program instructions, review guides and similar policy directives, and must comply with the rules and regulations governing EBT Systems and their operations as noted below:

3.1.1 Supplemental Nutrition Assistance Program

SNAP is administered by FNS of the U. S. Department of Agriculture (USDA). SNAP provides food assistance to low-income individuals and families. This program serves elderly or disabled households with incomes at or below 165% of the Federal Poverty Level and all other households with incomes at or below 130% of the Federal Poverty Level. FNS sets national SNAP policies and authorizes food retailers to deliver program benefits. FNS monitors retailer compliance and investigates retailers suspected of fraudulent activities.

Although administered by FNS, the program is operated by the States. The state and county offices determine eligibility and authorize benefits. To maintain customer eligibility, the States operate eligibility certification systems. State and county offices are also charged with investigating customers who are suspected of fraudulently obtaining benefits.

SNAP benefits are 100% funded by the federal government. The federal and state governments share the administrative cost of operating SNAP equally.

3.1.2 USDA FNS Regulations and other Standards

The following regulations govern the administration of SNAP issuance and use standards:

- CFR 274.1 through 274.8, Issuance and Use of Program Benefits
- All changes, updates, revisions, and policy interpretations of the federal regulations as enacted by law or USDA/FNS

The Contractor must comply with the specifications prescribed in the ISO and ANSI standards related to EBT card standards, magnetic stripe encoding, Personal Identification Number (PIN) issuance and security, terminal standards, and transaction messaging standards as required by Quest Operating Rules and as stated in this RFP.

- ISO – http://www.iso.org/iso/home.htm
- ANSI – http://www.ansi.org/

The Contractor must comply with the Quest Operating Rules subsequent variances and amendments to these rules. As the Quest Operating Rules are revised, EBT services must be modified to meet the new requirements.

- QUEST– http://quest.nacha.org/operatingrules

3.1.3 Waivers for Both the States

Following are the waivers the States will be requesting from FNS for this procurement.

- Retailer Adjustment- No Hold/15 Calendar Day Debit allows the States to waive requirements of 7 CFR 274.2(g)(2)(ii) and implement an EBT Adjustment System which does not place a hold on a household's account for the amount of the debit adjustment. The States must send a concurrent notice to the household upon receipt of the requested adjustment. The States may also act on the debit adjustment within 15 calendar days rather than 10 business days.
- POS Re/De-installation fees allows the States to waive requirements of 7 CFR 274.3(a)(2) to charge reasonable fees to reinstall EBT devices if the retailer breaches the retailer agreement and returns to the EBT System using the States supplied terminals or if the retailer returns after being disqualified. This also allows the States to charge reasonable fees to de-install the States supplied PO terminals if a retailer changes to a TPP. The possibility of these charges should be mentioned in the retailer agreement and training material.
- PIN Selection Via IVR allows the States to waive the requirements of 7 CFR 274.8(b)(3)(ii)(C) requiring encryption of a PIN from the point of entry. The alternate procedure would allow the ability to select a PIN of choice using an automated voice response (AVR) system. The process requires entry of a personal account number (PAN) and verification of the customer's identity before a PIN can be selected. Upon verification, the system would prompt the customer to select a PIN of their choosing by entering the PIN on a touch-tone phone and

then require re-entry of the PIN for confirmation. The customer would have immediate or next day access to their benefits using the new PIN.

3.1.4 Waiver for South Dakota Only

- EBT Card Replacement Waiver (7 CFR 274.6(b)(6)) – This waiver allows the State to send the Excessive Replacement Card notice upon the customer's third replacement card request in a 12-month period. Upon the fourth and each incremental card request in a 12-month period, the customer will be referred to the fraud investigation unit if trafficking is suspected. The State may send additional notices for the fourth or later card request within a 12-month period. The State must track and provide data, at a minimum, for the number of third, fourth and fifth excessive card replacements.

3.2 State EBT Profiles

The following is a high level profile of each State's EBT operations. This profile is provided for information purposes. This represents a snapshot at a point in time and is subject to change.

3.2.1 North Dakota

DHS is an agency of the Executive Branch of North Dakota state government charged with providing numerous types of health and human services to the residents of North Dakota. The mission of DHS is to provide quality, efficient and effective human services, which improve the lives of people.

Within DHS is the Economic Assistance Division (EAD). EAD is responsible for the overall administration and supervision of all economic assistance programs. Economic assistance programs, including SNAP, are administered at the county office level.

Fidelity Information Systems (FIS) is the Incumbent Contractor responsible for the operation of the EBT System, including host processing, daily account settlement, customer service support to customers, retailers, and state staff, account set up and maintenance, provision and shipment of EBT card stock to a central state location, production and distribution of retailer training materials, maintenance and mailing of equipment, such as card swipe devices and PIN pads and related software for issuing cards, conducting the annual test for continuation of business (COB), maintaining a backup host system for emergencies and/or disaster, provision of the annual SSAE-16 audit report, provision of monthly status reports, coordination to provide problem resolution, implementation of system change orders requested by this State, retail management, and EBT-only POS maintenance and distribution.

The EBT Services contract is managed by the EBT Program Administrator in the SNAP unit within EAD of DHS. The EBT Program Administrator has primary responsibility for contract monitoring, project management, coordination of the technology required to deliver payments to customers and providers, maintaining ongoing operations for payment delivery, drawing down of funds, settlement and reconciliation, participation in and response to financial and/or performance audits, developing training curriculum and coordinating staff training in the county offices, retailer customer support, and security administration for the EBT web-based administrative terminal system.

North Dakota EBT coordinates with the Information and Technology Services (ITS) systems and program staff to resolve problems and implementation of technical or regulatory changes as needed. The EBT Program Administrator plays a major role in the program communication and coordination with state staff, problem resolution, training manual updates, federal reporting, and program marketing for project expansion.

3.2.1.1 Current DHS Operating Environment

North Dakota's SNAP is county- administered and State supervised. Customer SNAP certification is accomplished at county offices throughout North Dakota's 53 counties. North Dakota implemented EBT for the delivery of SNAP benefits beginning in February 1996. County staff are responsible for customer eligibility determination, authorization of benefits, issuance of EBT cards and providing some basic customer EBT training.

Currently, over-the-counter card issuance is handled by each of the county offices at the time of application or re-application. PIN selection occurs on a PIN select device or by using a toll-free number. In addition, North Dakota has chosen to allow customers to select, activate and change their PIN using the FIS Customer Service IVR. The Contractor provides toll-free access to a customer service line and IVR for customers to PIN their EBT card and to report lost, stolen or damaged cards.

North Dakota allows one valid EBT card per SNAP case. All monthly regular SNAP issuances are available on the 1st of each month. Benefit issuance to new and current households can occur throughout the month.

3.2.1.2 High-Level Technical Environment

The Replacement Contractor's system must interface with the North Dakota Technical Eligibility Computer System (TECS). TECS is currently running on IBM Model 2828-Z series mainframe using z/OS. TECS SNAP information is currently stored in ADABAS V8.3.2 and DB2 V10 databases. The mainframe's work schedule is available 24 hours a day, seven days a week. The Incumbent Contractor communicates with the TECS system by sending and receiving sequential flat files via Connect:Direct Secure +.

The North Dakota Information Technology Department (ITD) maintains the hardware and software for the TECS system.

DHS is currently in the process of migrating to a new web-based eligibility system.

3.2.2 South Dakota

The South Dakota Department of Social Services (SDDSS) is an agency of the Executive Branch of the South Dakota State government charged with providing various types of health and social services to its constituents. The mission of the SDDSS is to strengthen and support individuals and families by promoting cost effective and comprehensive services in connection with our partners that foster independent and healthy families.

Within the SDDSS, the Division of Economic Assistance (EA) is responsible for the administration of the SNAP eligibility while the Secretariat retains responsibility for the administration for SNAP issuance or EBT.

FIS is the Incumbent Contractor responsible for the operation of the EBT System, including host processing, daily account settlement, customer service support to customers, retailers, and state staff, account set up and maintenance, provision and shipment of EBT card stock to a central state location, production and distribution of retailer training materials, maintenance and mailing of equipment such as card swipe devices and PIN pads and related software for issuing cards, conducting the annual test for COB, maintaining a backup host system for emergencies and/or disaster, provision of the annual SSAE-16 audit report, provision of monthly status reports, coordination to provide problem resolution, implementation of system change orders requested by the State, retail management, and EBT-only POS maintenance and distribution.

The EBT Services contract is managed by the EBT Program Administrator in the Finance/EBT unit within the Secretariat of the South Dakota Department of Social Services. The EBT Program

Administrator has primary responsibility for contract monitoring; project management; coordination of the technology required to deliver payments to customers and providers; maintain ongoing operations for payment delivery; draw down of funds; settlement and reconciliation; participation in and response to financial and/or performance audits; develop training curriculum and coordinate staff training in the county offices; retailer customer support; and security administration for the EBT web-based administrative terminal system. South Dakota EBT coordinates with the Bureau of Information and Telecommunications (BIT) systems and program staff to resolve problems and implementation of technical or regulatory changes as needed. The EBT Program Administrator plays a major role in the program communication and coordination with state staff, problem resolution, training manual updates, federal reporting and program marketing for project expansion.

SDDSS contracts with FIS to provide EBT, electronic payment processing (direct deposit), and MIC card production in South Dakota. SNAP benefits are delivered via the QUEST® Card.

3.2.2.1 Current SDDSS Operating Environment

South Dakota's SNAP is state-administered. Customer SNAP certification is accomplished at county offices throughout South Dakota's 66 counties. South Dakota implemented EBT for the delivery of SNAP benefits beginning in February 1996. The county staff are responsible for customer eligibility determination, authorization of benefits, issuance of EBT cards, and providing some basic customer EBT training.

Currently, over-the-counter card issuance is handled by each of the county offices at the time of application or re-application. PIN selection occurs on a PIN select device or by using a toll-free number. In addition, SD has chosen to allow customers to select, activate, and change their PIN using the FIS Customer Service IVR and the FIS ebtEDGE website. The Contractor provides toll-free access to a customer service line and IVR for customers to PIN their EBT card and to report lost, stolen or damaged cards. South Dakota is in the process of changing all card replacement requests to be produced and mailed by the Contractor. The customers will need to contact the Contractor's EBT Help Desk to report their card as being lost, damaged, or stolen. All new and re-applicant cards will continue to be issued over-the-counter at the county offices.

The State allows one valid EBT card per SNAP account. All monthly SNAP issuances are available on the 10th of each month. Benefit issuances to new and current households can occur throughout the month.

South Dakota also utilizes ACH origination services from the Contractor. Specific program flat files are sent each night to the contractor on an established payroll schedule. These files are reformatted into the appropriate ACH file (CCD+ or CTX) format and then transmitted by the Contractor to an ACH Origination Bank. Refer to the RFP Section 3.15 - Electronic Payment Processing (Direct Deposit) Services.

3.2.2.2 High-Level Technical Environment

South Dakota's eligibility system, known as ACCESS, is housed on an IBM 2818-M05 with z/OS 2.1 operating system. Connect:Direct(MFT) Release 5.2 for zOS with Secure+ TLS 1.2 is used for file transfers. TLS 1.2 or higher will be required for communication. The Contractor is required to meet this standard. No exceptions or grace periods are allowed.

ACCESS is written to run under the control of the software product ADABAS and NATURAL language. ACCESS is divided into four physical operating environments:

a. Development
b. Certification
c. Training

d. Production

This split enables development to continue and changes to be tested while minimizing the impact on actual customer services. Development is used when programmers write new software. This new software is then moved over to and tested in the Certification area prior to being moved to Production. The Training and Production databases are identical but are totally separate databases. This allows for the training of workers in ACCESS without jeopardizing the production database.

The ACCESS system processes data in three ways:
1. On-line
2. Background
3. Batch

The on-line component runs during normal working hours and provides the ACCESS worker with functions such as data entry and inquiry. The background component runs concurrently with the on-line component but a lower priority and handles time consuming functions like editing and eligibility determination. The batch component runs nightly, and provides periodic functions such as disbursement and reports. Once the benefits specialist completes the on-line portion of a transaction, it is automatically queued for the background component, and the benefits specialist is immediately allowed to begin a new transaction. As soon as system resources permit, the transaction will be picked up and completed by the background component. This on-line/ background structure is designed to preserve fast on-line response time.

3.3 State Roles and Responsibilities

The Contractor's requirements for roles and responsibilities are described in Section 3.4.3. Following are the roles and responsibilities for the States.

3.3.1 State EBT Administrator

The sole POC after contract award for each State for contracting purposes, billing issues, and program management is listed in each State Specific Addendum. For each State, this individual shall:

- Serve as the State EBT Administrator;
- Ensure all contract instruments are properly executed;
- Review and approve any contract changes;
- Review and approve invoices, payments, and any adjustments;
- Provide validation of deliverable acceptance and performance measurements;
- Validate that contract milestones, timelines, and deliverables are provided pursuant to the contract performance measurements;
- Facilitate contract review by each State's internal policy;
- Provide contract and Contractor oversight;
- Assure deliverables meet the business requirements;
- Once the project is functioning as the States' EBT services provider, monitor the project and contract to ensure delivery of complete, accepted deliverables on schedule;
- Designate signatories for deliverables;
- Review and approve estimates, priorities, timelines, formats, outlines, and project deliverables;
- Ensure proper technical stakeholder involvement;
- Serve as a contact for the Contractor Team Project Manager, review and accept status reports, project milestones, deliverables, issues logs, and risk matrices;
- Advise the Contractor Team Project Manager on issues and risks;
- Participate in Project Team meetings;
- Review and provide input on draft documents;

- Participate in work sessions for the development of the requirements specifications;
- Collaborate with the Contractor on technical issues, test plans, schedules, and specifications;
- Review deliverables and participate in development and test walk-throughs; and
- Provide formal acceptance of the EBT System based upon results of User Acceptance Test (UAT).

3.3.2 State Project Staff

State Project Staff shall:

- Participate in work sessions for the development of the requirements specifications;
- Review and provide input on draft documents;
- Collaborate with the Contractor on technical issues, test plans, schedules, and specifications;
- Review deliverables and participate in development and test walk-throughs; and
- Assist the Contractor in performing System Acceptance Testing.

3.4 Project Management

Offerors are requested to describe the communication protocols that the Contractor will use to communicate with each State's EBT Program Administrator. The Contractor shall provide a secure document repository, such as a SharePoint site, for each State that will be used to store Contractor document deliverables, change requests, reports, and status reports. The Contractor shall only provide access to state personnel authorized by each State's EBT Program Administrator or their designate.

3.4.1 Project Phases

The States envision the EBT project consisting of four generally sequential (although there may be some overlap) phases. These phases are:

3.4.1.1 Design (Requirements) Phase

The length of time and deliverables from the Project Design (Requirements) Phase must be based on tasks and deliverables identified within the Project Work Plan. This phase commences with the signing of a contract and continues with the schedule identified within the proposal and proposed work plan mutually agreed upon by the States and the Contractor. **All deliverables identified within the Project Work Plan** are subject to the States' review and approval. The Contractor shall allow the States to review and comment upon each deliverable in a time period designated as appropriate by the States based on the States' approval of the Project Work Plan. A slippage in the delivery date by the Contractor will result in an associated slippage in the review completion date by the States, as the time for review by the States should not be impacted by late deliverables from the Contractor.

Because of the criticality of the Transition Plan, Offerors are requested to provide a preliminary transition plan in their proposal. During the Design Phase, the Transition Plan will be further refined and completed.

Within one month of contract execution, each State will require an onsite kick-off meeting. The purpose of the meeting is to have a formal kick-off for the project, and set expectations for the transition (if required) and operations of the EBT services.

In addition, within one month of the contract execution, the States will require a training session on what to expect during transition and conversion. The training session shall include, but not be limited to: database cleanup, data mapping, conducting dry-run tests, monitoring the conversion, and anticipated impacts to county staff, retailers, and customers during the transition. The training session may be provided via webinar, and the presentation used for training shall be provided to the States in soft copy.

Each State shall approve any trainer provided by the Contractor. Upon the States' request, the Contractor shall replace any trainer who is conducting training on behalf of the Contractor. If the States so request, the Contractor shall make arrangements for additional training to compensate for the situation(s) which caused the States to request the replacement.

3.4.1.2 Development (System Configuration) Phase

The Development (System Configuration) Phase commences following the completion of the Design Phase, and completed as specified within the approved project schedule. During this phase of the project, the Contractor shall configure and test both the North Dakota and South Dakota EBT Systems according to the system specifications defined and agreed upon during the Design Phase.

All deliverables for the Development Phase identified within the Project Work Plan are subject to the States' review and approval. The Contractor shall allow an appropriate time for the States to review and comment upon the deliverables. The Contractor shall complete system testing, and provide the final training materials during the Development Phase.

3.4.1.3 Transition/Implementation Phase

The Transition/Implementation Phase consists of the activities required to convert the EBT processing for the States. It is anticipated that some of the Transition/Implementation Phase activities, specifically the EBT-only retailer conversion, will begin prior to the end of the Development Phase. However, it is expected that none of the database conversion activities will occur until the Development Phase activities have been completed, and specifically the Transition Testing has been completed and a sign-off has been received from the States.

The Contractor shall ensure that the value of SNAP benefits transferred from each State's current EBT System is equal to the amount of funds that will be in the North Dakota and South Dakota U.S. Treasury's Automated Standard Application for Payment (ASAP) accounts. If not equal, the Contractor shall work with the Incumbent Contractor to resolve any variance and if the ASAP account is short, direct the States to make the ASAP account whole.

The activities within the Transition/Implementation Phase consist of the following:

- Transition of transaction acquirers and retailers, including the retailer database;
- Establishment of interfaces with each State and FNS systems to include timelines, milestones, roles and responsibilities, and level of work effort to be expected by each State's IT staff;
- Administrative terminal application connectivity;
- Training the States and county staff on the EBT System;
- Testing of EBT System and interfaces, including testing with converted data;
- EBT-only retailer training and conversion;
- Card activation equipment conversion;
- Cardholder database conversion, which includes:
  - Transaction history
  - Customer card and demographic data
  - Benefit data
  - Account aging schedules
- Benefit database conversion, including reconciliation of converted benefits to ending database value showing on the Incumbent Contractor's system;
- Transfer of card production and distribution center;
- Establishment of a Data Warehouse and acceptance and conversion of five years of transaction history from the Incumbent Contractor to populate the Data Warehouse;

- Maintain the ability of customer service representatives (CSRs) to complete card status functions reported to Customer Service during the conversion “downtime”;
- Establishment of the toll-free Customer Service telephone number used by customers;
- Establishment of the toll-free Customer Service telephone number used by retailers;
- Set-up of new ASAP system accounts for the new Contractor;
- Coordination with FNS, the Treasury Department, and the FRB (Federal Reserve Bank) in transferring the States’ ASAP system account balances to the new Contractor;
- Transition of the settlement and reconciliation processes and activities from the Incumbent Contractor’s system;
- Support of EBT system user customer training;
- Data conversion dry runs; and
- Customer notices.

The activities taking place during the Transition/Implementation Phase must follow the process defined within each State’s approved Transition Plan submitted during the Design Phase.

3.4.1.4 Operations Phase

The Operations Phase begins after the EBT System has been transitioned from the Incumbent Contractor to the Contractor. During the Operations Phase, the Contractor shall maintain ongoing communication with each State on EBT operations and provide immediate notification (within one hour) to the States of any issues or system problems. The Contractor shall ensure that ongoing communications with the Project Manager can be accomplished via telephone, fax, e-mail, or cellular phone as necessary.

The ongoing communications required from the Contractor include a monthly status report containing all open issues and issues closed since the last report, monthly status meeting with the Contractor, and other State reports/meetings at each State’s request. Of particular importance is the advance notification to each State of scheduled downtime of the EBT System by the Contractor.

During the Operations Phase, the Contractor shall maintain and update as required key operational manuals delivered during the Design and Development Phases to each State. These manuals include:

- Customer Service Manual (Call Center Scripts/Procedures);
- Detailed Design Document;
- Backup and Recovery Plans;
- System Security Plan;
- System Operations/Interface Procedures Manual;
- Reports Manual;
- Settlement/Reconciliation Manual;
- Administrative Terminal Users’ Manual for State Staff;
- Administrative Terminal Users’ Manual for County Staff; and
- Change Management Process.

3.4.2 Contractor Status Reports

The Contractor shall provide status reports and attend status meetings (calls) on a weekly basis during the transition/implementation period. At the project kick-off meeting the due date for status reports (e.g., each Friday by COB) and the date and time of status calls will be agreed upon with each State and the Contractor. After transition/implementation the Contractor shall provide written status on a monthly basis at a date agreed upon with each State and shall participate in status calls on a monthly basis.

Status reports shall be succinct but comprehensive and include the following information, as applicable to the States;

- 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;
- IVR and Customer Service activity data; and
- Customer Service Center (CSC) ticket status.

During transition/implementation the weekly status report shall include a summary by task of major completed activities during the reporting period. The report shall include problem identification, required corrective action, and time frame for resolution. The report shall also include tasks required by federal and state agencies, as well as reports of delayed tasks, reason, and revised completion date(s), and the scheduled activities for the next reporting period. Specific items to be included on the report are:

- Conversion activities and tasks;
- Progress in retailer conversion activities, TPP agreements, and retailer availability;
- Progress in POS deployment (for approved exempt retailers);
- Training plans and activities; and
- Implementation status of other State programs (e.g., Direct Deposit, MIC card production).

3.4.3 Project Management Plan and Schedule

The Project Management Plan and Schedule provides the basis for managing the transition/implementation of EBT.

The Contractor shall provide a Project Schedule for each State for the transition of EBT services. At a minimum, the Project Schedule shall contain 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; and
- State agency and contractor activities.

For each of the items above, the Project Schedule shall identify:

- The work breakdown structure (WBS) number;
- The baseline start and end dates or completion dates; and
- The Contractor's staff role with primary responsibility (e.g., Project Manager, Test Lead).

In addition to the baseline, the updated Project Schedule, submitted with the weekly status report, shall contain actual completion dates as well as changes (if any) to future completion dates. A similar schedule shall be provided to each State when initiating a system change based on a change request. The Project Schedule shall be maintained with weekly updates until the system change has been accepted by the States.

As an appendix or attachment to its proposal, the Offeror shall provide a draft SNAP EBT Transition Schedule. The draft schedule shall be based on a preferred transition in March 2019 or April 2019.

The Project Management Plan shall contain the following information:

- Contractor staffing and organization;
- Deliverable acceptance process;
- Change management plan;
- Communication management plan;
- Risk and issue management plan; and
- Contact information.

The Change Management Plan shall provide the Contractor's approach to addressing design issues, remedial changes, state-initiated change requests, conformance to federal regulations, QUEST® Operating Rules (SNAP), and self-initiated changes. The plan shall define roles and responsibilities and assure the States that no changes to the EBT System shall be undertaken without the States' prior knowledge and procedures.

The Communication Management Plan shall identify the types of communication that will be used, when communication will occur, and who will be communicated with and under what circumstances.

The Risk and Issue Management Plan shall contain the processes for risk identification, risk evaluation and prioritization, issue management, and risk and issue tracking.

3.4.4 Transition/Implementation Plan

The Contractor shall prepare a Transition/Implementation 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 Transition/Implementation Plan must address the processes to be used for transition or implementation, how the processes will be tested, and contingency plans for problems and issues that may occur during transition or implementation. The plan should clearly describe the verification and validation of the transition process, in particular the validation of the customers' account balances and cardholder PINs that are converted to the new system. At a minimum, the plans shall include the Contractor's approach to transition/implementation activities in enough detail so that the States fully understand the approach and have confidence that the approach will support a timely and successful transition/implementation.

If the incumbent Contractor is awarded the contract, they are responsible for any changes, such as new State requirements (new programs, reports, services, security, connectivity, etc.). The incumbent Contractor may introduce changes (subcontractor arrangements, processing platform, technical requirements, etc.); and there may be new Federal or State regulations and other conforming changes. Thus, if the incumbent is selected, they are required to provide a Transition/Implementation Plan that includes transition tasks, changes, and deliverables, as well.

The Transition/Implementation Plan must also contain a contingency fallback plan in case the conversion cannot be completed in a timely manner due to conversion issues.

As an appendix or attachment to its proposal, the Offeror shall provide a draft of the Transition Plan to be used for the States.

3.4.5 Project Deliverables

All documentation deliverables provided to the States are subject to state and federal review and approval. Unless otherwise specified, the States' comments will be provided to the Contractor within two weeks of the receipt of the draft. Because the understanding is that the Contractor is providing standardized product documentation, the States' expectation is that such deliverables and documentation are written in a professional manner, without any grammatical and/or spelling errors. All section headings in a deliverable shall be numbered. Deliverables shall indicate their date and version number on the document and in the file name. State specific details for each State shall be clearly identified in a separate section or appendix as applicable for the deliverable.

Product and Operations documentation shall be updated throughout the contract period to reflect changes in system design or operations. Updates to documentation shall be completed no later than one month of any system change. All documentation and their updates shall be provided in MS Office 2010 or more recent version as required by each State. Electronic copies shall be sent by email to each State's EBT Administrator and uploaded to each State's document repository established by the Contractor.

The acceptance criteria for project deliverables includes, but is not limited to:

- Meeting delivery timeframes - must be submitted on or before the date indicated in the project schedule, unless a schedule change is mutually agreed upon between the Contractor and each State's EBT Program Administrator.
- Format and Media - must meet the format and media requirements described above.
- Acceptable Document Quality - the writing style must be clear and use plain language without spelling and grammar errors.
- Content – must be:
    - Complete, with the deliverable requirements and any additional topics needed to understand the discussion.
    - Accurate – the deliverable presents facts, figures, arguments, and conclusions with appropriate accuracy and free of mathematical errors.
    - Verifiable – as applicable, the deliverable includes a list of authoritative sources for the discussion which can be independently verified.

Each State will have its own transition/implementation schedule and it is understood that the transition period may be slightly different for each State. In general, the States assume that the transition or implementation period will be approximately seven to nine months from contract signing to system conversion.

The Offeror shall include the following in its response. Where not specified, the Offeror shall indicate a proposed time span for deliverables in its response (e.g., within six weeks following contract execution). The Offeror shall also commit to provide each deliverable by responding "Will provide" in the column labeled "Commitment to Provide". Actual due dates will be derived from the Contractor's approved project schedule for each State.

Deliverable	Required and Proposed Delivery Dates	Commitment to Provide
Status Reports	Weekly prior to system conversion; monthly after system conversion.	

Deliverable	Required and Proposed Delivery Dates	Commitment to Provide
Project Work Plan and Schedule	Draft provided with proposal, reviewed at project kick-off meeting, final due within ten business days following receipt of the States' comments.	
Transition Plan	Draft provided with proposal, reviewed at project kick-off meeting, final due within ten business days following receipt of the States' comments.	
Functional Design Document	Final due no later than two months after signing of a contract with the respective State.	
Detailed Design Document	Final due no later than three months after signing of a contract with the respective State.	
IVR Scripts (Customer and Retailer)		
Systems Operations and Interface Procedures Manual		
System Life Cycle Test Plan		
UAT Plan		
UAT Scripts		
Test Reports		
Backup and Contingency Plan		
System Security Plan		
Training Plans and Materials		
Report Manual	Draft provided no later than one month after signing of a contract with the respective State.	
Retail Management Plan		
Retailer and TPP Agreements		

Deliverable	Required and Proposed Delivery Dates	Commitment to Provide
Settlement and Reconciliation Manual		
Administrative Functionality Manual		
Customer Service Manual		
End-of-Contract Transition Plan		

The following sections provide a brief description of the States' expectation for each of the deliverables not previously discussed.

3.4.5.1 Functional and Detailed Design Document

Acknowledging that system documentation will be standardized, the Contractor may provide separate Functional Design and Detailed Design Documents or combine these deliverables into one document. Together, these documents shall provide the State agency with sufficient detail to assure the State agency that all functional requirements shall be met and that the system is capable of performing these functions.

The Functional Design Document 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.

The Detailed Design Document 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.

3.4.5.2 Integrated Voice Response Scripts (Customer and Retailer)

The Contractor shall provide customer/participant and retailer IVR scripts for each State's approval. IVR response wording shall be consistent, grammatically correct, and written at a fifth grade level. The IVR shall support both English and Spanish.

IVR functionality should include the ability for retailers, who do not have their USDA FNS authorization number and cannot access the IVR, to be referred to the USDA/FNS Retailer Service Center.

3.4.5.3 System Operations and Interface Procedures Manual

The Contractor shall provide a Systems Operations and Interface Procedures Manual. The Contractor shall deliver this manual to the States during the Configuration Phase. This manual shall include:

- Batch files and the times of transmission;
- Administrative terminal configuration;
- File transmission problem resolution and escalation procedures; and
- Batch maintenance record formats.

The problem resolution and escalation procedures shall define the process by which the States will report system and operational problems to the Contractor and the process by which problems

will be resolved and the resolution reported back to the States. The procedures shall include a priority scheme for identifying the relevant severity of the problem and the expected timeframes for resolution based upon the designated severity. At a minimum, a severe problem is considered "critical," as it results in no transactions and operations have stopped completely. A problem defined as "moderate," affects productivity or quality but transactions can continue. When an incident affects monitoring, reporting, and management, it is classified as minor.

The Contractor shall respond to severe problems immediately, moderate problems within two weeks, and minor problems within four weeks.

3.4.5.4 System Lifecycle Test Plan

The Contractor shall provide a System Life Cycle Test Plan. The System Life Cycle Test Plan shall address the extent of system and integration testing that is to occur to ensure that all system components properly interface and operate as designed. For the transition of SNAP services, the Test Plan shall include the plan to test EBT data conversion (dry runs) prior to the actual conversion.

3.4.5.5 User Acceptance Test Plan

The Contractor shall develop a UAT Plan that covers all the system test requirements identified in Section 3.5.1: System Testing. For each test the plan shall, at a minimum, outline the test purpose, methodology, environment, and approval rating system.

3.4.5.6 User Acceptance Test Scripts

The Contractor shall provide detailed test scripts that provide comprehensive testing of the system functionality being implemented for each State. The test scripts shall ensure that all system functionality is tested. The States have contracted with an experienced Support Contractor to support their efforts to ensure successful testing. This Support Contractor will assist in the review and development of test scripts necessary to fulfill federal testing requirements. The Support Contractor will also participate, as necessary, during all phases of testing.

3.4.5.7 Test Reports

The Contractor shall document test results in system test reports. A report shall be provided to the respective State for which the test is being performed within five business days following the completion of each test. The report shall include any corrective actions or plans to remedy system errors or deficiencies identified during the test. Corrective actions to remedy system errors identified during testing must be completed and re-tested prior to system conversion and prior to being placed into production.

3.4.5.8 Backup and Contingency Plan

The Contractor's Backup and Contingency Plan shall provide description of the types of service interruptions that may impact the EBT System's operations and, therefore, require the use of a backup and recovery process. For each potential interruption type, the 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. In addition, the 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.

3.4.5.9 System Security Plan

The Contractor shall provide a plan for the implementation and maintenance of a comprehensive security program. The Security Plan shall describe the administrative, physical, technical, and systems controls to be implemented for the EBT System and how the Contractor addresses deficiencies or security breaches if they are identified during the course of the contract. The Security Plan should reflect the guidance of FNS Handbook 901 and FNS EBT Security Manual, as well as each State-specific security requirements detailed in this RFP.

In addition to describing the planned controls to meet the security requirements, the EBT Security Plan shall provide for the ongoing certification and examination of the Contractor's operations and control system. The Contractor may use OMB Circular A-130 and 90-08 (appendix to A-130) as references in preparing the Security Plan (see https://www.whitehouse.gov/omb/circulars_a130_a130trans4).

3.4.5.10 Training Plans and Materials

The Contractor shall develop a Training Plan that addresses the training requirements of state and county staff, retailers, and customers as described below. The Training Plan shall describe the following:

- Types of training;
- Approach to training various stakeholders;
- Training materials that will be developed; and
- How training materials will be distributed during transition and throughout the contract period.

The Contractor shall provide all training materials in hard copy and electronically in an editable format. Neither EBT informational nor EBT training materials shall indicate association with any political party or other political affiliation. The Contractor shall maintain training materials throughout the contract, making revisions when EBT System functionality is modified. Updates and revisions of the training materials must be provided to the respective State or the States whenever the Contractor modifies functionality of the EBT System no less than two weeks prior to implementation unless the States agree to a shorter period.

The Contractor shall provide training materials appropriate to State agency functions. These materials shall be used during transition/implementation training sessions and are in addition to the manuals required as part of this RFP; where applicable, training materials shall include information from applicable manuals. The States will also require the following levels of staff training before transition to the new system:

- Administrative terminal system;
- Data Warehouse;
- Card issuance; and
- Settlement and reconciliation.

The Contractor shall provide a training module describing the detail and use of the reports generated by the EBT System.

The Contractor shall also provide EBT System training materials and instructions for county staff. The Contractor shall provide instructions on card issuance, care and use of the card, use of PIN selection and card swipe terminals, access to customer services, and other functions necessary to train new customers/providers and participants on EBT. The States will require instructions in print-ready formats.

The Contractor shall develop print-ready customer training materials. The States will provide their current customer training material to the Contractor. The Contractor shall advise each State

of any required changes. The training materials must be written in easy to understand language – at a fifth grade reading level. Training materials must be provided in pamphlet format in both English and Spanish. The States shall approve all customer training materials. Training materials shall also be available in PDF format at the cardholder customer service website. Topics for the training material will be specified by the States to meet their EBT program requirements, and may include but are not limited to:

- Use of the EBT card at the POS, including the type of benefit transactions that can be processed at POS terminals;
- Descriptions of approved food items;
- Use and safeguarding of the card and PIN;
- Card replacement and PIN change methods and procedures;
- Information on stale account handling;
- QUEST® signage or other indicators to identify where EBT is accepted;
- Guidance on reporting problems with the card or its use and reporting a lost or stolen EBT card;
- Information regarding adjustments and a household's rights to notice, fair hearings, and provisional credits. The material must also state where to call to dispute an adjustment and request a fair hearing;
- Use of the transaction receipt to track balances;
- Use of the IVR;
- Use of the cardholder website, URL, and website functions, including toll free number to call if the cardholder is having a problem accessing the website;
- Customer service functions, including a prominent display of the toll-free Customer Service help desk number; and
- A non-discrimination statement per 7 CFR §274.2: ‘‘The USDA is an equal opportunity provider and employer.’’

Each State will produce and distribute their customer training material to their county offices.

Retailer training materials shall be developed by the Contractor in English and Spanish, and be provided to any authorized retailer upon request. Retailers requesting training material shall be provided with the following information:

- Retailer Customer Service operations and functions, including a toll free number;
- Use of the Retailer IVR;
- Use of a full service retailer website that is easy to navigate and has capability to interact with Contractor’s staff directly; and
- Manual Voucher Processing Procedures.

Retailers using state-provided EBT-only POS terminals shall be provided with more extensive training material that covers the use and care of the EBT-only POS device, along with use of the retailer website, including the toll free number to call if the retailer is having a problem accessing the website.

3.4.5.11 Report Manual

The Contractor shall provide each State agency with a manual that details all reporting requirements, methods, and reporting schedules. The Report Manual also must provide a brief description of the data files provided to the States for internal report generation, as well as the method of transmitting the reports to the States (i.e. one report per data file or all reports in one data file). The Report Manual shall include report descriptions, a definition of the data elements, and report formats. The Report Manual shall include a description of the Contractor’s Data

Warehouse functionality and Fraud Report Warehouse functionality, including ad hoc reporting functionality. The Contractor shall deliver the Report Manual within the project schedule as agreed upon between the States and the Contractor.

3.4.5.12 Retail Management Plan

The Contractor shall provide a plan that addresses the management of retailer participation. The plan should include the conversion of all EBT-only retailer support, the conversion and ongoing operation of retailer installation and de-installation, equipment replacement processes, retailer contract management processes, a listing of all retailer support reports, and copies of finalized (template) retailer agreements.

The plan shall also describe in detail the various methods used to support retailer operations, including communication methodology. The plan should also address how retailers are made aware of system modifications or changes associated to federal legislation. The plan should include support for Farmers' Markets, including provision of wireless terminals as needed. This plan should also include marketing and outreach documentation used for notification or marketing.

3.4.5.13 Retailer and Third Party Processor Agreements

The Contractor shall provide copies of the retailer and TPP agreements that will be utilized within the States for review and approval by the States and FNS.

3.4.5.14 Settlement and Reconciliation Manual

The Contractor shall provide a Settlement/Reconciliation Manual that provides guidance and procedures to the States on performing a daily reconciliation of the Contractor's EBT System as defined within 7 CFR 274.4 and the FNS EBT Reconciliation Guidelines. The manual must identify the specific EBT reports from the Contractor's system that are required for settlement and reconciliation of the EBT System.

3.4.5.15 Administrative Functionality Manual

The Contractor shall provide an Administrative Functionality Manual which provides guidance and procedures for state and county staff on administrative functions based on pre-defined permission levels and roles.

3.4.5.16 Customer Service Manual

The Contractor shall provide a Customer Service Manual. This manual should identify and describe the various documents and processes used by CSRs. These documents and processes shall include:

- Customer Service Call Scripts;
- Customer Service Desk Guides; and
- Customer Service Card Activation Device Trouble Shooting Guides.

3.4.5.17 End of Contract Transition Plan

Within the last year of the Contractor's contract period and at a time requested by each State agency, the Contractor shall provide an End of Contract Transition Plan that shall delineate the contract closeout activities and time frames necessary for the successful transition of services and data conversion to a new Contractor.

3.5 Testing/Transition/Implementation

The initial phase of the project is the testing of the new (for the States) EBT System, conversion of the States' data to the new system, and implementation of the new system. The following sections

cover this activity.

3.5.1 System Testing

During the Design Phase of the project, the Contractor shall develop and provide a system test plan, test criteria, and test scripts for review and approval by each State. If during the initial Design Phase, there are changes to the system requirements approved by the respective State, the Contractor shall update the test plan, criteria, and scripts as appropriate. Test criteria must describe the desired system outcomes and performance measures. Test scripts must provide detailed instructions on the actual test and system functions to be demonstrated. The Contractor also shall establish and control test data.

The Contractor's system configuration and any custom software for each State must be properly tested within the test environment prior to being introduced into a production environment. The Contractor test system shall operate under the same system requirements as the production system for each State. System testing must be performed successfully on all components and functional areas of the EBT application system before delivery of the system to the respective State.

Required system tests and demonstrations, which must be conducted by the Contractor during the Configuration Phase, include the following:

- Functional Demonstration: The Functional Demonstration provides the States the opportunity to review and observe planned EBT System operations. The Contractor shall prepare a report of the demonstration results, including any system modifications that were identified. The Functional Demonstration must occur as early as possible but no later than six weeks prior to the System Acceptance Test to ensure the system configuration is proceeding according to the Project Work Plan.

- Interface Testing: Interface Testing must be conducted between each State's eligibility system and the Contractor's EBT system to validate that all files sent between each State's and Contractor's systems are properly received, accepted, and processed. Throughout the contract period, the Contractor shall use the "Connect:Direct" product file transmission protocol (latest version used by each State) or another State-approved transmission method to exchange files between each State's system and the Contractor's system. Interface Testing shall demonstrate rejection of duplicate files or records and correction of transmission errors. At the end of Interface Testing, the Contractor must certify that the interface between the EBT System and each State's system is working correctly.

- User Acceptance Test: The UAT provides state and federal representatives the opportunity to test the EBT System functionality and ensure compliance with the system design requirements. This test consists minimally of functional requirements, security, recovery, system controls, and "what if" testing. The test shall also include testing of the customer and retailer IVR scripts from a location within each respective State during their UAT. As part of the UAT, the Contractor must demonstrate the methods and processes for performing daily reconciliation between each State's and Contractor's interface and processing activities, including financial settlement. The Contractor shall also test its interfaces with federal interfaces, including STARS II (Store Tracking and Redemption System II) and ALERT (Anti-Fraud Locator for EBT Retailer Transactions). During the formal test script portion of the acceptance test, testing representatives will follow detailed test scripts developed by the Contractor that cover all facets of the system's operations and test all of the system processing options and environmental conditions (e.g., POS hardware and communications failure and entry of erroneous data). The ad hoc or "what if" portion of the acceptance test provides the state and federal representatives the opportunity to include various transaction sets and sequences that have not been included in the test scripts and to challenge the system's operations and design. In the UAT Plan, the Contractor shall describe the hardware, software, and connectivity needed for the UAT (e.g., PCs and/or laptops, printers, card swipe devices, PIN select devices). All Contractor hardware and software that will be used in production in the State environment (county offices) shall be tested on State workstations within

the State environment as part of the UAT. Any EBT card issuance method that will be new for the State will also need to be thoroughly tested.

- Transition Testing: This test demonstrates that each State's data from the Incumbent Contractor can be successfully converted to the new EBT System by the new Contractor. Production Data from the Incumbent Contractor shall be used in completion of this test by moving or copying it into the testing region. Test transactions performed against the converted database must include both customer transactions (e.g., SNAP purchase transactions) and administrative transactions (e.g., card transactions, repayments, etc.).

- Stress Testing: The purpose of this test is to ensure that there is sufficient capacity within the EBT System being provided to the States to handle the expected transaction volume. Test results from the Stress Test must be used to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so that the States can be assured that the EBT Systems can accommodate the anticipated transaction volumes. The Contractor, as an option, may choose to use current production data to develop a system capacity model for the anticipated transaction volumes. If the Contractor is anticipating that they will use this option, the proposal must provide a description on how the modeling must be performed and how the results of the modeling exercise must be reported to the States.

- Performance Testing: Performance testing is the process of determining the speed or throughput of an application. This process can involve quantitative tests such as measuring the response time or the number of MIPS (millions of instructions per second) at which a system functions. Qualitative attributes such as reliability, scalability, and interoperability may also be evaluated.

The Contractor shall provide reports describing the results of each test that is performed, as well as any additional re-testing that is required to satisfy the test objectives. The test reports also must describe the intended scope and results from the tests, and any system modifications that are identified as necessary to resolve system errors and deficiencies found during the testing. The Contractor shall submit draft test reports no later than one week following the completion of the respective test being performed. Final System Test Reports must be provided no later than one week following the States' review and approval of the draft report.

The Contractor shall revise the Detailed System Design Document to reflect any system modifications identified and made as a result of the system testing. If revisions are required, the Contractor shall submit the updated Detailed System Design Document no later than one month following the completion of the EBT System testing process.

3.5.1.1 Contingency (Disaster Recover) Testing

Contingency Planning and Testing ensures that essential (mission-critical) EBT operations shall continue if normal operations are disrupted at either the Contractor's or each State's primary site. The States have backup sites and require that the Contractor establish a "hot backup" site, with full computer systems and complete or near-complete backups of user data, for continued operations in case of failure at the primary operations site. During the Operations Phase, Contingency Testing shall be conducted twice annually at six-month intervals to ensure that backup operation plans are adequate, unless the States waive a contingency test.

3.5.2 Transition

Upon finalization of the contract, the new Contractor shall work with each State and any other organizations designated by each State in a businesslike manner to provide an orderly transition of services and responsibilities from the Incumbent Contractor and to ensure the continuity of those services required by each State. In the event of a delay in the completion schedule for any deliverable under this contract caused by a State or by the Incumbent Contractor, and if the new Contractor has provided advance notice indicating that a State or the States' Incumbent Contractor is causing a delay, the Contractor shall be entitled to a reasonable extension of the completion dates for

that particular deliverable. Following the conversion, the Contractor shall not proceed to the Operational Phase of the EBT contract until the conversion has been approved by the respective State in writing.

3.5.2.1 Retailer Transition

As part of the transition effort, the Contractor must establish agreements with all exempt retailers, TPPs, and self-processing retailers. In the context of this section, EBT-only retailers refer to exempt retailers (as defined in the Agricultural Act of 2014) receiving government supplied EBT-only equipment.

It is critical that customers not be impacted negatively in their ability to access their benefits during the transition of POS terminals for exempt retailers (exempted retailers, such as farmers' markets, meal sites, and group homes). As the number of retailers requiring POS terminal transition will be limited, the States require that all State-supported terminals be transitioned prior to system conversion. Replacement equipment may be sent by mail with appropriate training materials. The Contractor's retailer help desk shall provide installation and training assistance via phone, if requested by the retailer. As an option, a State may request or authorize in-person installation and training (refer to RFP Pricing Schedule 3: EBT Fee for Service).

The EBT-only POS terminals provided to retailers or providers by the Contractor shall meet or exceed the existing levels of service provided by the current EBT-only terminals. The Contractor must assure that deployed EBT-only POS terminals are capable of supporting the benefit redemption transactions or use required of them by the States. If requested by the retailer, the POS terminal configuration shall include a separate PIN pad.

3.5.2.2 Database Conversion

Database conversion (conversion from Incumbent Contractor's database to the new Contractor's database) shall take place overnight on a weekend. In preparing for each State's database conversion, the Contractor shall 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. The entire conversion for an individual State shall be completed in ten hours or less. During conversion, no transactions shall be conducted. At two months prior to the conversion and one week prior to conversion, the Contractor shall notify authorized retailers and TPPs of the scheduled outage for the conversion.

The new Contractor shall:

- Perform significant testing of the conversion process, including performing test transactions against the converted database in the Test System. Testing shall also validate that PINs have been converted successfully.
- Accept a minimum of five full FNS audit years of transaction history to be converted from the Incumbent Contractor.
- Have checkpoints and reconciliation procedures built into the conversion process to validate that no benefits or records are dropped.
- Have a contingency fallback plan in case the conversion cannot be completed in a timely manner due to issues with the conversion.

The Contractor shall work with the States and the Incumbent Contractor to clean up the database prior to conversion, if necessary. The FNS Transition Guide recommends a minimum of two trial runs of the data conversion prior to the actual database conversion.

The Contractor shall explain how it will convert account and benefit aging information from the Incumbent Contractor and how account and benefit aging information will be retained by the

Contractor's system so that benefits continue to be expunged according to the original schedule under the Incumbent Contractor's system. The Contractor may not restart the clock for benefit aging purposes.

3.5.2.3 EBT Card Conversion

The States intend to use the current EBT cards in circulation and remaining card stock following the conversion. The Contractor shall provide subsequent card stock as necessary for new card issuance and replacements. Proofs of the current cards being used are contained in Section 3.6.31. Existing cards that require replacement because of changes or updates in information shall be replaced through attrition. Offerors should propose their process for continuing to use the current cards and accommodating required changes in website or customer service numbers through an attrition process. The Contractor shall ensure that sufficient card stock is available before EBT conversion for ongoing operations.

3.5.2.4 Conversion Reporting

The Contractor shall provide the Conversion Reports and shall coordinate with the Incumbent Contractor to assure all history records are converted accurately and completely. In addition, once the Contractor begins EBT operations, the Contractor shall continue to coordinate the daily settlement and clearing activities and reports with the Incumbent Contractor to assure the States that all daily EBT transactions and activity are properly accounted for with the States, Federal Reserve, and FNS. This coordination with the Incumbent Contractor shall continue until all suspense, hold, adjustment, and any other EBT transactions by the Incumbent Contractor have been processed, reported, accounted for, and transferred to the new Contractor.

The Contractor shall provide all necessary reports to support and track the complete conversion of recipient accounts maintained by the States' Incumbent Contractor. These reports shall include all elements necessary for an audit of the records that would provide adequate assurance to each State that a successful, accurate, and complete conversion of their recipient accounts was achieved.

In addition, the Contractor shall provide a reconciliation of the final database value of the Incumbent Contractor prior to conversion and an opening database value from the Contractor after conversion of the recipient accounts.

The Contractor shall be liable for any errors or omissions resulting from a delayed, incomplete, or inaccurate conversion of files. The Contractor shall assure the States that all data elements in each recipient file have been properly converted, including availability dates of future dated benefits. The Contractor shall be liable for any benefits, which are made available before their scheduled availability dates.

3.5.3 Implementation

Recognizing that the establishment of an interface(s) between the Contractor's EBT System and the States' systems may have significant impact on each State's IT Departments, the Contractor shall work with the States to establish definitive roles, responsibilities, and schedules toward the establishment of the communication lines and interfaces. The Contractor shall be required to provide direct connections between the Contractor's primary and backup systems and the States' primary and backup systems. For the interface to the States' administrative systems, the Contractor shall be required to assess administrative functionality and provide appropriate screens for use by state and county staff. Timelines, milestones, roles and responsibilities, and level of work effort to be expected by the States' IT staff shall be clearly defined within the Transition Plan and Project Schedule.

3.6 Technical and Functional Requirements

This section provides details on the specific technical and functional requirements for the EBT System in conformance with federal regulations, applicable national standards, and the States' requirements. Within this section are the specifications and requirements for equipment, software functionality, telecommunications, EBT card production and issuance, reporting, training, and on-going operational support.

The EBT System must be an industry standard application, which primarily uses the existing commercial networks and the installed base of retailers' POS devices. However, in certain circumstances, fully described herein, the Offeror shall install, and maintain POS equipment on the States' behalf.

The EBT System must interface with the North Dakota SNAP TECS (Technical Eligibility Computer System) and the South Dakota SNAP ACCESS system on an ongoing basis. The Contractor shall use the States' existing interface records and file formats currently in production for the interface between the two systems. No changes shall be made by the Contractor to the interface unless explicitly requested by each respective State for their interface. As the States modify or replace their state eligibility systems, the Contractor must work with the States to interface with each State's eligibility system, including modifying the interface if needed. Any such changes will be handled through the defined Change Management process between each State and the Contractor. ND's eligibility modernization project is scheduled to roll out in 2018. SPACES is the new system which will replace SNAP TECS.

3.6.1 EBT Account Structure

State customers receiving SNAP benefits access their benefits through a state-issued EBT card. The Contractor shall provide an EBT account structure that ensures 1) benefit balances are accurately maintained; 2) benefits accessed by customers are drawn from the appropriate benefit account; and 3) benefit accounts are not overdrawn. The Contractor shall be liable for any funds drawn from an incorrect account or program, for overdrafts against EBT benefit accounts, including allowing access to program benefits prior to the availability date or after the expiration date, and for EBT host transaction processing errors.

3.6.2 Benefit Types

The Contractor shall establish an EBT account structure that supports the characteristics and restriction of the benefit program. The Contractor's EBT account structure must support SNAP, and cash benefit programs (optional future addition), including both prefunded and day-of-draw cash benefits. The States reserve the right to modify program requirements in response to changes in state or federal program regulations or add other federal or state-administered programs. Therefore, the EBT account structure must have the flexibility to accommodate and support additional nutrition, cash, health, or other benefit programs that may be added to the EBT program during the contract period.

3.6.3 SNAP Benefits

SNAP benefits are federally-funded, state-administered, day-of-draw benefits, funded subsequent to benefit access. Benefit amounts for which the customer is eligible shall be authorized by a benefit authorization file by the States to the Contractor's EBT host system. SNAP benefits transmitted to the SNAP account by the States represent credit balances only.

SNAP benefits may be accessed using a valid state-issued EBT card at retail locations authorized by FNS. SNAP customers are not limited to retailers in the state or territory in which they reside. SNAP benefits are portable across state lines. Customers must be able to access SNAP benefits at an authorized retailer in any state or territory. SNAP benefits may only be used

to purchase eligible food items and may not be used to purchase non-food or ineligible food items. SNAP benefits may not be accessed at ATM terminals and may not be commingled with cash benefits in the EBT account.

3.6.4 Demographic and Benefit Files

The States generate the account set-up and benefit files based upon activity occurring within the States' eligibility systems. To establish an EBT account and post benefit authorizations, the States transmit demographic and benefit files to the Contractor through batch processes on a daily basis. On the date that the monthly payroll is submitted to the Contractor, a complete demographic record will be submitted for every record that is on the benefit file. The record type contained within the demographic record will identify whether it is a demographic record for a newly established household or an updated demographic record for an ongoing household.

The Contractor's EBT System shall accommodate the States' interface requirements and be available 24 hours per day, seven days per week to accept demographic and benefit file transmissions from the States. During the contract period, the Contractor shall be required to accommodate changes in interface requirements resulting from modifications to the States' eligibility or certification system and changes to standards and FNS rules and guidelines. Refer to each State Specific Addendum for file formats and data elements.

The Contractor shall be required to establish connectivity between the Contractor's primary and backup EBT systems and each State's primary and backup systems. The Contractor shall be required to provide all necessary hardware and software to ensure connectivity. The Offeror's response shall indicate the services and hardware that shall be provided to ensure high performance connectivity between primary and back-up data centers. The software product for file transfers shall be Connect:Direct, unless prior approval is received from the States to use an alternate product or utility, such as SFTP. The Contractor shall be required to have a backup procedure to transfer and accept demographic and benefit files should the normal file transfer process fail. In their response, Offerors shall specify their approach for providing a backup file transfer capability.

The Contractor shall not make changes or updates to account demographic information unless authorized to do so by the States. The States will send updates to account demographic information through the demographic batch files.

The Contractor shall return a Post (confirmation) File to the States within one hour after receiving a Demographic or Benefit File from the States. The format of the Post File for each respective State is contained within Addendum C and Addendum D.

3.6.5 Account Set Up

The Contractor will set up each new account and assign an EBT account number that is tied to the State User ID (SUI). The Contractor is required to establish a unique EBT account number for use in identifying each EBT account in the Contractor's system. Offerors must specify the approach for establishing the EBT Account Number and indicate how it will be used within the EBT System and EBT Account Structure to identify cases and programs for which cases are certified. Offerors must also specify the approach for validating the EBT Account Numbers included in the State's batch files.

The EBT account shall have no benefit value until the States send a benefit authorization record. An EBT account that has been created but to which no benefits have been posted shall be considered to be in a pending state. At the request of the States, pending accounts that have been on the Contractor's EBT System for a predefined number of days shall be deleted off the EBT System.

3.6.6 Benefit Authorization

To authorize benefits the States generate benefit authorization records containing case number, benefit type, benefit amount, unique benefit authorization number (EBT authorization number), and availability date information. The Contractor shall be required to check the benefit availability date of each benefit file and record to ensure that it is not older than a state specified date. In addition, the Contractor shall be required to utilize a file edit process to detect duplicate benefit files and/or records. The Offeror's response shall describe this process.

For established cases, the States generate SNAP benefit authorization batch files once per month. In addition, the States generate an overnight SNAP batch file for transmission to the Contractor to authorize benefits. In addition to batch files, the Contractor must be able to accept real-time account set-up and benefit authorization records through the EBT administrative terminal.

Benefit authorization files received must be processed and benefits made available to customers on the benefit availability date by the time specified by the States and agreed upon with the Contractor. Benefits are not considered available unless they have 1) been posted to the Contractor's host database, and 2) reached or exceeded their availability date.

The Contractor must ensure that benefits are available on the benefit availability date and time designated by the States. Any unused SNAP balances are carried over from month-to-month.

Monthly SNAP benefits are currently made available to customers as follows:

- North Dakota - first of the month
- South Dakota - tenth of the month

3.6.7 File Transmission Timing

The States shall transmit daily demographic and benefit authorization files to authorize benefits for new accounts and to authorize supplemental benefits for existing accounts. The Demographic files and Benefit files are transmitted to the Contractor from ND TECS each State business day between 6:00 p.m. and 10:00 p.m. prevailing CT, and between 6:30 p.m. and 11:59 p.m. prevailing CT for SD ACCESS.

The States provide an availability date, which is included in the benefit authorization record passed to the Contractor in the daily batch file. A daily benefit authorization must be made available to the customer no later than 6:00 a.m. prevailing CT on the specified availability date when the Contractor receives the batch update file by the designated times. Refer to Addendum C and Addendum D for the State Specific file layouts.

3.6.8 Post Files

The Contractor shall return a post file to the States within one hour of receipt of the files. The post file of the benefit file must be a mirror image of the benefit file as it is used to create a "paid" indicator in the eligibility systems to show that the payment has been completed. If there is an error in an individual detail record, the Contractor will mark the record with an error code. The receipt of the post file is for each demographic and benefit file is a requirement that is critical for the States' back-end processing. A complete list of Error Codes is listed in the State Specific Appendix.

As soon as the vendor has received a valid Benefit File and sent a Benefit Post File back to each state, the vendor can then send the Administrative Terminal Transaction File. Refer to Addendum C and Addendum D for the State Specific post file and the Administrative Terminal Transaction file layout.

3.6.9 Transaction Processing

To the maximum extent possible, the States seek to use the existing commercial transaction processing infrastructure for the transmission and processing of EBT transactions. The Contractor shall have the capability to receive, process, and authorize customer transactions from POS devices. The Contractor shall ensure that cardholders access their SNAP benefits only at POS terminals in FNS-authorized food retailer locations.

Contractor EBT transaction processing requirements shall include:

- Accepting transactions coming from an authorized transaction acquirer;
- Authorizing or denying transactions;
- Sending response messages back to the transaction acquirer authorizing or rejecting customer transactions;
- Providing the information so that the retailer's system or POS can print a cardholder receipt with the account balance after the transaction (the card number shall be truncated on the receipt); and
- Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through the transaction history.

The Contractor shall comply with the software and automated data processing equipment ownership rights prescribed in federal regulations and as further clarified or negotiated with the state and the federal government. The Contractor is responsible for ensuring that the EBT system meets the processing requirements and criteria established by FNS. In order of precedence, the Contractor shall process EBT transactions in compliance with:

- Federal regulations;
- QUEST® EBT Operating Rules (SNAP); and
- Prevailing industry performance standards.

If there is a conflict between the governing regulations and guidelines regarding a specific standard, the States will determine the standard to which the Contractor must adhere. In determining the appropriate standard, the States will allow consultation and input from the Contractor, however the final decision will remain with the States.

In processing EBT transactions, it is the responsibility of the Contractor to ensure that the EBT System meets technical standards and regulations in the areas of:

- System processing speeds;
- Availability and reliability;
- Security;
- Ease-of-use;
- Minimum card requirements;
- Performance; and
- Minimum transaction set.

The Contractor shall comply with all relevant processing speed requirements as stated in 7 CFR §274.8 and as specified in Section 2.2. The Contractor shall provide backup purchase procedures for FNS authorized retailers when the EBT System is unavailable; both for unscheduled and planned outages (Refer to RFP Section 3.4.5.8). Responses shall define both the backup procedures to be used by the Contractor, and the method by which the States and retailers will be notified that the backup procedures are being utilized.

The Contractor's EBT host system shall be available 99.9% of scheduled uptime, 24 hours a day, seven days per week. Scheduled uptime shall mean the time the database is available and

accessible for transaction processing, and excludes scheduled downtime for routine maintenance. The total system, including the system's central computer, any network or intermediate processing facilities under the control of the Contractor (either service provider or subcontractor to the Contractor), shall be available 99% of scheduled uptime, 24 hours per day, seven days per week (Refer to RFP Section 2.2, Contract Performance Standards). During scheduled downtime the IVR and portal shall provide a message to cardholders that the EBT System is temporarily unavailable due to scheduled maintenance.

The States shall be notified in advance of scheduled downtime for routine maintenance, which shall occur during off-peak transaction periods. The Contractor shall provide an annual schedule of when routine maintenance will be performed on the States' EBT System. In addition, the Contractor must provide the States with advance notification of any scheduled downtime outside of the time required for routine maintenance. Such downtime must be pre-arranged with and approved by the States. The Contractor shall provide the States with an annual schedule for maintenance downtime no later than December of the preceding calendar year. The States shall be provided with a minimum of 30 calendar days' advance notice for proposed downtime beyond the routine maintenance schedule. At the discretion of the States, shorter notice maybe considered depending on the urgency of the situation.

The Contractor shall resolve all errors in a prompt manner in accordance with FNS Adjustment Rules, and in accordance with the States' waivers, as applicable. (Refer to RFP Section 3.1.3, Waivers for Both States)

3.6.9.1 Transaction Interchange Specifications

The Contractor shall be responsible for the authorization of cardholder initiated SNAP transactions. The Contractor shall comply with ANSI X9.58-2013, and shall comply with all updates to ANSI X9.58-2013 at no additional cost to the States.

3.6.9.2 Transactions Validation

The EBT System shall go through a series of checks and processes to determine whether a cardholder's transaction should be approved. These checks should include determining whether:

- The merchant has a valid FNS authorization number if the transaction is a SNAP transaction;
- The card number (PAN) is verified and the card is active;
- The number of consecutive failed PIN tries has not been exceeded;
- The PIN is verified as being entered correctly;
- The account is active;
- The EBT account holds a sufficient balance in order to satisfy the transaction request; and
- For SNAP refund transactions, a benefit record exists so that the transaction can be properly posted.

If any one of the above conditions is not met, the Contractor shall deny the transaction. The Contractor shall ensure that customer/provider benefit accounts are not overdrawn and shall assume all liability if an account overdraft does occur. 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 [NSF]).

3.6.9.3 Encryption

The Contractor shall comply with FNS Regulation at 7 CFR 274.8 regarding communications network security and, at a minimum, shall utilize the Data Encryption Standard (DES)

algorithm or better to encrypt the PIN during EBT transactions from the point of entry. Other security features include 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. Any of the network security measures may be utilized together or separately and may be applied at the terminal or central computer as indicated in the approved system design to ensure communications control. The Offeror's response shall specify the data security approach and security measures used to secure EBT transactions.

3.6.9.4 SNAP Transaction Set

The Contractor shall process, at a minimum, the following SNAP transaction types:

- SNAP purchase (swiped or key entered);
- SNAP merchandise refund or credit;
- Manual authorization;
- Manual voucher clear (including interoperable transactions);
- Balance inquiry;
- Voids or cancellations; and
- System reversals.

FNS regulations prohibit the charging of a fee for any SNAP transactions. Therefore, cardholders may not be charged for any SNAP transaction. After conducting a SNAP purchase, merchandise return, or balance inquiry, the retailer shall provide a printed receipt showing the available account balance to the cardholder. The card number shall be truncated on the receipt.

The Contractor shall provide for real time processing of SNAP refunds or credits that provide immediate access to returned benefits but do not provide benefit balance that is greater than the original benefit amount authorized by the States. The Contractor must confirm, in real-time, that there is an existing benefit linked to that account, otherwise the transaction must be denied. In regards to manual SNAP merchandise refund transactions, the Contractor shall meet federal and state restrictions on transaction dollar limits, number of transactions, and total value of transactions per month. A transaction amount limit, as well as monthly limits on the total number and value of refunds, will be placed on the SNAP refund transactions as defined by the States' requirements.

The Contractor must update its host database with transaction activity on a real-time basis. Offerors are required to describe in their technical proposals the process by which they update transaction activity on their host databases.

3.6.10 Manual (Voice Authorization) SNAP Transactions

Under specific conditions (i.e., EBT system downtime or a disaster), a manual SNAP transaction may be performed by a retail merchant. When manual SNAP transactions are performed, the merchant will obtain a voice authorization. The Contractor shall hold funds authorized by voice authorization. The number of days that funds shall be placed on hold shall be 30 calendar days (the acquirer shall be required to convert the manual SNAP transaction to electronic transaction for transmission to the Contractor prior to the expiration of the hold). If the manual transaction is presented for settlement within the States' specified number of calendar days from the date of the manual authorization, the Contractor shall debit the amount from the cardholder account and settle the transaction. If the manual transaction is not presented within the specified number of calendar days from the authorization date, the Contractor shall release the hold on funds and make them available for cardholder access. The retailer or acquirer bears the liability for the transaction if the voucher is not cleared within 30 calendar days. Re-presentation of manual

retailer vouchers shall not be permitted. The Contractor's system shall be designed to prevent merchants from re-presenting manual vouchers.

Until further notice, any retail merchants authorized before March 21, 2014, and currently accepting manual vouchers as a means to conduct ongoing SNAP business, as well as any retailer authorized after March 21, 2014, who purchases the business of one of these authorized retailers previously accepting manual vouchers as a means to conduct ongoing SNAP business, may continue to conduct manual SNAP transactions using the standard manual voucher process. Their acquirer shall convert the paper voucher into an electronic voucher clear transaction for transmission to the Contractor. Upon receipt of a properly executed voucher clear transaction, the Contractor shall provide settlement to the authorized retail merchant's TPP.

All other retailers are prohibited from using manual vouchers for ongoing SNAP business, except as noted in the previous paragraph. Retailers who are in one of the exempt groups defined in the March 21, 2014, FNS Implementing Memorandum for the Agricultural Act of 2014, may continue to accept manual vouchers until further notice. Exempt groups include: eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, alcohol/drug treatment centers, and prepared meal services.

The Contractor is not required to propose or implement an automated process to ensure that non-exempt retailers are prevented from using vouchers for ongoing business as part of the response to this RFP. However, the Contractor shall be required to implement, at no additional cost to the States, any system edits or checks required by final FNS regulations addressing the manual voucher changes required by the Act. These system changes shall be implemented within the timeframes specified by the final regulation."

The EBT card must be present for a retailer to conduct a manual transaction. The Contractor shall provide retailers with a separate toll free number to obtain voice authorizations for manual SNAP transactions. The States require that manual SNAP transactions be interoperable across state lines. In their response, Offerors shall specify their approach for allowing out of state EBT cardholders to conduct manual transactions, including customers served by a different EBT service provider.

Retailers may utilize their own authorization forms as long as the forms meet the minimum data requirements as specified by federal regulation or policy, the States, and/or the Contractor. Retailers are required to complete the manual voucher form and call the Contractor's retailer customer service to obtain a voice authorization prior to completing a manual SNAP sale. The cardholder is required to sign the paper voucher. The manual transaction authorization process should be automated as part of the help desk IVR functionality.

The retailer shall be liable for declined transactions in the event the retailer fails to obtain prior authorization and the EBT account has insufficient funds to cover the purchase.

Manual vouchers, if accepted, shall only be cleared electronically. If the authorized retailer is using their own equipment, the retailer will convert the manual transaction to an electronic transaction for transmission to the Contractor when the POS device is again able to communicate with the EBT Host. EBT-only devices must be able to accept voucher clear transactions for all State BINs. The Contractor must route these transactions to the cardholder's state processor and settle funds to the retailer, in the same manner as any real-time interoperable transaction. The Contractor must accept, process, and settle electronic voucher clear transactions from all sources, including those originating from out of state retailers. Offeror's response must describe the respondent's capabilities in clearing manual vouchers.

3.6.11 Emergency Stand-In Processing

If an FNS authorized retailer cannot access the SNAP EBT host system because the host system is unavailable, the Contractor shall allow retailers to conduct emergency "stand-in" processing of SNAP purchases of up to $50 per cardholder per retailer per day (from 12:00 a.m. until 11:59 p.m.). The Contractor shall be liable for up to $50 per transaction for insufficient funds resulting from stand-in manual transactions. The retailer is required to complete a manual voucher and must obtain the cardholder's signature on the voucher. If the retailer processes an emergency stand-in transaction for more than $50, the Contractor shall process the transaction if there are sufficient funds in the cardholder's account to cover the transaction. If there are not sufficient funds in the cardholder's account, the retailer shall be liable for any amount over $50. When the system becomes available, the retailer shall electronically clear the manual transaction through a POS voucher clear transaction.

Offerors shall define in their proposal under what circumstances they would consider their EBT system unavailable. Responses to this requirement shall specify the process used to notify retailers that "stand-in" processing is currently in effect, for both scheduled and unscheduled system outages, and shall specify how the processing and settlement of these transactions will be conducted. The States do not allow re-presentation of emergency stand-in manual vouchers.

3.6.12 Disaster SNAP Purchases

In a disaster situation, the manual SNAP voucher process can be invoked if the retailer is able to obtain a voice authorization. In that case, the transaction will be processed like any manual SNAP voucher transaction. If the retailer is not able to obtain a voice authorization due to system unavailability during a disaster, the transaction will be processed as an Emergency Stand-In Transaction under the conditions specified in Section 3.6.11. Each State will establish a ceiling on the value of SNAP transactions during a disaster and will establish processes for redemption and determining liabilities during a disaster. The Contractor shall be required to work with the States in developing disaster plans and processes (Refer to RFP Section 3.13). The Offeror's response must include its approach to supporting the States during a disaster situation.

3.6.13 Account Adjustments

Adjustments to an EBT account may be initiated by the Contractor to resolve system errors and out-of-balances. Adjustments made by the Contractor must be in compliance with the federal regulations in 7 CFR 274.2. Adjustments to correct system errors may result in debits (adverse action) or credits to cardholder accounts and will impact the daily settlement. Retailer initiated adjustments must be acted upon no later than ten business days from the original date of error. The time apportionment is allotted as six business days for the retailer/acquirer and four business days for the Contractor to report, approve, and/or deny and process a correction request.

The Contractor and/or retailer/TPP can initiate an adjustment to resolve errors and out-of-balance conditions that occur as a result of system error. The Contractor, on behalf of a client complaint, can initiate an adjustment to resolve an auditable, out-of-balance settlement condition that result from a system error. A system error is defined as an auditable processing failure at any point in the redemption process that results in the improper crediting or debiting of an account or the failure to credit or debit an account. The adjustment must reference the original transaction, which is partially or completely erroneous. The Contractor must accurately process the adjustment transaction and reflect the results correctly in the client's account.

After investigation of system error incidents, adjustments that result in a credit to a cardholder account may be conducted by the Contractor without prior notice to the States or the cardholder. The Contractor's system must support an automated credit solution for EBT system, TPP or retailer-initiated adjustments that result in a credit to the customer account.

However, the Contractor shall be required to conduct an investigation and to provide the States with 15 calendar days advance notice, via the report specified below, prior to posting a debit transaction (adverse action) to a cardholder account to correct a system error. At the discretion of the States, a hold may be placed on funds in a cardholder account, up to the amount needed to correct the system error. To support debit adjustment notification and fair hearing processes, the Contractor shall be required to send a daily file to the States with sufficient data to support the debit adjustment transaction that will be posted to the cardholder account. This data includes:

- Claim reference number;
- Card number;
- Cardholder's first name;
- Cardholder's last name;
- Cardholder address;
- Cardholder State ID or case number;
- County office code number;
- Retailer name;
- Retailer location;
- Card acceptor ID;
- FNS authorization number for SNAP claims;
- Date the claim was received by the contractor;
- Reason for claim;
- Status of the claim (open/closed);
- Disposition of the claim (approved/denied);
- Initial dollar amount of the claim;
- Adjustment transaction type (credit/debit);
- Adjustment amount actually credited to or debited from the cardholder;
- Program Type (SNAP);
- Who initiated the claim (retailer, TPP, cardholder, State or contractor; and
- Date claim resolved by the Contractor;

For tracking purposes, a transaction code should be established to designate debit adjustments in the daily activity file or, alternatively, a stand-alone electronic file for adjustments could be provided.

The States reserve the right to:

- Request all documentation associated with denied adjustment claims; and
- Work with the cardholder and retailer/acquirers to resolve human error adjustment issues.

The Contractor must assist the State agency in resolving human error adjustment issues. The Contractor may be required to provide retailer notices for certain adjustment actions and for research purposes. The States must approve the base language and requirements spelled out in a letter from the Contractor to a retailer as the result of an adjustment action.

The Contractor shall be required to work with the States to develop appropriate adjustment solutions and procedures. The Offeror's response must demonstrate capability to provide the necessary systems and administrative capability to support both settling and non-settling adjustments.

Each State has a retailer adjustment "no hold" waiver from FNS for SNAP adjustments. Refer to Section 3.1.3 Waivers For Both States.

3.6.14 Invalid PIN Attempts

The EBT System shall deny transactions if the PIN is input incorrectly. After three consecutive invalid PIN attempts in one day, or as specified by the States, the card shall be temporarily locked from performing any PIN based transactions until midnight local time, at which time the failed PIN count shall reset to zero and the card unlocked.

3.6.15 Interoperability Standard

The Contractor shall support the federal national interoperability requirement for processing interoperable SNAP transactions. The Offeror's response shall outline the plan for supporting interoperable transactions, including electronic voucher clears.

3.6.16 Store and Forward Transactions

The Contractor's system shall prevent the use of store and forward as a way of accessing the customer's future months' benefits.

3.6.17 Key Entered Transactions

The Contractor shall accept and process EBT transactions where the card number (PAN) has been manually entered (key-entered) into the POS device. Transactions may be key-entered at times when a card presented by a customer is damaged and/or the POS device is unable to read the magnetic stripe accurately. The EBT card must be present for a retailer to conduct a key-entered transaction. The validation of the customer's PIN is still required on key-entered transactions. If a PIN pad is defective or for other reasons a PIN does not accompany the transaction to the EBT host for processing, the Contractor shall deny the transaction.

The Contractor shall adopt security measures to prevent customer and retailer abuse/misuse of the key-entry feature. The Contractor must be able to selectively disable or deny the capability of an EBT-only POS device from completing key-entered transactions. Finally, the Contractor shall track key-entered transactions by retailer, retailer address, device (terminal) number or ID number, FNS retailer number, and card number. The Contractor shall propose procedures for responding to customer reports of malfunctioning or defective equipment at retailer sites, including both EBT-only POS devices and retailer-owned devices.

3.6.18 Other Exception Transactions

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

3.6.19 Maintain Transaction History

The Contractor shall maintain and provide access to current account balances and a rolling five-year transaction history for each EBT account. The Contractor shall provide the States with online access through administrative terminal functionality. Transaction history data shall be maintained as required by the States, FNS, Federal Reserve Board, QUEST® Rules, or federal law. Access to data older than five years must be made readily accessible to authorized entities as required for investigative and auditing purposes.

The Offeror's response shall specify:

- Their approach for maintaining and providing access to current account balances and a rolling five-year transaction history;

- Their capabilities for providing online access to current account balances and transaction history data; and
- Their approach for providing access to data older than five years for investigative and auditing purposes.

At the termination of the contract, the Contractor shall transfer the most recent five full federal fiscal years of transaction detail to an entity specified by the States and ensure accuracy and readability of such information at the new location, or maintain the transaction detail in such a format that it supports timely access to that data by authorized state and federal staff. At a minimum, data within the transaction history inquiries shall include:

- PAN (card number);
- EBT account number;
- Recipient case identification numbers;
- Benefit program identifier;
- Retailer identification numbers (both USDA-FNS and acquirer);
- Terminal identification number;
- Transaction type;
- Transaction amount;
- Transaction date;
- Transaction time;
- Transaction results (approval code or denial reason);
- Store name and address; and
- Account balance after the transaction.

3.6.20 Account Aging

A customer's SNAP EBT account shall be flagged and reported to the States if there has been no debit transaction posted against the SNAP account for a 90-day period, although there may be a balance in the account and benefits may have been deposited into the account within that same time frame. If funds have been withdrawn from the SNAP account during the 90 day period, the SNAP account is considered active. SNAP benefits not accessed by a household that meet established federal guidelines shall be expunged as prescribed by federal regulations.

Any non-financial transactions by the customer, such as balance inquiries, do not affect the aging of the account. The flag to move stale accounts off-line shall be parameter driven and shall be specific to each State. States may elect to set the flag to move a benefit off-line at a period greater than the 90-day period. The Offeror must demonstrate the capability to reinstate accounts that have been moved offline for a period of up to one year.

3.6.21 Benefit Aging

On a daily basis the Contractor shall send each State an extract file of all benefits falling into the aging periods as specified by the State. The States require a minimum of three aging flags or periods for each customer's SNAP account. These flags shall be parameter driven and shall be specific to each State. The file shall include a header record, a detail record for each benefit being reported on, and a trailer record. The detail record shall contain sufficient data, as determined by the State, to identify the customer, benefit type, aging period and the balance being aged or expired.

For both North Dakota and South Dakota the current aging flags or periods are as follows:

Period	Indicator	Number of Days
1	Warning	120

2	Inactive	180
3	Expungement	365

The system flags to expunge SNAP accounts shall be parameter driven and shall be specific to each State. The Offeror must demonstrate the capability during the UAT to support parameter driven SNAP account expungements as specified by the States. The Contractor shall ensure that benefits in inactive EBT accounts meeting the States' specified expungement rules are expunged in the timeframes specified. If a customer case becomes active after benefits have been expunged through a customer initiated transaction, the system must automatically reactivate the EBT account and change the flag to restart the aging process. The Contractor shall produce a daily Benefit Expungement Report showing what benefits have been expunged.

The Contractor must track aging at both the account and benefit levels. Each benefit begins aging at the time it becomes available to the customer (by meeting both of the conditions defined in Benefit Availability – see below). The SNAP account begins aging at the point that the first benefit becomes available. Subsequently, each time that the customer 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. If an EBT account is in either dormant or expunged status and there is a break in eligibility, the account must be automatically reactivated when additional benefits are deposited into the EBT account.

No benefits may be expunged until the account aging clock has reached 365 calendar days. Once the account has reached expungement age, only those benefits that have been available to the customer for 365 or more calendar days without any customer initiated activity shall be expunged. If one or more subsequent benefit authorizations for the same customer account have been available to the customer for less than 365 calendar days, they are not expunged. They must remain online until each has reached full expungement age without any customer initiated activity. 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.

The Contractor shall expunge individual SNAP benefit authorizations (not the entire account balance) after the respective benefit authorization has been in the EBT account for 365 consecutive days of inactivity. The Contractor shall report all expungements to the DHS and DSS in a daily account activity file and a daily benefit aging report in the format specified for the respective files in Appendix C and D for North Dakota and South Dakota respectively. In addition the Contractor shall provide a monthly benefit aging report, and a monthly account activity file. On the report for each benefit authorization expunged, the Contractor shall report the program type, the name of the customer, the State Unique Identifier (SUI), the date of expungement, the benefit month of the expungement, and the remaining amount of the benefit authorizations.

The Contractor shall modify the system to meet any new regulatory requirements for benefit aging and expungements.

3.6.22 Pending Cards

The States issue pending cards for individuals whose accounts have not yet been established. In some instances, these individuals will not become certified. The Contractor shall be required to provide the administrative capability to search for pending cards, and shall be required to provide periodic reports on pending cards. In addition, the Contractor shall automate a process to periodically purge pending cards dependent upon parameters specified by the States. The Contractor shall also provide the States with the administrative capability to deactivate a card.

3.6.23 Pending Benefit Void

The Contractor shall provide the States with the capability to void pending benefits that have been authorized but have not yet reached their benefit availability date. The States will submit benefit detail record(s) in the daily benefit file that voids the benefit record that has not reached its benefit availability date. The Contractor shall accept the void record, identified by an action code, for processing and submit a return record in the Benefit Post File that confirms that the action was completed.

3.6.24 Benefit Transfers

If requested by the States, the Contractor shall provide the States with administrative functionality to transfer benefits from one EBT account to another EBT account. In the debited account, the system shall post a debit memo to identify the EBT account to which the benefits have been transferred. In the credited account, the system shall post a credit memo identifying the EBT account from which the credit was transferred. Benefit transfers are non-settling transactions. Access to this functionality shall be limited to designated state staff.

3.6.25 Repayments

Customers must be given the option to repay customer claims using EBT Federal SNAP benefits. The Contractor shall allow repayments through their Administrative Terminal Application. These repayments are non-settling adjustments (e.g., money is not moved) that only impact the liability maintained on the EBT System. The Contractor must be able to accept and process these adjustment transactions initiated by the States through the administrative terminal application (online, real-time) without impacting the daily settlement. For SNAP, these account adjustments are included in the “Return Other” field of the daily AMA.

3.6.26 Group Homes and Drug Addiction or Alcohol Treatment Centers

Customers who receive benefits while residing in a group home or Drug Addiction or Alcohol Treatment Center (DAA) have their own individual EBT account set up while residing in the center. These benefits are posted to the customers’ accounts. Federal regulations allow certain types of group meal provider facilities to become an FNS authorized retailer. The Contractor shall equip authorized facilities with a POS device. As an authorized retailer, the group home and/or center may move SNAP benefits electronically from a customer's benefit account to the authorized retailer's financial institution.

The group home and/or center must have the ability to put benefits back onto the customer's EBT account. The Contractor shall return a prorated amount of the household’s monthly allotment back to the household’s EBT account based on the number of days in the month that the household resided at the DAA treatment center. If the DAA treatment center is authorized as a retailer, the DAA treatment center shall process the refund back to the household’s EBT account. Under an EBT system where the treatment center has an aggregate EBT card or uses individual cards as the authorized representative, the State agency will transfer the prorated portion of the household’s monthly allotment from DAA‘s or GLA’s bank account back to the household’s EBT account.

3.6.27 Community Meal Services

Community meal sites (i.e., senior centers and meals on wheels) are authorized retailers and are required to have one POS device per meal site.

3.6.28 Authorized Representatives

The States provide a SNAP customer the option to designate an authorized representative to act on his or her behalf. The States do not currently provide authorized representative information to the Incumbent Contractor. When an authorized representative is issued an EBT card on behalf of

a customer, the authorized representative signs the back of the card and includes authorized representative as a designation. When the authorized representative calls the Customer Service Help Desk, he or she must provide the head of household information as verification of identity. The Contractor may propose an alternative method for authorized representatives, which does not create a cost to the States or may recommend that the current process be maintained.

3.6.29 Investigative Accounts

Investigative cases and accounts are currently established in each State's eligibility system in the identical manner as any other normal EBT account. The Contractor shall support the States with the functionality to create and maintain EBT accounts for use in SNAP fraud investigations. Investigative accounts will only contain a primary cardholder. The Contractor shall propose a process to accommodate the federal requirements for the States to provide FNS/OIG (Office of Inspector General) with investigative accounts:

1. Establishment of an investigative account (state or contractor);
2. Posting benefits to the investigative account;
3. Posting additional benefits upon the request of FNS/OIG; and
4. Federal reconciliation of investigative accounts.

Each State currently utilizes its eligibility system to establish an "investigative" SNAP case and must approve benefits based on specific household circumstances. The benefit amount cannot be overridden or established as a pre-set amount per the FNS/OIG requests. The States request a solution that bypasses the States' eligibility systems, and still meets federal reporting requirements.

To assist in ongoing investigations, FNS must have access to the Contractor's administrative terminal application for each State for selected county office, regional office, and investigative staff. The Contractor must provide online inquiry-only administrative terminal software that is Microsoft Windows compatible or appropriate hardware and software to the locations identified by FNS, or provide access to the Contractor's administrative terminal application through secured web-based Internet access. This includes a method to interface with the EBT host from multiple locations through dial-up or other means. This access enables FNS to inquire on specific card and retailer details.

The selected Contractor must advise, assist, and appropriately act to aid the States in detection and investigation of abuses by stores, customers, or workers, including, but not limited to, reporting unusual activity. This may entail cooperation with various authorities of the state and federal agencies that are responsible for compliance with laws and regulations surrounding the programs. Stores authorized by FNS to accept Federal SNAP benefits may become subject to monitoring and investigations by the States, SNAP Compliance Branch, USDA OIG, IRS, Secret Service, or local police departments. Customers are subject to investigation by the States' program authorities and occasionally by others. Because the States must cooperate with federal agencies in creating cases, providing cards, and providing information, investigations also will impact the Contractor. The States and the Contractor shall determine an orderly process for the responsibilities described here to be conveyed to the Contractor. Access to information concerning these matters must be restricted both at the States and the Contractor levels so investigations are not compromised. These needs must be addressed in the design phase, tested as necessary in system acceptance testing, and made available at implementation.

Minimally, the Contractor shall include:

- A method to create cases and cards for use by investigators;
- A method to post benefit amounts to the investigative cases, possibly on an irregular basis as needed by the investigators;

- The ability for each State to provide training, card issuance, and PIN selection for investigators using the cases;
- The ability to provide reports on the investigative cases showing the amounts funded to the cases and the transaction histories of the funds on a monthly basis;
- The ability to provide information from the system, as needed, for evidentiary purposes within 24 hours; and
- The ability to extract files, starting at implementation, of store transaction history on a daily basis and submit the files to FNS per the ALERT Submission File Specifications.

3.6.30 Caseload Data

Each State Specific Addendum contains historical caseload data for SNAP. The data contained in the State Specific Addendums is no indication or guarantee of future SNAP caseloads.

South Dakota Federal SNAP Caseload Statistics

Calendar Year 2016			
Month	**Issuance $**	**HH's**	**HH's Billed**
January 2016	12,109,043.00	42,705	42,000
February 2016	12,113,107.00	42,108	41,659
March 2016	12,101,413.00	42,136	41,601
April 2016	12,062,894.00	41,915	41,497
May 2016	12,089,861.00	42,042	41,417
June 2016	12,069,190.37	42,113	41,403
July 2016	12,086,794.00	41,666	41,217
August 2016	12,077,842.00	41,937	41,283
September 2016	12,002,244.00	41,892	41,293
October 2016	11,988,112.50	41,813	41,249
November 2016	11,916,560.00	41,966	41,154
December 2016	11,930,208.00	41,571	41,340
Total	**144,547,268.87**	**503,864**	**497,167**
Ave/Mo	12,045,605.74	41,989	41,430

North Dakota Federal SNAP Caseload Statistics

Calendar Year 2016			
Month	**Issuance $**	**HH's**	**HH's Billed**
January 2016	6,509,166.00	25,244	25,215
February 2016	6,612,357.00	25,333	25,323

Calendar Year 2016			
Month	**Issuance $**	**HH's**	**HH's Billed**
March 2016	6,619,955.00	25,446	25,426
April 2016	6,648,926.00	25,442	25,444
May 2016	6,644,741.00	25,373	25,366
June 2016	6,663,051.00	25,401	25,394
July 2016	6,614,791.00	25,222	25,210
August 2016	6,664,429.00	25,441	25,407
September 2016	6,652,322.00	25,408	25,392
October 2016	6,563,637.00	25,252	25,231
November 2016	6,555,027.00	25,265	25,249
December 2016	6,498,928.00	25,227	25,217
Total	**79,247,330.00**	**304,052**	**303,874**
Ave/Mo	6,603,944.17	25,338	25,323

3.6.31 EBT Card Production and Management

The Contractor shall produce and supply sequentially numbered magnetic stripe cards to EBT customers. The States plan to continue using their current card design for future cards. Proofs of the current cards from the State are shown below. Prior to manufacturing cards, the Contractor shall submit samples of the cards that will be produced to the States for approval. The Offeror's proposal must describe in detail its capabilities to design and/or manufacture the States' EBT cards and identify any third party or subcontractor involved in the process. The Contractor shall:

- Perform all necessary processes and functions to manufacture the States' EBT cards;
- Distribute/deliver cards to designated state and county offices for over-the-counter issuance;
- Issue, replace, and distribute/deliver replacement cards to cardholders by mail (South Dakota only, although North Dakota may move to this option in the future); and
- Maintain a centralized card issuance management database on behalf of each State.

The Contractor shall ensure that the States' EBT cards are designed and comply with specifications, including the Quest® Operating Rules, and ISO and ANSI specifications and standards relating to cards used for financial transactions. The EBT card must carry the Quest® service mark.

Currently, the States have no plans to adopt the Europay, MasterCard, and Visa (EMV) card technology standard. However, should USDA/FNS require this standard in the future, the Change Request process will be followed.

The Contractor shall utilize the BIN number designation as is currently maintained by each State (5081320 for South Dakota and 5081325 for North Dakota). The Contractor shall issue EBT cards containing a 16 digit PAN that uses each State's current BIN/Issuer Identification Number (IIN). The process by which the Contractor generates the PAN for issued cards shall not duplicate card numbers in use in the existing card base for each State. The Contractor shall

describe the process by which it will generate the PANs for new EBT cards being issued. The BIN/IIN shall comply with ISO 7813.

The BIN/IIN used by the Contractor shall revert back to each respective State at the end of the contract period.

3.6.31.1 North Dakota Card Proof

3.6.31.1.1 North Dakota Card Obverse

The obverse of the card only contains the card number.

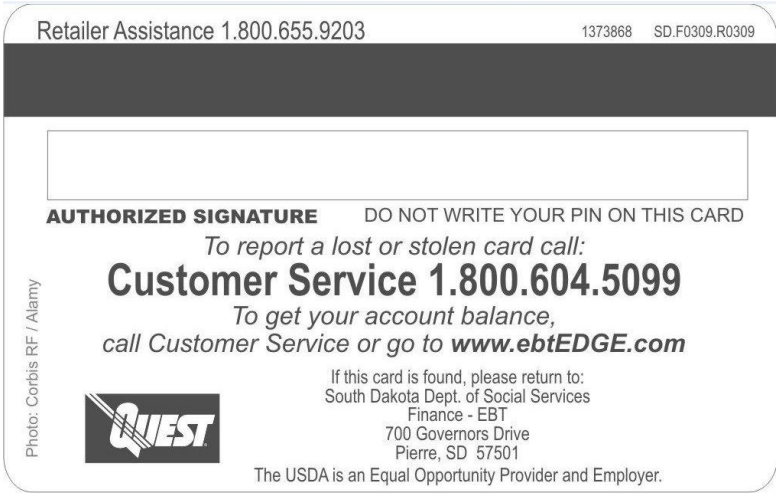
3.6.31.1.2 North Dakota Card Reverse

The card must have the following statements displayed on the reserve of the card:

- If this card is found, please return to: North Dakota Department of Human Services, Supplemental Nutrition Assistance Program, 600 East Boulevard Ave, Bismarck, ND, 58505-0250;

- Quest logo;
- Toll-free numbers for Customer Assistance and Retailer Voice Authorizations;
- FNS abbreviated non-discrimination statement – “This institution is an equal opportunity provider” (note that the card currently states “The USDA is an equal opportunity provider and employer”); and
- Other printed information as specified by the State.

3.6.31.2 South Dakota Card Proof



3.6.31.2.1 South Dakota Card Obverse

The obverse of the card must have the following statement displayed on the front of the card, "It is against the law to sell or trade your SNAP benefits or food purchased with SNAP benefits. Purchases made with this card are monitored and tracked."

3.6.31.2.2 South Dakota Card Reverse

The card must have the following statements displayed on the reserve of the card:

- If this card is found, please return to: South Dakota Department of Social Services, Office of Finance-EBT, 700 Governors Drive, Pierre, SD 57501-2291;
- Quest logo;

- Toll-free numbers for Customer Assistance and Retailer Voice Authorizations;
- FNS abbreviated non-discrimination statement – “This institution is an equal opportunity provider” (note that the card currently states “The USDA is an equal opportunity provider and employer”); and
- Other printed information as specified by the State.

3.6.32 Track 2 Format

Track 2 of the EBT card must be encoded in accordance with ISO 7813. The maximum character count in Track 2 shall not exceed 40 characters, including all control characters. The layout of Track 2 for the current EBT card is as follows:

Field Number	Field Name	Length
1	Start Sentinel	1
2	BIN/ISO 7 digits 5081320 – SD 5081325 – ND	16
3	Field Separator	1
4	Expiration Date	4
5	Service Code	3
6	Card Authorization Value	3
7	Discretionary Data	2
9	Longitudinal Redundancy Check	1

EBT cards currently have a non-expiring expiration date of “4912” encoded on Track 2. A non-expiring expiration date encoded on Track 2 is required for EBT cards issued by the Contractor under a contract entered as a result of this RFP. The Service Code field must be encoded with a value of “120”. The encryption keys used by the Incumbent Contractor must be transferred to the new Contractor. The Contractor shall continue to encode the CAV field on Track 2 with a cryptographic value to validate Track 2 data contents.

3.6.33 Personal Identification Number (PIN)

The PIN is made up of four alphanumeric characters or digits. PIN verification shall be conducted at the EBT host. The PIN offset shall not be encoded on the magnetic stripe of the card. The Contractor shall be required to follow the EBT Quest® Operating Rules and associated industry standards, as applicable, regarding PIN entry, encryption, transmission and key management processes and procedures.

3.6.34 Card Distribution and Inventory Controls

To support the States OTC card issuance, the Contractor shall deliver EBT cards to the state office and/or designated distribution points in blocks of sequentially numbered cards. The Contractor shall track cards and link them to their distribution point via the card numbers. The Contractor shall provide the States with an automated tracking tool or report to enable the state and county offices to manage their card inventory. The Offeror’s response shall describe the approach for secure card distribution to designated state and county locations and with card management and inventory and card issuance control capabilities. Card inventory is to be provided by the Contractor upon receiving a card stock order from the state offices using the following minimum security processes:

- If multiple shipping boxes are sent they must be shipped with a numbering sequence, e.g., “1 of 20”, “2 of 20”, and so on, so that the contents of the shipping boxes can be easily opened in proper order.

- Each shipping box must contain an inventory list, in hard copy, that contains the carton numbers along with the cards in each carton from lowest sequence number to highest sequence number. A complete inventory list must also be available electronically.
- Cards must be packaged in cartons of 250 cards per carton. If the carton has extra space, the carton must contain filler material so the cards remain in sequential order.
- Cards must be packed in cartons in numeric sequence, i.e., from lowest sequence number in lowest carton number to highest sequence number in highest carton number.
- Each carton must be sealed with a security tape to identify unauthorized access.

3.6.35 Mass Reissuance of EBT Card Base

As an optional service, a State may request the Contractor to reissue the current outstanding active card base over a one year period. The Contractor would reissue and mail out all new cards to existing EBT customers with active cards on the Contractor's EBT System. The PIN number for the new card would be the same as the old card. For a period of time after the mass reissue, the old cards would continue to stay active on the EBT System until one of the following actions occurs:

- The customer uses the new card for a transaction, at which time the old card should be locked and its status changed to inactive.
- The customer selects a new PIN for the new card.

At a time to be determined by the States, the Contractor shall provide the States with a report of all new cards that have not been activated. The Report shall include the cardholder name and a cross-reference to the old card. On a date specified by the States, the Contractor shall change the status of all old cards that are still active to inactive and lock the old card from any future use.

3.6.36 Card Issuance/Activation

The Contractor shall be required to provide the necessary data, processes, tools, equipment, and supplies to meet the card and PIN issuance requirements of each State. The Contractor shall also be required to provide the capability to monitor, control, and manage the card and PIN inventory and distribution processes.

The States desire to retain OTC card issuance by use of card swipe and PIN selection devices in specific county offices to meet these activities. The card swipe device (magnetic card swipe terminal) shall enable the state and county office staff to swipe the EBT card, read the PAN and link the PAN to the designated customer record or assist in accessing a customer file. The PIN Select device should require double entry of the PIN. For purposes of responding to this RFP, the number of card readers and PIN Select devices for each State is as follows.

	Card Readers	PIN Select Devices
North Dakota	64	64
South Dakota	62	62

The Contractor shall be required to ship replacement Card Readers or PIN selection devices via overnight express within one business day of receiving the request for a replacement.

For North Dakota only: The State will issue cards utilizing over the counter card issuance to all households.

For South Dakota only: The Contractor's system will mail all replacement cards directly to the cardholder, but will continue to issue all new applicant and re-applicant cards over the counter.

In the current EBT System, initial and replacement card issuance is accomplished by using an online screen through the administrative terminal to accomplish “real-time” card issuance. The Contractor shall continue to provide this functionality.

The customer shall have the following options for PIN selection:

- Select a PIN in the county office using a secure Card PIN selection device; or
- Select a PIN by accessing the single call PIN selection process through the ARU. As an option, the ARU may include a voice recognition feature whereby the customer can say the EBT card number in lieu of entering it on the telephone keypad.

Upon receipt of a PIN from the PIN selection device or the ARU, the Contractor shall link the selected PIN and/or PIN offset with the PAN on the EBT database. A customer’s selected PIN must be encrypted when stored or transmitted.

3.6.37 Card Replacement

The Contractor shall provide cardholders with 24 hour per day, seven days per week capability to report lost, stolen or malfunctioning cards. Cards reported to the Contractor as lost, stolen or damaged must be deactivated immediately. Replacement cards may be mailed by the Contractor (South Dakota only) or issued by a state or county office. The States do not charge a card replacement fee.

South Dakota intends to have all replacement cards produced and mailed by the Contractor. Cards issued by mail shall be sent from a card production facility that is closest to/most advantageous for mail times. However, under special circumstances, replacement cards may also be issued by the county offices or the South Dakota EBT State Office via the Administrative Terminal card issuance screen. Issuance of a replacement card automatically deactivates any previously issued card. Requests to issue cards by mail must be processed promptly. Cards should be placed in card mailers and received at the U.S. Postal Service for mailing on the next business day following receipt of the request. South Dakota will work with the Contractor on the design and content for the mailer. Cards should be mailed inactive. The customer will be required to activate the card by selecting a new PIN.

The Contractor system shall identify and report to South Dakota card replacements in two categories, countable and non-countable as specified in the table below:

Reason Description	Countable	Comment Field	Examples
Previous Card Lost	**Yes**	**No**	Lost Cards
Previous Card Damaged		**No**	Damaged Cards
Previous Card Stolen		**No**	Stolen Cards
Other – Countable		**Yes**	Any reason not already listed as countable that **IS** the fault of the customer, such as: ▪ Allowing a friend/relative to shop with their card and cannot get it back; ▪ Forgot their card at home but due to distance we replace it.

Reason Description	Countable	Comment Field	Examples
New Applicant	**No**	**No**	Customer who applies but is **not previously known to ACCESS**.
Re-Applicant		**No**	Customer who has a prior established case number on ACCESS and is reapplying.
Agency Error		**No**	Cards issued in error between customers (human error).
Optional Security Households		**No**	Repeated card cancellations created out of domestic issues.
Cardholder Deceased		**No**	Head of household passed away and new card is assigned to secondary household member.
Other – Non-countable		**Yes**	Any reason not listed above that **IS NOT** the fault of the customer: Card production issue examples: ▪ Full number not displayed on card; ▪ Mag stripe is scratched right out of card inventory.

Card issuance statistics are shown in the following tables.

South Dakota - Card Issuance Calendar Year 2016

Month	*New	Replaced	Re-applicant	Agency Error	Void	SD Count
Jan 16	624	1538	1147	19	19	3347
Feb 16	536	1518	919	13	16	3002
Mar 16	544	1695	1025	17	21	3302
Apr 16	597	1651	997	11	12	3268
May 16	572	1746	1099	15	14	3446
June 16	660	1891	1233	7	17	3808
July 16	582	1705	1047	10	18	3362
Aug 16	734	1928	1211	14	14	3901
Sept 16	682	1736	1202	13	14	3646
Oct 16	668	1624	1061	18	17	3388
Nov 16	607	1660	1087	14	8	3376
Dec 16	546	1465	1037	9	14	3071

*Cards are issued to customers at the time of application whether they are approved or not.

North Dakota - Card Issuance Calendar Year 2016

Month	*New	Replaced	ND Count
Jan 16	1,202	892	2,094
Feb 16	988	895	1,883
Mar 16	1,062	981	2,043

Apr 16	983	915	1,898
May 16	917	806	1,723
June 16	1,099	1,078	1,290
July 16	1,022	958	1,980
Aug 16	1,209	1,172	2,381
Sept 16	1,129	1,043	2,172
Oct 16	955	964	1,919
Nov 16	938	986	1,924
Dec 16	915	923	3,762

*Cards are issued to customers at the time of application whether they are approved or not.

The following requirement is for North Dakota only. The contractor system shall provide a drop down for North Dakota for card replacement reasons as specified below:

- New Applicant – New applicant and case is not known to TECS.
- Re-Applicant – An established case in TECS and HH is re-applying.
- Agency Error – Card issued in error between cases or any other human error when issuing cards.
- Deceased Customer – Primary individual in HH passed away.
- Lost Card – Card was lost.
- Stolen Card – Card was stolen.
- Damaged Card – Card is damaged and/or magnetic stripe does not work.
- Other – Any other reason a card is issued that is not listed above.

In Pricing Schedule 4, EBT Optional Services indicate the increase to the CPCM if mailed cards are required by the States.

3.6.38 EBT Card Sleeve

This requirement is only for North Dakota. South Dakota currently does not utilize a card sleeve.

As an option, the Contractor shall provide a card sleeve to accompany EBT cards. The card sleeve (envelope) must be produced from a rugged material, such as Tyvek or Mylar, to endure normal wear and tear in the use of the EBT card.

The Contractor shall be responsible for securing, maintaining, and providing card sleeves to designated state or county offices. SNAP card sleeves shall not contain the name of any state or county official.

3.6.39 Settlement and Reconciliation

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

The Contractor shall be required to develop procedures and reports that will enable the States to consolidate each State's reconciliation and settlement verification processes. A comprehensive

daily electronic report that reconciles all benefit transactions back to their original authorization and allows the States to easily ascertain the daily change in their outstanding obligations is required. This report, which is segmented by benefit type, would include: benefit authorizations, benefits pending, net benefit redemptions, benefits in suspense, repayments, expungements, expirations, adjustments, non-federal or non-state liabilities (i.e., Contractor liabilities), non-settling transactions, any other transactions that affect settlement, and the resulting settlement amounts. The Offeror's response must indicate processes and methods for meeting the EBT reconciliation and settlement functions specified in this RFP. The response must also indicate how the Contractor will support keeping the States' reconciliation and settlement verification processes streamlined and straightforward.

3.6.39.1 Settlement

The Contractor shall be responsible for initiating next business day settlement of funds to EBT acquirers including retailers, TPPs, and financial institutions, either directly or through financial networks, financial institutions, or other payment intermediaries. The Contractor shall own and reconcile a clearing account used for daily settlement.

The Contractor shall make Account Management Agent (AMA) updates through a daily batch file transmitted to the Richmond FRB, which serves as the AMA on behalf of FNS. Richmond FRB has developed the AMA automated application on behalf of FNS to establish Letter of Credit controls for State EBT accounts and to monitor funding limits for each State EBT account. The AMA interfaces with the Treasury Department's ASAP, which establishes and monitors ASAP account funding limits for the States for SNAP EBT activity, and performs reconciliations required by FNS. Although corrections and emergency updates can be made by the Contractor through a manual process on an administrative terminal application provided by the Richmond FRB, these manual entries must be approved by the States before AMA is updated.

The draw of federal funds to settle SNAP benefit transactions is completed directly via U.S. Treasury's ASAP system by either the Contractor or the States. If funds are being requested from ASAP through the ACH for next business day payment, the request will be made on the same business day in which the customer performed the transaction. If funds are received from ASAP through fed wire for same day payment, then the funds requested and drawn down will occur on the next business day following the transaction. Federal SNAP funds should be deposited into a zero balance clearing account maintained by the Contractor for the settlement of EBT transactions. The Contractor shall be required to work with each State to develop appropriate procedures and time frames for the next business day settlement of federal SNAP transactions.

3.6.39.2 Rejected Retailer ACH Settlement

ACH deposits rejected due to inaccurate account information or closed accounts shall be researched by the Contractor and, when possible, corrected and re-sent to the retailer, vendor, or TPP account. The Contractor must return to the State any funds that could not be settled to the retailer, vendor, or TPP within 90 calendar days of the initial ACH deposit. If the responsibility for EBT-only acquiring is subcontracted, the subcontractor must also return any rejected settlement funds to the States within 90 calendar days.

At a minimum, the Contractor shall provide the following information for each unsettled payment returned to the States: ACH amount, settlement date(s), retailer/vendor/TPP name, FNS retailer number(s), and bank account number (including the ABA bank number). Additional data elements may be required when FNS issues written procedures to address unsettled funds.

3.6.39.3 Contractor Liabilities

The Contractor shall have financial liability for 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. The Contractor shall be responsible for the following:

- **Contractor Errors in the Disbursement or Authorization of Funds.** The Contractor shall be liable for Contractor errors in the authorization or disbursement into a customer account of funds related to state-administered programs as described in OMB Circular A-87, 2 CFR 200, 45 CFR 74 and 7 CFR 276. Each State is responsible for losses resulting from its providing erroneous information to the Contractor.

- **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. Federal and state funds may not be drawn down or required for over-issuances or transactions in excess of the authorized recipients' benefit allotment. The Contractor shall be responsible for the following:
  - Any duplicate or erroneous postings to a customer account.
  - Any losses from funds drawn from an account after the customer notified the Contractor that the card had been lost or stolen.
  - Any losses from transactions performed with cards issued but not activated by the customer and/or the Contractor.
  - Any damages or losses suffered by a federal or state agency due to negligence on the part of the Contractor.
  - Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or subcontractors.

3.6.39.4 Reconciliation

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

Opening balance + credits - debits = End of day balance

The Contractor shall also balance the EBT system as a whole to insure that the change in the net position in the sum of customer 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.

The Contractor shall meet SNAP reconciliation requirements of 7CFR §274.12(j) and FNS EBT Reconciliation and Settlement Guidance. The Contractor shall also use the SNAP reconciliation requirements to perform reconciliation for all EBT programs. The Contractor shall provide detailed instructions and training to each state to perform a daily reconciliation of the EBT System. At a minimum, respondents shall propose procedures for reconciling:

- Customer account daily beginning balance and net draws versus the ending balance;
- Customer net redemptions versus acquirer settlement values;
- Total funds entering, exiting, and remaining in the system each day;

- Total net change in system wide obligations outstanding to the sum of the net change in obligations outstanding for all benefit programs;
- Total net change in system wide obligations outstanding to the sum of the net change in obligations outstanding for all state and federal government funding agencies;
- The net settlement value of all transactions to the sum of the net settlement values for all benefit programs;
- The net settlement value of cardholder account adjustments to the sum of the net settlement value of adjustments settled to retailer and ATM acquirers;
- The net settlement value of all transactions to the sum of the net settlement values for all county offices; and
- Net redemptions of each program versus the daily suspense transactions that overlap daily ACH cut-off times plus the current daily activity.

As part of system balancing and reconciliation, the 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. The information generated during system cutoff and balance processing shall be used by the Contractor to prepare the daily settlement files. The Contractor shall specify procedures for maintaining audit trails throughout the reconciliation and settlement processes.

Prior to making any change in reconciliation reports, processes, or data displays, the Contractor shall provide 90 calendar day advance notice to the States.

The Contractor shall provide initial reconciliation training onsite to designated state staff during contract implementation. Initial training shall be provided during UAT with test data. This training should include every type of transaction that can occur in production. Thereafter, the Contractor shall provide refresher training as requested by the States. The training shall be updated as needed during the course of the contract to reflect changes to the reconciliation reports, processes, or data displays.

3.6.40 Online SNAP Purchasing

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

- Program the EBT system to recognize, accept and permanently store codes and data elements related to online transactions (as specified in X9.58-2013) including delivery street address and ZIP code.
- Accept online SNAP transactions only through FNS-approved secure online PIN-entry service providers; reject all online transaction requests coming from any other TPPs.
- Enable new transaction method code/description to identify that the transaction was performed through an online website, rather than by swiping the card or key-entry of the card number.
- Display the new method code or description on all screens that would normally indicate the transaction was swiped or keyed.
- Include the new method code in all reports and State data files that normally indicate the transaction was swiped or keyed.
- Enable a process that allows online retailers to submit SNAP refund that do not contain a PIN value.

- Examine each incoming transaction to determine if it is coded as an online transaction and take appropriate actions as follows:
    - Compare all SNAP online transactions to the REDE file to validate that the retailer's FNS number is classified as an Internet Retailer (IR) store type; if not then deny the transaction;
    - Validate that retailers classified as IR only perform authorized online transactions (no voucher, store and forward or in-store/wireless POS transactions); and
    - Deny refund transactions without a PIN from retailers not classified as IR.
- For online refund transactions from retailers classified as IR[1]:
    - Validate card and FNS numbers against the original purchase transaction; and
    - Ignore State-designated refund limits.
- Include all required data elements for online transactions in the ALERT file transmitted to FNS, utilizing version 2.00 of the ALERT specification.
- Provide the standard online transaction summary totals report that was required to be developed for the pilot.
- Provide the standard online transaction detail file that was required to be developed for the pilot.
- Display delivery street address and ZIP code on transaction detail screens

[1] For these retailers, the cardholder is not usually present (online) to enter a PIN or current card number at the time of a refund transaction. Instead, the online retailer identifies the specific purchase transaction that will receive a full or partial refund. The FNS-approved secure PIN-entry service provider matches the refund request back to the purchase transaction and ensures that the refunded value does not exceed the original amount. If there are multiple refunds for the same purchase, the service provider ensures that the total value of all refunds does not exceed the original purchase amount. They deny any excessive refunds. The service provider submits the card number and FNS number from the original purchase transaction in the authorization request to the EBT processor. There may be instances where one or both of these values are no longer valid.

3.7 EBT Customer Service

The Contractor shall support a Customer Service Help Desk and IVR System for retailers and EBT customers. In addition, the Contractor shall provide Customer Service Support for state and county staff that have questions on the Contractor's EBT System. The Contractor shall supply CSRs for English and Spanish-speaking customers through its EBT Customer Support Center. The Customer Support Center must be located within the contiguous United States. The Contractor shall make every reasonable effort to acquire and use both existing Retail and Customer Service Help Desk Numbers to provide continuous, non-interrupted service to the States' retailers and customers.

The Contractor shall provide IVR Customer Service 24 hours a day, seven days per week, to provide current EBT account and benefit access information. The Contractor shall also provide access to CSRs 24 hours a day, seven days per week to provide live customer service as needed to customers. The Contractor shall ensure that callers are adequately assisted. The Contractor's Customer Service administrative terminal application shall track and log all actions taken by a CSR, including both inquiries and updates (e.g., status a card).

The Contractor shall provide a Customer Service Help Desk and a Retailer Help Desk that meet or exceed the following service requirements (standards):

- The number of rings to access the IVR and the average time on hold must be consistent with call center industry standards. In its proposal, the Contractor shall propose standards for customer access to customer services, including, but not limited to, number of rings and average time on hold; however, the Contractor is obligated to meet the minimum standards defined in Section 2.2, Customer and Retailer Help Desk Performance.
- TTY (Telecommunications Device for the Deaf) capability must be supported by the Contractor through its existing telephone carrier for customers with hearing disabilities.
- Customer Service Help Desk access and support must be provided to customers who are using rotary phones.

The Contractor shall provide English and Spanish speaking CSRs to resolve cardholder issues that cannot be resolved by the IVR, including requests for adjustments. The Contractor shall provide sufficient CSR capacity to meet the contractual service standards for cardholder calls referred to a CSR. CSRs providing the full range of cardholder customer service functions shall be available 24 hours per day, seven days a week. While the States allow CSRs to view account demographic data to verify identity of the caller, all updates to account demographic information shall be initiated by the States and CSRs shall not accept or modify customer demographic information. The Contractor shall allow calls to the CSC from payphones unless otherwise designated by the States.

As an option, the States may request interpretive services for languages in addition to English and Spanish. The Contractor is encouraged to provide alternative approaches to the CSR that will provide a cost savings to the States. The Offeror shall also describe their ability to allow state staff to listen to live calls to the CSR upon the States' request.

For reporting purposes, the Contractor shall provide IVR and Customer Service activity data. Refer to RFP Section 3.4.2.

The Contractor also shall provide help desk support on administrative terminal system functionality for state and county office staff.

3.7.1 IVR Functional Requirements

The IVR shall support the following functions:

- Lost/Damaged/Stolen Card
  Callers selecting this option will be transferred to the Contractor CSR for assistance in canceling the card. For North Dakota, callers will be referred to the county office to obtain a replacement card.

- Non-Receipt of a Mailed Card (only for South Dakota)
  Callers selecting this option will be transferred to the Contractor CSR for assistance in canceling the card.

- PIN Establishment/Change
  Callers selecting this option will be able to select their initial PIN or change or update their existing PIN.

- Current Balance Inquiry
  Current Balance will provide “real-time” account balance information.

- Transaction History
  Transaction History will provide the last ten financial transactions (credits and debits) by transaction type, amount, and date.

- Benefit Access/Service Points
  Callers will be given information about POS site locations where benefits may be accessed. Contractors may refer callers to the FNS website for the "SNAP Retailer Locator.

- Report Unauthorized Card Use
  Callers selecting this option will be transferred to the Contractor CSR for assistance in reporting unauthorized card use.

- Benefit Availability Date
  Callers selecting this option will be given the date benefits will become available based on the issuance schedule supplied by the States.

- Support for Customer Service Website:
  Support shall be provided for customers having trouble accessing or using the Customer Service Website.

- Transaction History Statement:
  The Contractor shall provide a transaction history statement upon request limited to the two prior months.

- Other Optional Services:
  The Contractor may offer other services to cardholders. If offered, these services will be made available to cardholders at the option of the States.

- Customer Service Representative
  This option will immediately transfer callers to the Contractor CSR for assistance.

The States shall review and approve the transaction flow and content of all IVR messages, prompts, and customer service scripts. The EBT Contractor shall provide documentation and scripts to the States a minimum of 30 calendar days prior to their implementation. The EBT Contractor shall not change IVR messages, scripts or menu functions without prior written approval of the States.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the IVR which would represent an effective and economical application of this technology. The

Offeror shall describe the IVR's access control to assure the security of cardholder account information. The Offeror shall also describe the process within the IVR by which a cardholder is able to reach a CSR.

The Contractor should offer the capability of a voice recognition feature in the IVR whereby a customer can say the EBT card number in lieu of entering it on the telephone keypad. The Contractor is encouraged to recommend for consideration any other transactions or uses of the IVR which would represent an effective and economical application of this technology.

The States would like to implement stronger security measures to secure customer accounts and information. Frequently by allowing the use of the customer's last four-digits of their social security number and date of birth, other family or household members are able to deactivate cards fraudulently. The Contractor shall describe their recommendations for access control to assure the security of customers' account information.

The Contractor shall provide reports from the IVR for use in program integrity initiatives. The Offeror shall describe their current report offerings for the IVR.

3.7.2 Cardholder Website

The Contractor shall provide a customer service website for cardholders. The customer website shall require a user ID and password to be set up for the customer that is different than the EBT card number and their PIN. At a minimum, the functionality of the cardholder website shall be the same as the functionality for the cardholder CSC, and include printable PDF versions of customer/participant training material. The States shall review and approve the website before the Contractor allows public access. The EBT website shall contain links to the States' specified website, and USDA FNS SNAP. The EBT website shall also include a "chat" or email function.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the EBT website which would represent an effective and economical application of this technology. The Offeror's response shall fully describe the functions that will be available through the cardholder website.

3.7.3 Cardholder Mobile App

The States are interested in having a mobile application available for the cardholder for both Android and Apple phones. Offerors shall describe their offerings for a cardholder mobile application, including how customer security and privacy is maintained.

3.7.4 Retailer Help Desk

The Contractor shall provide a Retailer Help Desk, the purpose of which is to provide retailer EBT support and program information via a single toll-free number, 24 hours a day, seven days per week.

The Contractor shall ensure through technical design, resource allocation, and staffing that each retailer call is answered in accordance with Section 2.2, Contract Performance Standards.

For reporting purposes, the Contractor shall provide IVR and Retailer Customer Service Center activity data (Refer to RFP Section 3.4.2). Additionally, TTY capability must be supported for retailers with hearing disabilities.

The Contractor shall provide a Retailer Help Desk that is:

- Toll-free and without charge to the retailers;
- Accessible to all authorized retailers;
- Not limited for the number of calls a retailer makes;
- Used exclusively for retailer support; and

- Operated and staffed in an industry standard manner.

The Contractor is encouraged to recommend for consideration any other transactions or uses of the Retailer Help Desk which would represent an effective and economical application of this technology. The Contractor shall also describe the access control to assure security of both retailer and customer account information. At a minimum, the Contractor shall support the following functions at the Retailer Help Desk:

- Voice Authorizations - The Contractor shall equip and program the IVR to provide voice authorization for SNAP transactions. CSRs shall also support voice authorizations.
- EBT-Only Retailer Support - The Contractor shall provide the following services for exempt retailers:
  - Support and problem resolution on EBT-only POS equipment;
  - Process requests for POS receipt tapes and supplies;
  - Provide retailer EBT signage and posters;
  - Settlement information and reconciliation procedures;
  - Support on system adjustments and resolution of out-of-balance conditions; and
  - General information regarding EBT policies and procedures.
- Farmer's Market Retail Support - The Contractor shall provide customer support to farmer's market retailers using Contractor supplied wireless POS terminals or other technology.

3.7.5 Retailer Website

The Contractor shall provide a customer service website for retailers. At a minimum, the functionality of the retailer website shall be the same as the functionality for the retailer CSC. In addition, for exempt retailers, the website shall provide a transaction history. Customer EBT card numbers shall be truncated in the transaction history. The States shall review and approve the website before the Contractor allows retailer access.

The Offeror is encouraged to recommend for consideration any other transactions and/or uses of the EBT website which would represent an effective and economical application of this technology. The Offeror's response shall describe fully the functions that will be available through the retailer website.

3.7.6 State and County Office Assistance

The Contractor shall provide state and county staff with assistance via a toll-free number or through email. Email assistance requests shall receive an initial response within one hour of receipt during normal business hours, or the next business day if received after normal business hours. The response should include the Contractor's reference number for the issue. If the Contractor provides access through its customer number, state and county office personnel shall be provided with a password so that the customer IVR can be bypassed and staff will be provided with immediate and appropriate assistance from a live CSR. The Contractor shall provide password reset assistance to county staff if the state EBT Program Administrator requests their assistance in a back-up capacity. Technical assistance for state and county staff shall be available 8 a.m. through 6 p.m. CT, Monday through Friday, excluding state and federal holidays. For the States having offices located in two different time zones, the technical assistance shall be available for all state and county office staff from 8 a.m. 6 p.m. CT. The Contractor shall not place limits on the number of state and county staff members who have access to the CSC.

3.8 Administrative Functionality

The Contractor shall provide administrative terminal or host-to-host access to state personnel and federal agencies as designated by the States and arrange for such access when the States' EBT System is implemented. The administrative terminal functionality must be capable of running on the States' existing hardware. FNS also requires SNAP administrative software access and support as

necessary for county and regional offices and other designated federal agencies. The Offeror must detail its approach to support the requirement to supply the States and FNS offices with administrative terminal functionality.

The Contractor shall provide EBT administrative terminal or host-to-host software and communication protocols to the state and county offices. Administrative access shall include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access customer/provider account information through EBT administrative terminals.

To support administrative access, the Contractor shall provide a browser based administrative application utilizing Transmission Control Protocol/Internet Protocol (TCP/IP) as the communications protocol. This interface shall provide authorized users with a window/Graphic User Interface (GUI) environment that includes pull down screens and point and click capabilities. The Offeror's response must clearly explain the approach to provide the specified administrative access functionality, including the window/GUI user interface, access controls, and must specify the hardware and software that is necessary to support the administrative function.

Administrative transactions are subject to the requirements for two second host response (Refer to RFP Section 2.2, Contract Performance Standards).

3.8.1 User Security Profiles

The Contractor shall provide security for administrative access whereby user profiles are established based upon the specific administrative functions the user requires to perform his/her respective job (role based security). Each administrative user, as he/she is granted access, shall be assigned a specific user profile based upon the requirements for his/her job. The States will define the user profiles with the assistance of the Contractor. The number of required state user profiles shall be parameter driven and will be specified by each State. Each State's designated security personnel shall have the capability to set up newly authorized state employees, change user passwords, manage user profiles, and modify the card set-up for the card issuance system. Refer to each State Specific Addendum for additional details.

The Contractor's security function for the administrative terminal system should contain the ability for users to reset their password if it is forgotten. The function should work as follows:

- A 'Forgot Your Password?" link should be included on the administrative terminal log-In page.
- User selecting the link should enter a valid User ID.
- The user's identity should be verified through presentation of a challenge question.
- A confirmation message should be displayed with further instructions if the user correctly answers the challenge question.
- The system should transmit an email message to the authorized user providing a temporary password along with instructions of how to use the temporary password and select a permanent password.

3.8.2 State Administrative Functions

Offerors shall describe their 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:

- **EBT Account Set-up:** In addition to batch processes, the Contractor shall also provide the States with the capability to create SNAP EBT accounts through administrative functionality. The States generally process account set-up transactions through batch processes.

- **EBT Account Maintenance:** Appropriate state staff shall have the capability to update or correct EBT account information. Appropriate state staff shall also have the capability to suspend or deactivate an account and re-activate an account.
- **Benefit Authorization:** Appropriate state staff shall add benefit authorizations through the administrative terminal. These accounts will be used primarily for emergency benefits or fraud investigations.
- **Benefit Cancellation (Removal of Pending Benefits):** Appropriate State staff shall have the capability to cancel benefits prior to the availability date.
- **Card Status Change:** Appropriate state staff shall have the capability to suspend, deactivate, issue or replace customer cards.
- **Search:** Appropriate state staff shall have the capability to search by name, State ID or case number, PAN, SSN, EBT account number, or FNS number to access account, benefit, and retailer information or the online transaction history.
- **Claims Repayment Functionality:** Appropriate state staff shall have the capability to expunge benefits from cardholder accounts as repayment for over payment claims against the account.
- **Benefit Transfer:** Appropriate state staff shall have the capability to transfer benefits between customer and provider accounts. This shall be a non-settling transaction.
- **Retrieval of Transaction History Data:** The Contractor shall be required to provide administrative access to online transaction history via administrative terminal functionality. At a minimum, the Contractor shall provide real-time, online access to five years of transaction history.
- **Card or Pending Card Search:** The Contractor shall provide authorized state users with the capability to use administrative functionality to search for the card number, PAN, or cardholder demographics to identify pending or active cards, and demographics.
- **Pending Card Purge:** The EBT system shall automatically purge pending cards based on parameters set by the States.
- **Pin Unlock:** Approved state users shall have the ability to reset EBT cards that have been locked due to excessive PIN tries prior to the lock being released automatically at midnight local time.

3.8.3 FNS Administrative Functionality

For SNAP EBT, at a minimum, USDA staff will require administrative access via a secure browser based application for designated FNS field and regional offices, the FNS compliance office, and the OIG investigative office. The Offeror must detail its planned approach for supporting these requirements.

The EBT System shall enable FNS to set up FNS user accounts with the capability to add, delete, deactivate and reactivate IDs, and to assign and reset passwords. Rights to updated federal IDs must be partitioned so that FNS security administrators cannot access or affect State IDs. FNS must be provided with at least two user profiles, one for security administration and one with inquiry only access to all screens. This may be accomplished by adding state access to an existing centralized FNS security process for inquiry-only access.

3.9 Retailer Management

Retailers authorized by FNS to accept SNAP benefits are required to comply with program rules. This may include traditional and non-traditional merchants. Once FNS authorizes a retailer to conduct SNAP transactions, the retailer information is entered in to the FNS retailer database. The number of FNS-authorized retailers may fluctuate on a day to day basis. This table provides the number of authorized retailers by category within each State. These numbers are for informational

purposes only and are not to be considered the current or projected number of FNS-authorized retailers for each State.

Number of FNS Authorized Retailers as of February 2017		
Retailer Type	**North Dakota**	**South Dakota**
Alcohol/Drug Facilities	4	3
Bakery	13	19
Communal Dining	20	11
Combination Grocery	58	123
Convenience Stores	67	322
Delivery Routes	14	8
Direct Marketing Farmers	2	6
Farmers Market	7	18
Fruits/Vegetables	1	1
Group Living	3	17
Homeless Meal Providers	2	0
Large Grocery	25	30
Meal Delivery	6	4
Meat/Poultry	22	25
Medium Grocery	50	51
Military Commissary	2	1
Small Grocery	33	50
Super Market	23	22
Super Store	67	25
TOTAL	419	736

The Contractor shall comply with federal regulations in 7 CFR § 274.3 concerning retailer management and support.

The Contractor shall be responsible for managing retailer participation in each State's EBT program. The Contractor's primary roles and responsibilities include:

- Providing every FNS-authorized retailer with the opportunity to participate in the applicable EBT system.
- Ensuring that the States' SNAP EBT systems are interoperable with other EBT systems as defined in 7 CFR § 274.8.

- Assuring that a retailers and vendors being provided with state equipment are implemented and trained in the timeframe defined in Section 2.2 – Contract Performance Standards.
- Signing either an EBT-only retailer agreement or a TPP agreement for commercial retailers for all participating retailers and vendors. The Contractor shall enter into an agreement with the retailer in accordance with 7 CFR § 274.3. The States and FNS must approve the agreements prior to being sent to retailers and TPPs.
- Certifying and de-certifying TPPs.
- Assuring that the participating retailers and vendors understand their responsibilities with regard to policy, operating rules, and operations of the applicable EBT System.
- Maximizing the use of existing commercial POS terminals.
- Installing, maintaining, and otherwise supporting Contractor provided EBT-only POS equipment as necessary in accordance with FNS policy for retailer participation as defined in 7 CFR § 274.3 and the Agricultural Act of 2014.
- Providing help desk services to SNAP retailers for resolving issues/problems on Contractor supplied EBT-only POS equipment and helping to resolve settlement and dispute questions and issues.

3.9.1 SNAP Retailer Participation

The Contractor must take the necessary steps to provide access to the EBT System for those retailers who choose to acquire their own terminals. The Contractor shall supply POS devices to all USDA-FNS authorized retailers who do not choose to purchase their own equipment and are qualified under the Agricultural Act of 2014 to receive government supplied equipment.

3.9.2 SNAP Retailer Reporting

The Contractor shall ensure that specific information, such as retailer/benefit provider contracts and retailer locations, is available upon a State's request to provide verification of adequate access. During conversion, the Contractor shall provide weekly reports, as part of the weekly status report, to the States detailing the number of authorized SNAP retailers, and the percent of retailers with signed agreements in relationship to the total number of authorized SNAP retailers. Following conversion, these reports must be provided on a monthly basis.

3.9.3 SNAP Retailer Data Reporting

The Contractor shall meet the functional requirements listed below for reporting retailer transaction and redemption data to FNS and accepting data from FNS for authorized retailers. The Contractor shall follow all FNS regulations regarding retailer authorization and reporting.

For SNAP, FNS' ALERT Subsystem utilizes data provided by the States' contracted EBT processors. The ALERT file shall be submitted daily to FNS. The file shall contain all of the retailer SNAP transactions for the day. The record layouts are shown (with validation criteria) in Addendum H, Federal File Specifications. The Contractor shall be able to accommodate standard ALERT Subsystem file formats and supply ALERT files per the FNS schedule.

The Contractor shall be able to accommodate standard FNS Retailer EBT Data Exchange (REDE) file formats and apply REDE files per the FNS schedule. REDE processing includes standard (regularly scheduled) nightly and monthly operations and ad hoc operations. Both types of REDE operations are performed at FNS' specified secured location. The standard nightly operations are performed nightly, Monday through Friday, and create the state and national retailer data update files. The standard monthly operations are performed monthly (on the first Saturday of the calendar month) and create the full state and national retailer data files. These files must be retrieved and processed within 48 hours of communication. The state retailer data update files are used to update the REDE database. Ad hoc operations are performed as

requested when a State agency and/or EBT processor requests a start-up copy of a state or national retailer update file.

The Contractor is responsible for ensuring that only authorized SNAP retailers redeem SNAP benefits. The Contractor shall transmit information on retailer SNAP redemptions to the FNS Benefit Redemption System Branch (BRSB) in the STARS file format. The Contractor shall comply with all instructions, formats, and designated frequency for file transmissions required by FNS for the above files. The Contractor shall cooperate with state or federal personnel conducting investigations or audits and provide requested information within a mutually agreed upon time not to exceed 30 calendar days.

3.9.4 Retailer and Third Party Acquirer Agreements

The Contractor shall enter into agreements to deploy and drive EBT-only POS terminals pursuant to this RFP and to act as a TPP to all retailers who accept the Contractor-deployed POS terminal services.

For those retailers who use or modify their existing equipment and either acquire the services of a TPP or serve as their own TPP, the agreement shall be to provide access to the EBT System by the TPP and/or those retailers/vendors that self-process, or any other acquirer. TPPs are responsible for training their EBT retailers/vendors and for providing required EBT signage.

TPP and retailer/vendor agreements will be between the Contractor and the retailer/vendor or TPP directly; the States will not be a party to retailer/vendor or TPP agreements. The agreements shall describe the terms and conditions regarding the arrangements for use of the POS equipment and the applicable operating procedures and rules. At a minimum, the agreements must include language that requires:

- Compliance with SNAP regulations as applicable;
- Compliance with QUEST® Operating Rules (SNAP);
- Compliance with ANSI X9.58-2013;
- The Contractor will not charge for authorization and settlement processing for EBT transactions;
- Only FNS-authorized retailers may perform SNAP transactions (SNAP only);
- TPPs must provide a list of retailers under contract to them that accept the EBT card within the States and that the list must be updated on a periodic basis and provided to each State; and
- TPPs to load and update SNAP BIN numbers for the States.

Retailer and TPP agreement language shall be reviewed and approved by the States and FNS.

The Contractor shall maintain EBT transaction detail data pertaining to each direct connect or EBT-only retailer/vendor, and shall maintain up-to-date information about the retailer/vendor bank accounts and store cutover times for retailers using EBT-only equipment for payment purposes.

3.9.5 EBT-only Retailer Support

SNAP exempt retailers are those retailers authorized by FNS to process SNAP benefit transactions and who are authorized by the Agricultural Act of 2014 to receive an EBT-only terminal. Section 4002 of the Agricultural Act of 2014 requires retailers to pay for EBT equipment, supplies, implementation, and related services (“EBT equipment and services”) to participate in SNAP. Except as noted below, newly-authorized retailers must make their own arrangements for lease or purchase of EBT equipment and services in order to participate in SNAP.

Retailers who are in one of the exempt groups defined in the March 21, 2014, FNS Implementing Memorandum for the Agricultural Act of 2014, continue to be eligible for no-cost equipment until

such time as final regulations addressing retailer equipment cost changes are promulgated. Exempt groups include eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, drug/alcohol treatment centers, and prepared meal services. The Contractor shall use criteria contained in the daily State REDE file to identify which specific retailers are exempt.

The Contractor must ensure that the EBT-only equipment and supplies deployed by the Contractor are maintained in good working order. The States' minimum standard for responding to a retailer's report of a malfunctioning or inoperative POS device will be that the device is either repaired or replaced within 48 hours from the time of receipt of the problem report. This standard allows for overnight delivery of a replacement POS device and peripheral equipment. The Contractor is responsible for providing POS supplies to retailers with EBT-only POS terminals. The number of exempt SNAP EBT-only POS terminals as of March 2017, is provided in this table. These numbers are for informational purposes only and are not to be considered the current or projected number of FNS-authorized retailers for each State.

State	EBT-Only Devices
North Dakota Exempt	21
North Dakota Wireless	5
South Dakota Exempt	30
South Dakota Wireless	4

The Contractor deployed POS terminals, including wireless terminals for farmer's markets, shall meet the operational requirements of the applicable EBT System and support the full EBT transaction set. All SNAP POS terminals must comply with the QUEST® Operating Rules. POS Terminals deployed by the Contractor shall meet industry standards and specified performance standards (refer to Section 2.2) and performance and technical standards specified in 7 CFR § 274.8 in the areas of system processing speeds, system availability and reliability, system security, system ease-of-use, minimum card and terminal requirements, and the minimum transaction set.

All terminals the Contractor deploys must provide an audible tone when transactions are declined and display visual verification of:

- The transaction message before positive action is taken by the cardholder to release the message for authorization and settlement.
- The error message rejecting the transaction, such as, but not limited to:
  - Insufficient funds;
  - Incorrect PIN; and
  - Inactive card.

At the retailer/vendor request, the POS terminal configuration shall include a separate PIN pad. EBT-only POS terminals shall meet or exceed the current levels of service and POS technology now deployed in the States for exempt retailers. The Contractor shall ensure that POS terminals deployed to exempt retailers/vendors are adaptable or upgradeable for future needs.

The Contractor shall provide the following services for all Contractor-deployed POS and wireless POS for exempt retailers and farmer's markets:

- Training on EBT-only POS terminals and their use;
- Routine maintenance;

- Ship a replacement terminal via overnight express within one business day of receiving a service request for defective equipment;
- Supplies or supply reimbursement (applies to SNAP); and
- Retailer training materials for all deployed terminals.

The Contractor shall make available a toll free telephone number to report terminal malfunctions and to receive training on equipment and utilization. The Contractor shall use reasonable efforts to replace problem terminals by delivery through express mail. If a replacement terminal is shipped to the retailer, the retailer must have the option to call the Contractor through Retailer Customer Service to obtain assistance with the replacement terminal set-up process.

The Contractor shall have controls in place to ensure that POS SNAP transactions from the Contractor-provided EBT-only POS terminals occur only at entities that have valid agreements with the Contractor.

For all SNAP transactions, the Contractor must validate that the transactions originated at an FNS authorized retailer location. The Contractor must maintain a database of authorized and valid FNS retailer numbers for all FNS authorized retailers in accordance with the retailer validation requirements specified in 7 CFR 274.8. The Contractor must access the FNS REDE system daily to obtain updates of the national REDE files used to validate authorized FNS retailer numbers, and have a process in place to ensure that all records are properly posted. The Contractor must verify the retailer identification number is for an FNS-authorized retailer prior to completing the transaction and assumes liability if transactions are completed against invalid FNS retailer numbers.

3.9.6 Retailer Test Cards

If requested and approved by the States, the Contractor shall issue EBT test cards and make test accounts available to new retailers/vendors for the purpose of testing their EBT POS system prior to going live. The States shall authorize that the cards be loaded with limited monetary or food benefit value, not to exceed $1.00 or one food item. Retailers/vendors shall be instructed to conduct an offsetting void last transaction to ensure that there is no monetary impact on settlement balances. SNAP retailer test cards and accounts shall not be subject to aging.

3.9.7 Retailer Lease Equipment

The Contractor shall allow retailers/vendors receiving state-supplied EBT-only POS equipment to lease additional POS equipment for their use. Any agreement covering a terminal lease arrangement shall be between the Contractor and the retailer/vendor; the States will not be party to any such agreements.

3.9.8 Third Party Processors

For SNAP EBT, the Contractor shall meet the requirements specified in 7 CFR § 274.3 for the support of retailers that deploy their own terminals. Within 10 business days of the start of the contract, the Contractor shall make available to requesting retailers/vendors the interface specifications that would enable these retailers and third party terminal drivers to interface directly with the Contractor's system to perform SNAP EBT transactions. Newly authorized retailers/vendors who choose to employ a TPP to drive their terminal or elect to drive their own terminals shall have access to the EBT System after the receipt of the FNS authorization notice and upon completion of any required testing or certifications. The Contractor shall not unduly withhold certification for retailers, vendors, and third parties that enter into direct connect arrangements with the Contractor.

The Contractor shall be responsible for certifying and decertifying TPPs, including developing and implementing certification requirements and procedures. The States may review the Contractor's

certification requirements and procedures at any time, and may require the Contractor to modify such requirements and procedures whenever the States deem it necessary. If a TPP engages in clear violation of federal or state programs rules, the Contractor shall be required to obtain concurrence with the State or States in which the TPP operates prior to decertifying or taking adverse action against the TPP. For SNAP, the Contractor must comply with certification timelines specified in 7 CFR § 274.3.

Retailers/vendors using TPPs shall report transactions using unique terminal IDs for each terminal installed in the store under one FNS number. The Contractor shall inform retailers and TPPs of the FNS requirement that each terminal is listed under its own unique ID number and SNAP transactions completed on that terminal are reported under that ID number. The Contractor shall be required to run validation edits on retailer addresses and ensure that addresses conform to U.S. Post Office address standards.

3.9.9 1099 Statements

The Contractor shall provide the capability to track and process 1099 Statements for providers paid through the EBT services contract. To support the Internal Revenue Service Information reporting requirements, the Contractor must ensure they are in compliance with the Department of Treasury – Internal Revenue Service reporting outlined in 26 CFR Parts 1, 31, and 301. The final regulation implemented section 6050W and related statutory changes enacted by the Housing Assistance Tax Act of 2008 that require payment settlement organizations to report payments settled for credit, debit, and EBT cards each calendar year. The Contractor must create and distribute IRS-1099 forms to exempt retailers and TPPs that perform more than 200 transactions totaling $20,000 or more during any calendar year. This requirement must be performed at no additional cost to the States.

The Contractor shall determine the appropriate tax rate (state and/or city) by the retailer address by using the following resource for each respective State:

- For South Dakota use the SD Department of Revenue's "Tax Rate Finder", located at http://dor.sd.gov/Taxes/Business_Taxes/.
- For North Dakota use the following URL - http://www.nd.gov/tax/user/businesses/formspublications/sales-use-tax.

3.10 EBT System Reporting

The Contractor shall accommodate the informational needs of the States and USDA-FNS in its Report Catalog. The States are interested in a cost effective combination of electronic data files, standard reports, electronic data files, data warehouse, and ad hoc reporting capabilities to meet their needs. The reporting system shall produce information at the state, benefit program, county office, county summary and/or geo-admin levels. Settlement and reconciliation reports shall be consolidated at the state level by program.

The Contractor shall provide to each State a daily and monthly account activity file (transaction history) of all transactions impacting benefit authorizations and account statuses for reconciliation, audit, and investigative purposes (current file formats are included in Appendix C and D for North Dakota and South Dakota respectively). The States shall have approval rights over all data files being provided by the Contractor.

To support the information and reporting requirements of the States, Offerors shall be required to provide a copy of their complete report catalog along with a brief description and sample of each report that identifies their Reporting and Data Access Capability along with all reports required to meet federal regulations. The report catalog should include various types of reports, such as transmission reports or files, program reports, system performance reports, statistical reports,

management reports, retailer reports, website reports, financial reports, card issuance reports, and security reports. Along with the method of receipt the Contractor shall state the frequency (daily, weekly, monthly, or quarterly) and provide an estimated date. For example, monthly reports are currently generated and transmitted on the fifth of each month.

In their response, Offerors shall indicate which reports are available and the number of frequencies available through the data warehouse functionality and, if so, which reports lend themselves to extraction from the data warehouse using standard (prebuilt) or custom query capability including those with flexible date and other user-set parameters. Standard queries built for either State shall be made available to each State as a standard query.

The Contractor shall provide to each State reports that contain the SUI, as well as the EBT card number and EDA (electronic data account number) where appropriate.

The Contractor also shall support the retransmission of previously produced reports to the States as requested. The Contractor shall support requests for two previous generations for monthly reports and the last three months for daily reports.

The Contractor shall provide report training and report manuals for state and county office staff prior to EBT operations as described under Training Plans and Materials; refer to Section 3.4.5.10.

The States shall have approval rights over all standard reports being provided by the Contractor. The Contractor shall provide any additional program reports or files used by the States in relationship to specific State waivers. Refer to the SD state specific Addendum for the SD Card Replacement Waiver file layouts

3.10.1 Data Warehouse Functionality

The Contractor shall be required to provide each State with an EBT data warehouse. The EBT data warehouse will contain all transactional data relating to a State's SNAP EBT accounts. For the purposes of this RFP and contracts deriving from it, the EBT data warehouse is defined as an electronic repository of a State's detailed EBT transaction, card issuance and account data, separate from the online, or operational, data base. The data warehouse should be designed in such a way that it facilitates a State's ability to derive reports and perform analysis of data derived from their EBT operations. The succeeding Contractor shall accept and convert up to five years of transaction history from the current Contractor to populate the data warehouse. The conversion of data and population of the data warehouse shall be completed and tested prior to the system conversion date.

The Offeror's response shall indicate their capability to meet or exceed the requirement to provide access to five years of transaction history. The Contractor shall be required to provide data warehouse capability that will allow appropriate state staff to access the data warehouse through administrative terminals, screens, and/or systems or through an Internet browser application. This data should include, at a minimum, but not necessarily be limited to, the data elements shown in the following table. The information in this table is meant to demonstrate to Offerors the minimum type and extent of data the States expect their data warehouses to contain. Rather than being the definitive list, the table represents the minimum expectation of the stored data elements. Offerors should indicate their ability to meet or exceed these data requirements.

Table 1: DATA WAREHOUSE DATA ELEMENTS

Element	Description
Access Type	Account access allowed for a cardholder
Access Type Description	Description of account access type

Element	Description
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 or manually entered
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
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
FNS Number	Retailer's FNS assigned Number, required on SNAP transactions
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
Host Log Date	Host log date that Contractor logged the processing of the transaction
Host Log Time	Host time that Contractor logged the processing of the transaction
Merchant Full Address	Merchant full address
Message Type	Type of message sent on the inbound ISO 8583 message
Original Authorization Number	Authorization approval number received from the host, or on reversal transactions, the original approval number of the

Element	Description
	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 applicable for ATM and POS transactions
Rejected Transaction Indicator	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 Transaction Amount	Original request amount for this transaction; the transaction amount requested
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	State unique identifier (also referred to as Cardholder Case number or Claim number)
Terminal ID	ID of the POS terminal submitting the transaction
Terminal Local Date	Local date for this transaction as determined by the terminal driver
Terminal Local Time	Local time for this transaction as determined by the terminal driver
Terminal Merchant Name	Store name received in the ISO 8583 message
Trace Number	Device and switch provided trace numbers
Transaction Amount	Total amount of the transaction
Transaction Method	Keyed, Swiped, Other
Transaction Type	Identifies the transaction type
Transaction Type Description	Description of the action performed by the transaction
User ID	User performing the administrative transaction, if available
Voucher ID	Manual voucher ID associated with the transaction

The States must have the capability to sort and manipulate this data as necessary to meet their needs. At a minimum, sort capability shall be provided at the state, benefit program, and county office, county, and/or geo-admin levels. In addition, the States should be able to access data sorted by state-selected parameters, including, but not limited to, transaction type, transaction time period, out-of-state transactions, card status, and key entered transactions. The States shall automatically receive any centralized data research tools that are currently available to other states. The Contractor shall provide the States 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:

- Transactions by customer account number with user definable date range;
- Transactions by FNS number with user definable date range;

- Transactions by EBT card number with user definable date range;
- Transactions by state Identifier for participant with user definable date range;
- Transactions by zip code with user definable date range;
- Sequential out-of-state transactions with user definable date range and state; and
- Account administrative actions with user definable date range and service site or office location.

A State's users will normally fall into one of two categories: "standard users", who are State staff empowered to use already constructed queries/reports, and "power users", who are a limited number of designated state staff empowered to create custom queries or reports using the tools provided by the Contractor. The Contractor shall work with the States to facilitate the development of standard queries or reports. The Contractor shall provide the ability for the States to share standard queries or reports (not data) between themselves, as well as provide the ability for a power user to make a custom query or report available to the States' "standard" users. The Contractor is expected to use, and make available to the States' power users, industry-standard reporting, and data mining tools. Any standard queries developed for one State shall be provided at no cost to the other State. Access to the data warehouse shall be limited to authorized state users and should be secured through standard access control measures.

It is understood that the architecture of a data warehouse differs from that of an operational system. Because of this, the States recognize that a data warehouse, by definition, may not be "real time"; however, the Contractor is expected to 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.

The Contractor shall also be responsible for paying the license fees, if any, for the States' users. The Offeror shall indicate the number of users in each user category that the Offeror will support. It is further desired that retailer location data stored in the data warehouse be normalized so that it is in agreement with FNS REDE data.

Finally, the States recognize that an EBT data warehouse has the potential to be extremely useful for combating fraud. Offerors are encouraged to offer approaches to this need through use of the data warehouse they propose to provide.

The Offeror's response shall fully describe their approach for providing the data warehouse functionality to the States. The response shall indicate the Offeror's approach for implementing a data warehouse staff training program based on the type of user and job function specifying training content and duration.

To make use of the Data Warehouse functionality, the Contractor shall be required to provide the States with a robust ad hoc reporting capability. The Contractor may propose either a web based reporting application or an online reporting application and may propose a commercial off the shelf (COTS) reporting package. The Offeror's response shall fully describe their approach for providing ad hoc functionality to the States.

The proposed ad hoc reporting capability must provide the States access to transaction history data contained within the data warehouse. The Contractor shall provide parameter driven-access to permit, at a minimum, data inquiry, sorting, and extraction capability as follows:

- By account, summary credit, debit, and current balance information;
- By account, detail information on all SNAP transactions for a specified period of time, listing such as date, time, location, and amount;
- By account, detail information on all transactions for a specific retailer, or POS terminal;

- By account, EBT card status, card issuance, and card replacement history, including account balances at time of replacement and summary statistics on card replacements over specified time periods;
- By retailer, detail information on all SNAP transactions for a specified period of time, listing such information as: account numbers, dates, times, locations, terminals, and amounts;
- By retailer, detail information on all transactions for a particular account; and
- By transaction sequence number.

The Offeror's response shall indicate their capability to meet or exceed these data inquiry, sorting, and extraction requirement.

Due to changing and evolving business needs, the report formats and data requirements of the states and the federal program agencies are subject to change. A comprehensive EBT Data Warehouse and Ad hoc Reporting Tool shall accommodate evolving reporting requirements. Nevertheless, the Contractor shall be required to support these changing reporting needs. The Offeror's approach to supporting state or FNS-driven changes in reporting requirements shall be specified in the proposal.

3.11 Change Management

A critical requirement for the States is the establishment of a formal change management process. The States require that the Contractor develop a Change Management Plan as defined in Section 3.11.1. If benefits, such as system enhancements or other system changes determined to be advantageous to the States, are developed by the Contractor for any other state or political subdivision being provided with similar services as the States, the same benefits must be extended to the States at no additional cost. The Offeror shall describe its approach for establishing a process to inform the States about system upgrades and modifications implemented by other states. The process should include a mechanism to provide notifications of all system upgrades and modifications used in all areas of contracted work on a monthly basis.

3.11.1 Change Request Control Process

State-initiated change orders to the system/program baseline and conforming changes shall be initiated through use of a Change Request Form. The State's EBT Program Administrator will forward a written Change Request to the Contractor's designee for analysis of potential impacts on schedule (during development or transition), resources, hours and/or costs.

The Contractor shall acknowledge receipt, initiate discussions, and return the Change Request Form and the results of the analysis to the State's EBT Program Administrator within two weeks (14 calendar days) of receipt. If that State chooses to formally request the change, the approved Change Request Form will be signed and dated by the State's EBT Program Administrator or authorized designated signer, and forwarded to the Contractor. The Contractor shall not begin work on a Change Request until written approval is received from that State. Requested modifications must be incorporated and the revised analysis resubmitted within two weeks of receipt of the State requested modification.

The States will designate Change Requests as low, medium, or high priority. It is expected that work on low priority changes shall begin within 180 calendar days of written approval by the States. Work on medium priority changes shall be initiated by the Contractor within 60 calendar days of written approval by the States and that work on high priority changes shall be initiated by the Contractor within 30 calendar days of written approval by the States. The Contractor shall provide agreed upon start and completion dates within 14 calendars days following the approval of the change request by the States. The Contractor shall include in their monthly status report

the status of the enhancement and its progress against the timeline for the approved change request.

The States will monitor implementation of the approved changes through routine program management, including scheduled status reports and status meetings. Upon authorization of the change, the Contractor shall include the change in work plans, allocate resources as appropriate, and shall provide ongoing status reports, as part of the regular status report, with hour and cost accounting (if any) to the States until such time as the change has been completed and accepted by the States.

The Contractor shall provide up to 300 hours of combined design, development, and testing time to each State for each year of the respective State's contract at no cost to the States, to be applied to any Change Requests issued by the States. The Contractor shall not apply personnel time toward the 300 hours for self-initiated system changes/enhancements or for any work necessary, including remedial changes, to maintain system functionality under the terms of the contract. Any personnel time applied toward the 300 hours must have prior approval by the States. For State requested changes that exceed the allocated 300 hours, a cost estimate shall be provided, by hour, utilizing the hourly rate for the labor grades provided in the Offeror's pricing proposal. Any unused hours in a given year shall be rolled over into the following year.

Upon completion of a system change, the Contractor shall provide the States with a statement that details the number of hours used toward the change/enhancement effort, how those hours were used, and the hours available to the States for the remainder of the year. In addition, the Contractor shall provide the States with the number of hours available for changes/enhancements for the remainder of the year, as part of the regular status report from the Project Manager.

3.11.2 Design Issues

Design issues are questions or concerns that arise before the program/system design baseline is frozen and are a part of the development process. Specifically, design issues are issues addressed and resolved prior to finalizing the system design. Design issues are specific in nature and should be identified and raised throughout the development of program specifications and procedures for EBT participants (e.g., authorized retailers, providers, financial institutions, state and county offices), and general and detailed system specifications. Design issues shall be recorded and tracked in an issue log.

From the States, only those issues presented by each State's EBT Program Administrator, or designee, are to be addressed by the Contractor. Requests received by the Contractor from other state staff or other personnel are to be directed to each State's EBT Program Administrator for consideration and action. If the Contractor has issues for the State's consideration, such issues are to be presented to the State's EBT Program Administrator or designee for consideration and action. Only those modifications approved by the State's EBT Program Administrator, or designee, are to be acted upon by the Contractor.

3.11.3 Program Baseline

The baseline for the States' EBT programs will initially be established through the Contract and any amendments, the RFP, the Contractor's response to the RFP, and any other documented commitments, statements, or memorandums of understanding and all addenda's, documented questions and answers, and federal waivers. After the initial baseline is established, any modifications to the system design or functionality will be defined as a change and will be documented and tracked. As the program proceeds, the baseline will expand to include the finalized work plan, general and detail design documents, training and disaster plans, and other approved/accepted Contractor deliverables. The baseline will continue to expand to include system testing, reports, implementation plans, transition plans, and documentation from the

actual transition. The baseline will be established upon acceptance of the conversion and approval of all Design, Development, and Transition Phase deliverables.

3.11.4 Changes to the Program Baseline

Change requests seek to modify or enhance the baseline system, procedures, documentation, or application programs. Such requests alter the initial scope of the program or add/modify functionality after the baseline for the system design has been set.

Changes are categorized as remedial, enhancing, or conforming. The definition for each type of change is provided below. Remedial changes are not changes to the baseline and shall not result in additional costs to the States. Other changes requested by the States and mutually agreed upon between the States and the Contractor, including terms, conditions, the use of state-allocated hours, and fee structure(s) if any, may result in additional costs to the States if so negotiated and agreed.

3.11.4.1 Remedial Changes

Remedial changes are changes needed to make the system perform/function in the way it was designed; such changes shall be executed immediately. Either the States or the Contractor may identify the need for a remedial change. If the Contractor identifies a problem requiring a remedial change, the Contractor shall immediately notify the States. If the change is made immediately, the Contractor shall notify the States no later than one business day following the implementation of the change. The Contractor shall work with the States, to include testing, to ensure that a remedial change will not impact the States' EBT System functionalities.

3.11.4.2 Enhancing Changes

Enhancing changes are changes that are not remedial or conforming changes, including changes that will enhance performance, provide new functionality, improve cost-effectiveness, or improve efficiency and ongoing operation or program maintenance. Enhancing changes may be State or Contractor-initiated.

3.11.4.3 Conforming Changes

Conforming changes are changes needed to adapt the system to changes in requirements that result from federal regulation, federally mandated changes, QUEST® Operating Rules changes, and changes to state law. The Contractor shall be required to modify the EBT System to comply, at no cost to the States, with modifications to federal and state regulations, laws, and/or the QUEST® Operating Rules, including any system changes required by federal legislation and policy changes and instructions issued by FNS for any of the benefits supported by the contract. The Contractor may implement these conforming changes through two approaches. The first is through a state-initiated request and the established change management approach. The second is to provide the States with a proposal to implement conforming changes to the system. The Contractor may not implement conforming changes unless it receives a signed authorization from each State's EBT Program Administrator or designee.

3.11.5 Updates to System Documentation

The Contractor shall maintain and update as required the key design and operational manuals delivered during the Design, Development, and Conversion Phases, to reflect any and all changes from the established baseline. These manuals include:

- System Design Documents;
- Interface Manual;

- Detail Design Manual;
- Backup and Contingency Plans;
- System Security Plan;
- System Operations/Interface Procedures Manual;
- Reports Manual;
- Settlement/Reconciliation Manual;
- Administrative Functionality Manual;
- Customer Service Manual;
- Data Warehouse Documentation;
- Documentation for any other optional service; and
- Other system documentation affected by changes to the system.

The Contractor shall provide updates to the manuals to the States *prior* to implementing system and operational modifications into production. The States shall have final approval.

3.11.6 Test Environment and System Modification Testing

The Contractor shall provide each State with a testing region that functions under the same system requirements as the production system for each State. The Contractor shall insure that the testing region is available upon State request.

The Contractor shall ensure that all changes and modifications to the EBT System are fully and successfully tested prior to implementation of the change into the production environment. The contractor shall provide as needed the ability to test the transmission of files to any subcontractor in order to validate the software and system change. System changes or modifications moved to production that adversely affect functionality will be backed out immediately upon request of the States.

The Contractor shall provide access to its test platforms in the following manner:

- States shall be provided the ability to transmit test files to the Contractor in order to validate software and system changes.
- The Contractor shall, in turn, implement the ability to process incoming test files and return test files in response to the States. These files shall be identical in format to the files that would be returned to the States in the production environment. In addition, from time to time, the Contractor shall respond to requests to provide specialty test files as needed for developmental projects.
- The Contractor shall provide the States the ability to monitor, in real time if needed, the activities, as they pertain to an individual State, of the Contractor's test platforms.
- The online access shall be provided 24 hours per day, seven days a week.
- The Contractor shall inform key personnel in the various States when the test platforms will be, or are down for whatever reason.

3.12 System Security

The Contractor shall be responsible for the implementation and maintenance of a comprehensive security program for the EBT system and operations. This program shall include the administrative, physical, technical, and system controls that will be implemented to meet the security requirements of the EBT System. It is the expectation of the States that the system of internal controls used to manage risks to the EBT System and operations will be based on EFT industry standards.

The Contractor and all subcontractors shall ensure that an appropriate level of security is established and maintained in connection with the EBT services provided pursuant to the RFP. The Contractor shall process information designated sensitive but unclassified. Sensitive but unclassified information is any information for which the loss, misuse, or unauthorized access to or modification could adversely affect the national interest of the conduct of federal programs, or the privacy to which individuals are entitled under Section 552a of Title 5, United States Code (the Privacy Act), but which

has not been specifically authorized under criteria established by an Executive Order or an act of Congress to be kept secret in the interest of national defense or foreign policy.

South Dakota Only: Immediately upon the Award Decision being released, the Contractor shall complete and submit the South Dakota BIT Security and Vendor Questionnaire to the State EBT Administrator. The South Dakota BIT Security and Vendor Questionnaire is available as Addendum F.

3.12.1 Control and Security Requirements

The security controls used by the Contractor and/or any subcontractor(s) in the performance of services required under this RFP shall be specified in the EBT Offeror's response to this RFP. It is the expectation of the States that the Contractor shall rely on Electronic Funds Transfer (EFT) industry standards and convention in ensuring a secure EBT environment.

3.12.2 Facilities Physical Security

The Contractor shall utilize physical security and access control systems to limit access to any facilities used to process cards, process data, or house any sensitive data to only authorized personnel and authorized visitors. The control systems shall have the capability to detect and report attempted unauthorized entries into the facility.

The Contractor shall regulate access to primary and backup data centers in such a way that the flow of all persons can be monitored and controlled.

The following minimum physical security protection measures shall be implemented to deny unauthorized access to, manipulation, and/or sabotage of the EBT data processing and telecommunications facilities. Offerors shall describe their approach to control physical access to operational facilities. At a minimum, the following access control measures shall be provided:

- **Entrance security** – The EBT data processing and telecommunications facilities shall be secured 24 hours per day, seven days a week. The entrance(s) to the facilities shall provide for controlled entry and be secure against forced entry.
- **Locks** – The facilities shall be locked at all times when authorized personnel are not present.
- **Cipher or proximity/swipe card type devices** – May be used during duty hours to control entry into a facility. During non-duty hours, the cipher lock shall not be used as a sole locking device.
- **Personnel Access Controls** – Access to operational sites shall be controlled and limited to authorized personnel. Employee access to controlled areas within the operational site shall be controlled by electronic access or other comparable procedures.
- **Data Storage Security** – All data on portable media, including, but not limited to, magnetic tapes, diskettes, CDs, removable disk packs, paper listings, and microfiche shall be in secure access controlled storage areas with access limited to authorized personnel, when not being used by computer operations.
- **Fire Protection and Suppression** – The primary and backup processing sites, as well as the tape storage areas shall be equipped with fire detection and suppression systems that detect and suppress fire in the incipient stage.

Any additional access control measures provided by the Offeror should be specified in the proposal.

3.12.3 EBT Systems Security

The Contractor shall ensure the security of the EBT System and all of the system components. Offerors shall describe their approach to providing systematic and procedural controls. At a minimum, the following controls shall be implemented:

- **Control of Card Stock** – The Offeror shall describe the system and procedural controls to ensure that unissued card stock is properly safeguarded against loss, theft, and/or abuse.

The Contractor shall be responsible and bear liability for all unissued card stock until such stock is either received by state or county offices or mailed to customers.

- **Control of PINs** – The Offeror shall describe the system and procedural controls to ensure that access to all PINs, whether assigned or selected are strictly controlled. The Contractor is responsible for ensuring the confidentiality of the PIN during generation, issuance, storage, and verification. The Data Encryption Standard (DES) algorithm shall be used to encrypt all PINs both in transit and at rest. The Contractor shall ensure that clear text representation of the PIN will never be displayed on PIN entry devices. The Contractor security controls shall accommodate the PIN controls listed in Chapter IX, Security, of the Quest® EBT Operating Rules.

- **User Access Controls** – The Contractor shall provide software controls over user access to the EBT System to ensure that access to the EBT System is strictly monitored and controlled. The Contractor shall also include user access software controls for the PIN selection devices located at county offices. User access control software shall provide for the following capabilities.
  - All personnel requiring access to the system must be established within the system.
  - The system shall require unique identification from each user to access the system.
  - The system must not allow the display of the PIN on an administrative terminal or PC monitor.
  - Access to the databases, transactions, and programs shall be restricted to those personnel needing access to such data to meet professional responsibilities.
  - The security system shall protect authentication data to make it unavailable to any unauthorized user.
  - The security system shall provide the capability to identify authorizations of individual users and unauthorized users.
  - The security system shall support a lock out threshold for excessive invalid access attempts.
  - The security system shall support the immediate deletion of users no longer authorized by the States.
  - The system shall send the States notice of any state or county user who has been inactive for six months.

- **Discretionary Access Controls** – The security system shall use identification and authorization data to determine user access to information and level of information accessed. The security system shall provide the users with the capability to specify who (by user or type of user) may have access to system data. The security system or network shall assure that users without proper authorization are not allowed access to EBT data.

- **System Access and Audit Controls** – The security system shall provide an audit trail of access to the system and maintain and protect such records from modification, unauthorized access, and destruction. At a minimum, the security system shall record the following types of events: log on, log off, change of password, program initiation, and all actions by system operators, administrators, and security officers. The security system shall provide the capability to allow the States' security administrator to change passwords in an online environment. The States' security administrator shall be able to selectively audit the actions of one or more EBT System users based on individual identity.

- **Transaction Communications** – The Contractor shall provide controls to ensure that EBT transaction communications are safeguarded and only processed from authorized terminals or PIN selection devices. Communications message validation shall provide for edits for message completeness, record and field formats, and control and authentication measures. The Contractor shall describe controls to secure communication lines and links. The Contractor shall have the ability to perform error checking of transmitted data. The Contractor shall provide a configuration layout showing complete end-to-end details of the telecommunications and automated information system(s) as part of the Detailed System Design required as a System Development Deliverable. This should include hardware

components, including, but not limited to, modems and encryption devices that States would be required to use in support of communication access controls.

3.12.4 System Data Security

System data shall be protected to ensure that system and confidential information shall not be disclosed for unauthorized purposes. In addition, the Contractor shall not provide any state, county, or federal agency with access to system data without informing the States in advance. Such data security controls shall include the following, at a minimum:

- **State Access** – The Contractor shall ensure that designated users from a particular State may only access the system in relation to system data and the operations in relation to that State. In addition, the Contractor shall ensure access is granted only as allowed by the user's security profile (Refer to each State Specific Addendum).
- **Disclosure of Information and Data** – Any sensitive information made available in any format shall be used only for the purpose of carrying out the provisions of this RFP. Information contained in such material shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this RFP. Disclosure to anyone other than an authorized officer or employee of the States or a county office is prohibited without prior written approval. Sensitive information shall be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output should be given the same level of protection as required for the source material.
- **Data Destruction** – The Contractor shall provide for the destruction of magnetic media, or deletion of information from magnetic media when no longer required. The methodology for data or media destruction shall be approved by the States.
- **Separation of Duties** – The Contractor shall provide for adequate internal controls through separation of duties and/or dual control for the functions of card and PIN issuance, system administration, and security administration (this includes the separation of operations from control functions (such as reconciliation controls), account set up, benefit authorization, and settlement authorization.
- **System Modification and Tampering Controls** – The mechanisms within the application that enforce access controls shall be continuously protected against tampering and/or unauthorized changes.

3.12.5 Inspections, Audits and Investigations

The States and USDA-FNS shall have the right to inspect, review, investigate, or audit all parts of the Contractor's or any subcontractor's facilities engaged in performing EBT services. In such capacity, the States, or their representative(s), shall have access to facilities, records, reports, personnel, and other appropriate aspects of the EBT System.

3.12.6 Certification and Examination

As an integral component of the Contractor's EBT Security Program, the Contractor shall provide each of the States with an annual certification of compliance with banking, EFT, EBT, and other regulations and requirements relating to the EBT application. The annual requirement should be considered a normal cost of doing business for the Contractor. The annual self-certification and examination requirements shall be applicable to the Contractor and any organization(s) to which the Contractor has contracted for the performance of EBT related services (subcontractors). It shall be the responsibility of the Contractor to provide annual certification or compliance with EBT program specific and related banking requirements of any contracted entities. Such certification of contracted entities will also be subject to independent examination and validation. The certification by the Contractor to each State shall include certification for the Contractor entity and any contracted entities' compliance with EBT program specific requirements and banking regulatory requirements related to the EBT application.

The Contractor shall provide an annual written certification stating that it is in compliance with applicable banking regulatory requirements and EBT program specific requirements. The following lists the EBT program specific requirements that shall be addressed in the Contractor self-certification of compliance.

- **Banking and Financial Service Rules** – The Contractor shall comply with banking, EFT, and other financial services industry rules that relate to the EBT application. The Contractor certification of compliance shall include banking, EFT, and financial service industry rules to the extent that such rules govern aspects of EBT system operations.
- **Benefit Program Rules** – The Contractor shall comply with the specific benefit program level requirements. For benefit programs that do not have specific written requirements for participation in the EBT program, the Contractor shall comply, as applicable, with the existing program level requirements and with benefit level requirements as promulgated by the administering agency. SNAP has written requirements specifically for participation in the EBT program:
  - USDA Food and Nutrition Service Final Rule 7 CFR Parts 272, 274, 276, 277, and 278
- **Internal Control and Physical/Personnel Security Requirements** – The Contractor is subject to the control and security requirements of this RFP and the components of its individual EBT Security Plan.

Self-certification requirements include:

- **Evaluation of Compliance** – The Contractor shall accept responsibility for and provide an evaluation of its compliance with the EBT program and specific requirements, compliance with the applicable regulatory requirements and of the effectiveness of the internal control structure in ensuring proper safeguards for the administration of public funds.
- **Certification of Compliance** – The Contractor shall provide to each State a written certification of compliance with the EBT program specific requirements and applicable bank, EFT, and financial services industry requirements related to the EBT application. The Contractor shall explain how such determination of compliance was made, including bank examination, audit, and internal review. It is the expectation of the States that the Contractor shall utilize the results of current bank examinations, audits, and reviews in making certification of compliance.
- **Internal Control** – The Contractor shall certify that it has properly administered all components of the EBT Security Plan and that such controls provide reasonable assurance that public funds administered through the EBT system are properly safeguarded and protected. The Contractor shall describe how such certification was made.

Annual Attestation Engagement requirements include:

- The Contractor and any subcontractor(s) shall arrange for the performance of an annual attestation engagement of the internal controls of their EBT processing services by an independent service auditor acceptable to the States. The engagement should culminate in a SSAE 16 Type 2 Report that covers the description of the Contractor's EBT System and attests to the suitability of the design and operating effectiveness of the controls. SSAE 16 reports shall be provided annually to each State within 15 days following the release of the report by the service auditor.
- The books, records, documents, and accounting practices of the Contractor relevant to the contract shall be subject to audit at any reasonable time and upon reasonable notice by each State, USDA, or their duly appointed representatives. These requirements are found in the FNS regulations at 7 CFR 277.17 and 7 CFR 277.18(k). These requirements include the records and facilities of any subcontractors. In the event of any audit, claim, negotiation, litigation, or other action, records shall be retained for the duration of the event.

- The Contractor shall authorize the States or their representatives to perform audits and /or inspections of its records at any reasonable time during the term of the contract and for a period of three years following the end of the federal fiscal year during which the contract is terminated or until state and federal audits of the contract have been completed, whichever is longer.
- Any amounts that have been paid by a State, which are found to be improper in accordance with the terms of the contract, shall be returned to the State or may, at the discretion of the State, be returned in accordance with other remedies.
- The Contractor shall permit the States and any other governmental agency authorized by law, or their authorized designee to monitor all activities conducted by the contractor pursuant to the terms of the contract. Such monitoring may consist of internal evaluation procedures, special analysis, on site verification, and any other reasonable procedure that does not unduly interfere with contract work.

3.12.7 Incident Reporting

In addition to the self-certification and evaluation requirements, the Contractor shall notify the impacted State of any instances of non-compliance promptly upon their discovery, but within a period of no more than five business days. Notification shall include a description of the non-compliance, specific areas impacted, and corrective action planned and/or taken.

3.12.8 Fraud Detection

The Contractor shall advise, assist, and appropriately act to aid the States in detection and investigations of abuses by stores, recipients or workers, including, but not limited to, reporting unusual activity. The Contractor's fraud detection and reporting solutions shall support State initiatives for card replacement monitoring, follow-up, and reporting. This may entail cooperation with various authorities of the state and federal agencies that are responsible for compliance with laws and regulations surrounding the programs. Stores authorized by FNS to accept SNAP benefits may become subject to monitoring and investigations by the States, FNS, USDA OIG, IRS, Secret Service, or local police departments. Recipients are subject to investigation by the States' program authorities and occasionally others. Access to information concerning these matters will be restricted both at the States and the Contractor so that the investigations are not compromised. The Contractor must provide EBT and retailer system information, such as bank account numbers and ACH payment details, to the States, FNS and/or USDA OIG, as needed for evidentiary purposes, within 24 hours of request.

To support federal and state fraud investigators, the Contractor shall provide the capability to establish accounts, add SNAP benefits to the investigative accounts, and issue cards for the purpose of investigating fraudulent use of SNAP. 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.

EBT administrative functionality shall be provided to the States to set up accounts, and to authorize and remove benefits. At a minimum, it will be necessary for the Contractor to provide access for the purpose of establishing accounts, posting SNAP benefits, reconciling transactions, deleting remaining available benefits, closing accounts, and providing the required transaction reporting for accounts and benefits established via the administrative functionality. Inquiry-only access to the case, benefit, and transaction activity for investigator accounts must be provided to FNS and OIG. These needs must be addressed in the Design Phase, covered in acceptance testing, and available at conversion.

Funds for SNAP investigative transactions will be drawn through ASAP. The Contractor must provide a daily report or inquiry screen of entries provided to the FRB of Richmond through the

AMA batch process. The Contractor must provide a daily report or inquiry screen that provides the details of all updates to the AMA file to facilitate FNS-46 reporting.

- Separate entries must be created for regular SNAP benefit activity and fraud investigative SNAP benefit activity.
- This report or inquiry screen must be made available to FNS.

The Respondent shall propose 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, and employees. The Respondent shall describe their history and experience in the use of the proposed technology in EBT to combat fraud and abuse.

- Development of fraud profiling data to alert investigators of cardholders that are potentially misusing benefits.
- Fraud detection and benefit recovery specific ad hoc reporting capability.
- Use of predictive modeling.
- Web-based fraud dashboard with a suite of tools and functionality to assist the identification of potential fraudulent situations and high risk suspected activities with the flexibility for modification as needed based on data analysis and environmental circumstances

3.13 Disaster Preparation and Business Continuation Planning

The Contractor shall provide for backup procedures to ensure the continuation of operations in the event of a disruption in operations. Backup procedures will allow benefit access when the Contractor's computer, system terminals, EBT gateway, or communications are not operational. Backup procedures shall include manual transaction processing for SNAP. The Contractor shall also provide contingency plans for benefit issuance in the event of catastrophic disruption of benefit delivery services. Offerors shall describe the intended approach to meet both backup system operations and contingency plans for benefit delivery and how communications will be established between the States' primary and backup systems and the Contractor's primary and backup systems.

Contingency planning consists of advance plans and arrangements that will ensure continuity of the critical functions of the EBT service. The Contractor shall establish policies and assign responsibilities to ensure that appropriate contingency and disaster recovery plans are developed and maintained, and that procedures are followed during outages and localized disasters. The contingency plan shall describe the actions to be taken, the resources to be used, and the procedures to be followed before, during, and after any unexpected event occurs that would render inoperative a function supportive to the EBT service. The contingency plan shall cover all events of total or partial cessation of operations or destruction of the database or physical facility. As part of these policies, and included in the Contractor's Backup and Contingency Plan, the Contractor shall detail the names, phone numbers, and e-mail addresses of Contractor personnel that will serve as contact points for the States, as well as emergency contact escalation procedures.

Offerors should describe their approach to contingency operations as part of responses to this RFP. Offerors' responses on contingency planning should describe the actions to be taken before, during, and after a disaster (or contingency), along with documented and tested procedures, which, if followed, shall ensure the availability of critical resources and facilities maintaining the continuity of operations. Offerors should describe how proposed architecture, technical capabilities, and organization should protect the system during emergency operations and continue to provide access to the States' systems and to the States' backup systems.

The States will work with the Contractor to utilize the Contractor's existing design for providing disaster services to the extent possible. However, the Contractor shall be required to meet the backup and contingency requirements of the States.

Disaster preparation and business continuation planning includes three different areas. The first is the Contractor's system, the second is each State's eligibility system, and the third is natural disasters impacting a large number of the States' population.

3.13.1 Contractor Systems

The Contractor shall provide an alternate means of authorization of EBT transactions during short-term outages, when the Contractor determines that switching over to the backup site is not appropriate. The proposal also must include how the Contractor will notify both the States and the retailer community that an outage is occurring, and alternate means of authorizations are currently in place.

The Contractor shall allow for "stand-in" processing of SNAP purchases up to $50 per cardholder per retailer per outage for which the Contractor must be liable for insufficient funds. A proposal must identify the circumstances under which the contractor would consider its EBT System unavailable. Proposals must specify the process by which retailers would be notified that "stand-in" processing is currently in effect, as well as the process by which these transactions will be processed and settled.

In the event of a disaster impacting the availability of the Contractor's primary data processing site, the Contractor must have a backup site for host processing and telecommunications network services. The Contractor shall have the EBT host backup site begin processing transactions within one hour of a disaster declaration. The Contractor shall have a backup site to handle Customer Service calls and must have the ability to move to the backup facility within two hours.

The Contractor's Disaster Recovery Plan also must include a State notification process, as well as disaster declaration criteria and schedules acceptable to the States. The Contractor shall notify each State immediately upon Contractor's decision to move to a disaster backup site to provide EBT services. If the Contractor is providing EBT services to multiple states, the disaster recovery plan shall address the timing and order of recovery of the States as compared to the other agencies being processed. The recovery of the state of North Dakota's and the state of South Dakota's EBT Systems must not be delayed because the Contractor is recovering other states' EBT systems.

The disaster backup site must be tested annually, and the Contractor shall provide the States with copies of the test results within thirty days of receipt of the test results.

3.13.2 State Systems

The Contractor shall support the recovery of the State's eligibility and EBT interface systems at a backup site in the event of a disaster at the States' primary data center. This support must consist of providing connectivity to the States' backup site to support the transmission of data files and reports between the States and the Contractor. Initial support may consist of only dial-up access until a more robust solution can be implemented. The connectivity during the initial days of a disaster may also consist of passing tape cartridges between the Contractor and the States.

In either case, the Contractor shall provide support to the States in ensuring that benefits are still being provided to customers through the EBT System during the recovery of the States' data processing systems. Following the declaration of a disaster by the States and movement to a backup data center, the Contractor shall work with the States' technical staff to provide EBT administrative terminal support.

3.13.3 Natural Disasters within State

FNS has issued guidance regarding disaster benefits. This guidance requires that States develop a State Agency Disaster SNAP Plan and review the plan annually. The Contractor shall

be required to support each State in developing a disaster plan and approach and shall participate in the annual review of the plan. The Contractor shall also participate in an annual test of the plan, if requested by the respective State. The Contractor shall provide support to update the plan and its approach to disaster support as required to meet changes to federal and state response requirements.

In the event of a natural disaster in the States, the Contractor shall support the States in implementing a Disaster SNAP to ensure EBT card activation devices, cards, and benefits are delivered in an emergency. The Contractor shall address this issue in its Business Continuation Plan. The basic assumption in this scenario is that there is sufficient infrastructure available within the retailer community to support EBT as a means for benefit payments. This provides the requirements to the Contractor for providing these benefits.

Following the declaration of a disaster supporting issuance of SNAP benefits by USDA, the States would issue EBT cards to eligible customers within the disaster areas. Following the issuance of the card, the States would update the respective EBT account on the Contractor's EBT system through the batch interface with the associated demographic information. Benefits would also be added to the EBT account through the batch interface. Disaster benefits are sent multiple times daily via batch.

Details regarding each State's disaster plan and functionality are specified in each State Specific Addendum.

3.14 Additional Programs

The Contractor must support the States in pursuit of additional state and federal program benefits including, but not limited to, health care applications, child care, child support payment, unemployment insurance benefits, SSI Optional State Supplement, adoption subsidies, fuel, rent, utilities, and foster care.

Upon receipt of a Change Authorization Request by either State to add an additional program, the States shall expect to receive proposal pricing that is consistent with the criteria and format of the pricing schedules listed in Section 7, Cost Proposal. The Contractor shall agree to follow the Change Request Control Process and negotiate in good faith toward developing a contract amendment**,** subject to applicable State agency approval, to include pricing associated with any development costs.

3.15 Electronic Payment Processing (Direct Deposit) Services (South Dakota Only)

South Dakota requires electronic payment processing and disbursement of payments through ACH into payee designated bank accounts. Designated payee bank account information is maintained and managed through a direct deposit account (DDA) screen within the state mainframe. The State will send the Contractor payment information through Batch Files. The Contractor, or its Financial Agent, shall accept the batch file, reformat into PPD+ or CTX ACH format and originate these payments into the ACH payment network. To support electronic payment processing services, the Contractor, or its designated Financial Agent, must have an ACH Originating Depository Financial Institution (ODFI) membership in the ACH network. The Contractor shall check for duplicate files and records within the direct deposit process and return a post file. Refer to RFP Section 3.15.3, Post File. The Contractor shall initiate the settlement of direct deposit payments through the settlement procedures specified in this section. The Contractor shall maintain ACH activity records on all accounts, including date, amount and banking information for current year plus the prior three calendar years.

3.15.1 Programs and Payroll Frequency

The following table outlines the programs currently utilizing electronic payment processing for part or all of their payments to the recipients and/or providers they serve:

Program Acronym and Description	Numeric Payroll Code	Payroll Frequency
ASA - Adult Services and Aging.	03 – ASL 04 – ASL Interim 05 – SSIS	Regular Assisted Living payroll runs the last week of the month. Interim Assisted Living payroll runs about the fifth of each month. In-Home Services payroll runs every Tuesday.
CCS – Child Care Services	09	Payroll runs every Monday.
LIEAP – Low Income Energy Assistance Program	12	Payroll runs every Thursday in season.
DCS – Division of Child Support	10	Payroll runs every Sunday through Thursday.
OPS – Optional State Supplement	02 04 – OPS Interim	Payroll runs about the 18th of each month. Interim OPS payroll runs about the fifth of each month.
NEMT – Non-Emergency Medical Transportation	08	Payroll runs every Tuesday.
CPS – Child Protection Services	11	Payroll runs every Tuesday.
TANF – Temporary Assistance for Needy Families	06 – Interim 07 – Monthly	Interim runs M-F except on nights that monthly/regular payroll runs. Monthly runs once a month on a set date (usually two days before the end of the month).

The transaction counts of direct deposits for the 2017 May through August timeframe are contained in the following table.

	May	Jun	Jul	Aug
ASL	54	59	30	47
CCS	995	989	1,016	979
CPS	1,493	1,486	1,460	1,507

CSE	45,406	41,739	42,770	43,443
LIEAP	264	37	12	90
OPS	3,214	3,250	3,226	3,160
SSIS	375	303	276	390
TANF	3,383	3,317	3,308	3,439
NEMT	1,470	1,554	800	1,840
TOT	56,654	52,734	52,898	54,895

The dollar amounts of direct deposits for the 2017 May through August timeframe are shown below.

	May	**Jun**	**Jul**	**Aug**
ASL	$ 37,536	$ 52,531	$ 26,269	$ 37,826
CCS	$ 1,073,347	$ 1,211,737	$ 1,383,764	$ 1,358,073
CPS	$ 2,535,193	$ 2,415,657	$ 2,484,098	$ 2,684,763
CSE	$ 9,926,085	$ 8,799,824	$ 8,931,395	$ 8,996,149
LIEAP	$ 805,404	$ 34,411	$ 13,196	$ 67,166
OPS	$ 45,467	$ 45,977	$ 45,459	$ 44,657
SSIS	$ 988,003	$ 845,880	$ 541,958	$ 813,555
TANF	$ 1,347,510	$ 1,335,806	$ 1,327,731	$ 1,378,657
NEMT	$ 262,128	$ 324,703	$ 151,893	$ 381,258
TOT	$ 17,020,672	$ 15,066,525	$ 14,905,763	$ 15,762,105

3.15.2 Payroll Files

After undergoing edits, the State will send individual program payroll files that have an indicator to show whether the ODFI is to create CCD+ or CTX standard ACH format records. Each payroll file is assigned a unique control number by the State in order to prevent duplication of the same file. If there is an error in the header or trailer record, the file is returned without creating any ACH file. BIT edits and resubmits the file and the control number is incremented by one. Under normal operations, SD transmits files between 6 p.m. CT and midnight (12 a.m.) CT.

The Contractor must contact the State immediately when there is a problem with file transmission. All problems are reported to the SD BIT HELP Desk, (605) 773-4357. The phone is not staffed after-hours and on weekends. An answering machine will direct the caller to press 0 to be connected with the computer operator on call.

3.15.3 Post File

The Contractor edits and returns a post file to BIT within one hour. The post file must be a mirror image of the benefit file as it is used to create a “paid” indicator in the eligibility system to show that the payment has been completed. If there is an error in an individual detail record, the Contractor will mark the record with an error code. A complete list of Direct Deposit Error Codes is listed in the SD State Specific Appendix. The Contractor will continue to process the rest of the file and create the ACH records for all records passing the edits. Detail records returned with errors are either corrected and resubmitted on the next payroll or defaulted to a warrant payroll.

The receipt of the post file is for each payroll file is a requirement that is critical for our back end processing.

3.15.4 Use of Current File Formats

South Dakota prefers to use its existing file formats for transmission of these electronic payment records to the Contractor. The Contractor shall accommodate these formats.

3.15.5 Pre-Note Process

South Dakota does not utilize a pre-note process.

3.15.6 Notification of Change (NOC)

A Notification of Change (NOC) is a zero dollar ACH transactions sent by a Receiving Depository Financial Institution (RDFI) to the ODFI to correct information contained in a live ACH transaction. The Contractor and/or the ODFI shall develop an automated capability for the State to receive updated NOC information.

Notifications must be specific by Program and provide sufficient information to identify the payee, payment amount, date of failure, cause of failure, and necessary correction. The State will investigate the issue and update the record to ensure the same problem does not occur on the next payroll.

3.15.7 Returns – ACH Return File

In the instance where an ACH return is generated, the Contractor shall return this information electronically to the State. Electronic return information must be specific by Program and contain sufficient information to identify Program, payee, payment amount, erroneous address, or other error, and date of both the payment and the return.

The receipt of the return from the Contractor automatically initiates South Dakota's automated void process. The Contractor returns the undeliverable funds via ACH to the State Bank and notifies the Treasurer's Office of such returns.

It is imperative that the Contractor be capable of replicating this already established and proven automated returns process. Returns must be clearly identified and reported to the Department in a timely manner so the void process can be completed and the funds returned to the correct funding source. The returns can be sent to the State in ACH format.

3.15.8 Voids

All DSS Programs utilize an automated void (SSVO) payroll system within the state mainframe. When a return file is received, the payroll system automatically completes a void on the SSVO file indicating that a payment was returned. The bank information is automatically removed from the individual's direct deposit account screen when a return is received for any reason. This is to ensure that future deposits are not attempted with incorrect direct deposit information. If the banking information is corrected, another attempt to deliver payment by direct deposit is made. If the banking information is left blank, the next payment is defaulted to warrant.

3.15.9 Reversals

When Programs identify that an ACH record has been transmitted to an incorrect account number, EBT staff need the ability to initiate a reversal within an agreed upon timeframe. The reversal results in a debit to the account that received the funds and a credit (return) to the State's account, providing a sufficient balance remains in the account to complete the reversal. A return for a reversal is handled in the same manner as listed previously in RFP Section 3.15.7.

3.15.10 Direct Deposit Availability Date

For every payment that is initiated for direct deposit the availability date is set for two ACH days after the payroll date. South Dakota requires that the Contractor process and submit the ACH file to the ODFI such that the payee's account is credited for all funds due to the payee by the close of business on the day that the funds settle to the Contractor.

3.15.11 Direct Deposit State Settlement

The Contractor must provide South Dakota with the capability to verify and approve or initiate the draw of State funds for settlement. Depending on the procedures and timeframes agreed upon between South Dakota and the Contractor, payments to the Contractor will be made either through ACH for next business day payment or wire transfer for same day payment.

3.15.12 File Formats

The ODFI must be EDI capable and must create both CCD+ and CTX formats with addenda as specified by the Child Support Application Banking Convention. Financial EDI is utilized specifically for child support payments from the federal government to either a state agency or child support enforcement entity. All file formats are listed in the SD State Specific Addendum.

3.15.13 Direct Deposit Reporting

The report listed below is required on a daily basis by the Department and will be used to perform internal reconciliation activities.

Direct Deposit Reports Table				
1	Type	Frequency	Time	Description
	Reconciliation	Daily	Prior to the start of the State's business day.	A summary of the daily activity listing the number of Direct Deposits by program and corresponding dollar amount. The count of CCD+ and CTX payments must be clearly identified. All returns, reversals and collection exceptions should be listed as a separate line item.

3.15.14 Direct Deposit Transition/Implementation Plan

The Contractor shall prepare an ACH Transition/Implementation Plan that addresses the processes to be used for transition/implementation, how the processes will be tested, and contingency plans for problems and issues that may occur during transition/implementation. The plan should clearly describe the necessary steps for testing and validation of each program file. At a minimum, the plan shall include the Contractor's approach in sufficient detail to approve the approach and ensure a timely and successful transition.

The Direct Deposit Transition/Implementation Plan must also contain a contingency fallback plan in case the transition cannot be completed in a timely manner due to conversion issues.

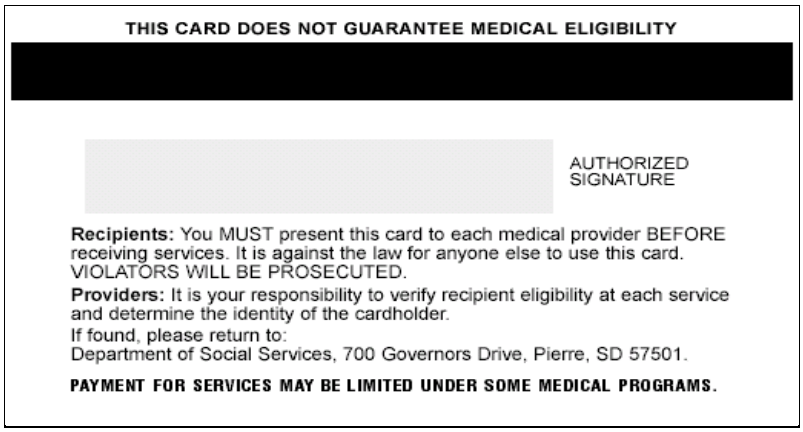
3.16 Medical Identification Card Production - South Dakota Only

South Dakota offers online verification of recipient medical eligibility using debit card technology. Each recipient eligible for state-sponsored medical benefits (Title XIX or CHIP) is issued a Medical Identification Card (MIC). This magnetic stripe medical identification card must be presented at each medical visit in order to verify eligibility.

The “Medical Benefits” MIC card has the recipient’s name, recipient ID number, sex, date of birth, and card generation number printed on its front side. The magnetic stripe on the back of the card contains the recipient ID number, which is the entry point into the system along with the generation number, a chronological numbering system for cards issued to an individual. For example, the initial card has a generation number of 001 and subsequent cards are 002, 003, etc. When a card is replaced the latest generation number is stored on the States’ mainframe computer and all previously issued cards will become invalid. Any attempt to determine eligibility with a previous generation card will prompt a message to the provider stating the card is invalid. The MMIS will transmit nightly to the Contractor the card requests for: 1) new approvals; 2) reinstated cases; and 3) replacement cards. The existing data link for SNAP EBT will be used for this transmission. Refer to the South Dakota State Specific Addendum for file formats, data elements and edits.

3.16.1 Card Design

FRONT OF CARD



REVERSE OF CARD

3.16.1.1 MIC Card Production Statistics

MIC CARD PRODUCTION STATISTICS			
SFY	Total Medicaid Eligibles	Yearly Card Total	Monthly Card Average

MIC CARD PRODUCTION STATISTICS			
SFY	Total Medicaid Eligibles	Yearly Card Total	Monthly Card Average
2014	115,328	47,632	3,969
2015	117,346	48,114	4,019
2016	118,673	47,782	3,982

Each card is mailed directly to its recipient within two working days of being notified by DSS. Each card is mailed in a card carrier containing training and other important information as shown on the following page.

3.16.2 Card Carrier

A card carrier is produced and provided to the Medicaid recipient with their Medical Identification Card. The card carrier contains information pertinent to the use and care of the card by Medicaid recipients at enrolled South Dakota Medicaid Providers.

(Card Carrier Front Side)

This is your Medical Benefits Identification Card.

Be sure the information is correct on your card.

Report any mistakes to your local Department of Social Services Office!

Remember to sign your card.
If the card is for a child,
then write in the child's name.

You MUST show this card to each medical provider before you receive services.

Ask your medical provider to use the name shown on your most recent card when submitting claims for payment.

It is against the law for anyone else to use this card.

VIOLATORS WILL BE PROSECUTED

This card does not guarantee medical eligibility.

If any children leave the household to live with someone else, they must take their Medical Benefits cards with them.

SOUTH DAKOTA MEDICAL BENEFITS IDENTIFICATION CARD FOR:

(Card Carrier Reverse Side)

PRIMARY CARE PROVIDER

Certain individuals are enrolled with a Primary Care Provider (PCP). Your PCP's name and telephone number will be sent to you in a separate letter. Detach your PCP information from the bottom of the letter and keep it with your card.

Show your card to all medical providers BEFORE you receive services. Providers need your card to verify eligibility and managed care information through the on-line computer system. You may have to pay the medical bill if you don't have your card.

WHAT IF I LOSE MEDICAL ELIGIBILITY?

If you are NOT eligible for Medical Benefits, your card will not work and you will be responsible to pay your bill.

CONFIDENTIALITY

All medical information concerning applicants and recipients of medical assistance is confidential. Sharing of this information is limited to purposes directly connected with the administration of the Medical Assistance Program. Use of the Medical Benefits Identification Card by an eligible recipient represents consent and allows for the necessary sharing of information between the Medical Assistance Program and Medical Assistance Providers.

IMPORTANT THINGS TO REMEMBER

- SHOW YOUR CARD EVERY TIME YOU RECEIVE MEDICAL CARE
- ASK YOUR PROVIDER TO USE THE NAME SHOWN ON YOUR MOST RECENT CARD WHEN SUBMITTING CLAIMS FOR PAYMENT
- KEEP ALL MANAGED CARE INFORMATION SENT TO YOU
- PROTECT YOUR CARD – PUT YOUR CARD IN YOUR WALLET OR PURSE
  - IF YOUR CARD IS LOST, STOLEN OR DAMAGED, IMMEDIATELY REPORT THIS TO YOUR LOCAL DEPARTMENT OF SOCIAL SERVICES
  - A REPLACEMENT CARD WILL BE MAILED TO YOU WITHIN 5 WORKING DAYS

3.16.3 MIC Detailed Project Work Plan

The Contractor shall develop a Project Work Plan that includes a schedule for all project tasks, subtasks, milestones, and deliverables based on the Contractor's proposal. The plan must identify the individual tasks and deliverables by project phase listed in Section 3.4.1. This plan shall identify all critical path and dependency tasks and delineate the responsibilities of the

Contractor and the State. The Contractor is requested to use the specifications listed in Section 3.4.3 when developing the Project Work Plan.

4 Proposal Requirements and Company Qualifications

The States are seeking an EBT services provider(s) that has the necessary qualifications, skills, and resources to provide quality EBT services to the States' customers. The States require that EBT services continue unabated with no impact to its existing customer, provider, and retailer constituency during the transition to a new EBT contract(s). In order to be considered as a viable Contractor, Offerors must demonstrate in their proposal that not only can they provide the requested EBT services, but that they can also perform an on-time and successful conversion of EBT services from the Incumbent Contractor to their EBT system.

4.1 Evaluation Categories

The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the States are under no obligation to solicit such information if it is not included with the proposal. The Offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

4.2 Offeror's Contacts

Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, requirements for the proposal, and/or the evaluation to the point of contact of the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

4.3 Financial Statements

The Offeror MUST submit audited financial statements, by an independent Certified Public Accountant (CPA), SEC Form 10-K's, and other important documents for the prime Offeror's (and co-offeror/subcontractors) for the past two years. Audited financial statements need to be included in the response. An Offeror without audited financial statements should provide a letter signed by a company officer stating that audited financial statements are not available. In lieu of audited financial statements, the States will consider a copy of the Offeror's internal financial statements along with a letter from a financial institution stating that the Offeror appears to have sufficient financial resources to: 1) assume the responsibilities required by the RFP; and 2) maintain financial viability throughout the period during which the Offeror proposes to provide services pursuant to this RFP.

4.4 Experience

The States are particularly interested in a Contractor having substantial experience in developing, implementing and managing financial systems such as EBT, EFT, financial network services and card transaction processing systems. In totality, the Offeror's experience, combined with that of any subcontractor(s), shall demonstrate the capability to successfully meet the requirements of this RFP. The Offeror shall provide the following information related to at least three previous and current EBT processing service contracts or comparable service contracts performed by the Offeror's organization, co-offerors, and subcontractors that meet the requirements of this RFP and can speak to the Offeror's capabilities and qualifications related to the services sought in this RFP. The Offeror shall provide this information for any similar service/contract that has been successfully completed, terminated, expired, or not renewed in the past three years:

a. Name, address, telephone number, and email address of customer/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
b. Dates of the service/contract; and

c. A brief, written description of the specific prior EBT and EFT processing services performed and requirements thereof.

4.5 Organizational Chart

The Offeror shall provide an organizational chart that describes the task group organization structure for each of the design and development, installation, and operation phases of the project.

a. Give the titles of key positions, including a single point of contact, and the lines of reporting.

b. Identify a single point of contact, an employee who will function as the Project Manager for each State. The Offeror must demonstrate the Project Manager's experience with similar projects, to include a summary of related project management experience, resume, and references.

c. For each organizational unit on the project organization chart, describe the major functions that will be performed. The Offeror must demonstrate through its proposed management, organization, and staffing approach that it has assembled a team with the management and organization skills to meet the requirements of this RFP.

d. The Offeror shall propose a development and transition project team to be headed by an overall Program Manager whose responsibility it is to carry out the tasks for development and transition specified in this RFP. The Offeror's Program Manager shall meet the following requirements:
   - Have at least three years of project management experience, two of which must have been in projects involving state government; and
   - Have successfully managed within the last five years the implementation and/or operation of an EBT or other financial and/or transaction processing system of comparable size and similar complexity as defined within this RFP.

e. The Offeror shall acknowledge the following:
   - Each State's proposed Program Manager will be subject to the individual State's approval. The Program Manager shall start work on a State's project no later than 15 days after the effective date of the contract between the Offeror and that State and will continue through that State's written acceptance of the successful conversion of the current EBT system to the Contractor's EBT system and into the operations phase. Following a successful State conversion, the Program Manager's continuing service to a State during the operations phase is subject to that State's approval.
   - Each State will continue to have an assigned Program Manager for the entire length of the operations phase. During the operations phase, each State Program Manager must maintain regular and frequent contact with each State's EBT Program Administrator and designated staff members.
   - During the contract, a State may request the replacement of the Project Manager for any legitimate performance reason and the replacement will also be subject to State approval. Staff replacement occurring at a State's request shall be performed within 30 calendar days of receipt of the request.

f. List the job responsibilities for each major job title involved in each phase.

g. Provide an organizational and decision-making chart, relative to the EBT system proposed.

h. Provide prior and current litigation, disposition or outcome, breach of contracts, and/or formal administrative protests or actions, such as notices of default or unsatisfactory performance related to the quality or performance of EBT, EFT, or related services for any local, county, state or federal government agency, public or private association, or private organization. Offerors shall include copies of all letters, protests, and actions as part of their response.

i. The Offeror shall provide an overview of its company, its capabilities, and why it should be selected for this project. Offeror shall also provide a list of corporate officers, number of employees by classification or work assignment, listing of people who will work on this project, their qualifications, and their experience with SNAP EBT projects. If the members of

the team will change during different phases of the project this must be identified in the Offeror's proposal.

j. Other key personnel from the Contractor subject to the approval of the States are:
   - Retail Manager;
   - Technical Conversion Coordinator – for SNAP EBT services only;
   - System Test Manager; and
   - Technical System Lead.

   The States may conduct interviews of key personnel prior to award in order to determine acceptability. If a change in key personnel is made after award, the Offeror shall present the replacement to the impacted State, and that State will have right of refusal privileges. If any of the proposed key personnel or project managers are not currently in the employ of the Offeror, a letter of intent to accept employment shall be included in the response.

   The Offeror must demonstrate staff capabilities and experience by providing the name, position title, responsibilities, percent of time on the project and resumes of all key staff, and identification of positions to be hired upon contract award.

k. The Offeror shall describe its project management approach and provide a proposed organization plan for the EBT project defining how the Offeror will organize and manage the project. The response shall include a discussion of the proposed lines of authority, and how the project management team will be involved in the administration of the services, including the coordination and communication internally and among all subcontractors.

   The proposal must clearly define the following:

   - The degree of coordination expected between the Contractor's personnel (the Contractor's Project Director and assigned Program Manager) and each State's EBT Program Administrator.
   - Procedures that will be implemented and enforced to provide adequate notification to the States and their EBT Program Administrator when potential or actual problems are identified.
   - The decision-making authority that assigned Contractor personnel (Project Director and designated Program Manager(s)) have within the Contractor's organization in relation to this EBT project.
   - A management structure ensuring adequate oversight and executive direction for the Contractor's personnel (Project Director and assigned Program Manager(s)). The Contractor must indicate, whenever possible in advance, when each State's normal contact is expected to be unavailable, and the Contractor must provide each State with contact information for an alternative or backup contact. Calls and/or e-mails from a State's EBT Program Administrator to any designated contact must be returned within 24 hours.
   - The Contractor's internal lines of authority and communication, including escalation and problem resolution procedures.
   - The lines of authority, communication, escalation, and problem resolution procedures that will be established between the Contractor and any subcontractors.

l. The Contractor is also responsible for providing a plan whereby the State Program Manager, key personnel, or designees will be available on-site within two business days of a State's request, at no cost to the State. A State may make a request when that State deems it necessary for the Contractor to be on site to respond to emergency or critical situations.

4.6 References

The States reserve the right to contact any reference to assist in the evaluation of the proposal, to verify information contained in the proposal, and to discuss the Offeror's qualifications and the qualifications of any subcontractor identified in the proposal.

4.7 Familiarity with Locale

The Offeror must submit information that demonstrates their availability and familiarity with the locale in which the project(s) are to be implemented.

4.8 Special Project Constraints

The Offeror must detail examples that document their ability and proven history in handling special project constraints.

4.9 Rejection of Proposal

If an Offeror's proposal is not accepted by the States, the proposal will not be reviewed or evaluated. An Offeror's proposal will not be accepted for the following reason(s):

a. The proposal was not received by the date as specified in Section 1.4.
b. The proposal was not addressed or labeled correctly.
c. The proposal was not signed by the proposer.
d. The correct number of copies and/or the electronic version was not provided.
e. An audit of the financial statements provided by the proposer indicates financial non-viability.

5 Proposal Response Format

5.1 One original hard copy proposal and six additional hard copies should be submitted in three ring binders, page numbered, and should have an index and/or a table of contents and a cross-walk referencing the appropriate page number to match the RFP, and single-spaced with a font not less than size 10.

5.1.1 In addition, the Offeror must provide one digital copy of the entire proposal, including all attachments and cost proposal, in PDF electronic format on a flash drive. Offerors may not send the electronically formatted copy of their proposal via email.

5.2 All proposals must be organized and tabbed with labels for the following headings:

5.2.1 Tab 1 - RFP Form. The States' RFP form completed and signed.

5.2.2 Tab 2 - Executive Summary. The one or two page executive summary is to briefly describe the Offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the Offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.

5.2.3 Tab 3 – Table of Contents & Crosswalk. The proposal shall contain a crosswalk for Sections 2 - 4, to include section and page numbers, that reference the proposal to the provisions(s) and page(s) of the RFP.

5.2.4 Detailed Response. This section should constitute the major portion of the proposal and must contain at least the following information:

1) **Tab 4 -** A complete narrative of the Offeror's assessment of the work to be performed, the Offeror's ability and approach, and the resources necessary to fulfill the requirements. The systems overview must clearly describe the EBT systems configuration, including all processing components, databases, interfaces, and participating entities. This should demonstrate the Offeror's understanding of the desired overall performance expectations and clearly describe how the proposed system solutions meet each of the system requirements as specified in Section 3.0.

   The Offeror shall recommend the most effective and efficient technical configuration. Consideration must be given to the stability of the proposed configuration and the future direction of technology, confirming to the best of the Offeror's ability that the recommended approach is not short lived, has the flexibility to support changes in program requirements, and is extendable to other programs that may be added over the life of the contract.

2) **Tab 5** - A specific point-by-point response, in the order listed, to each requirement detailed in Section 2 of the RFP. The response should identify each requirement being addressed as enumerated in the RFP.

3) **Tab 6** - A specific point-by-point response, in the order listed, to each requirement detailed in Section 3 of the RFP. The response should identify each requirement being addressed as enumerated in the RFP.

4) **Tab 7** - A specific point-by-point response, in the order listed, to each requirement detailed in Section 4 of the RFP. The response should identify each requirement being addressed as enumerated in the RFP.

5) **Tab 8** - A clear description of any options or alternatives proposed.

5.2.5. Cost Proposal. One clearly marked original and one digital copy of each States' cost proposal must be submitted to the POC in each State in a separate sealed envelope

labeled “Cost Proposal”, and enclosed within the proposal submitted under Paragraph 1.5. Cost will be evaluated independently from the technical proposal. Offerors may submit alternative cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered. No specific costs or fees should be identified outside the separately-packaged cost proposal.

Refer to RFP Section 7.0 for more information related to the cost proposal.

6 Proposal Evaluation and Award Process

6.1 After determining that a proposal satisfies the mandatory requirements stated in the RFP, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria listed in order of importance:

6.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;

6.1.1.1 Experience and reliability of the Offeror's organization are considered subjectively in the evaluation process. Therefore, the Offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.

6.1.1.2 The qualifications of the personnel proposed by the Offeror to perform the requirements of this RFP, whether from the Offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the Offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.

6.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project

6.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;

6.1.4 Cost proposal;

6.1.5 Proposed project management techniques;

6.1.6 Ability and proven history in handling special project constraints,

6.1.7 Availability to the project locale; and

6.1.8 Familiarity with the project locale.

6.1.9 Evaluation points will be allocated as indicated in the following table:

Evaluation Scoring Table		
Proposal Section and Requirement	**Maximum Technical Points**	**Maximum Pricing Points**
Tab 4. Narrative of System and Approach	**100**	
Tab 5. Standard Terms and Conditions	**100**	
Tab 6. General and Functional Specifications	**400**	
Tab 7. Experience and Organization	**100**	
MAXIMUM POSSIBLE TECHNICAL AND PRICING SCORE	**700**	**300**
MAXIMUM POSSIBLE TOTAL SCORE	**1,000**	

6.2 The States reserve the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the States.

6.3 To determine whether a proposal is reasonably susceptible for award, communications by the States or the proposal evaluation committee are permitted with the Offeror to clarify uncertainties

or eliminate confusion concerning the contents of a proposal and determine responsiveness to the RFP requirements. Clarifications may not result in a material or substantive change to the proposal. An initial evaluation may be adjusted because of a clarification made under this paragraph.

6.4 After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. If an amendment to this RFP is issued, it will be posted on the DSS RFP webpage and Offerors who submitted proposals will be notified via e-mail and provided a link where they can locate and print the documentation. The amendment will incorporate the clarification or change, and a new date and time established for amended proposals. Evaluations may be adjusted as a result of receiving amended proposals.

6.5 Offeror must disclose any instances where the Offeror's firm or any individual to be working on the contract on behalf of the Offeror has a possible conflict of interest and, if so, the nature of that conflict (e.g. employed by either state). The States reserve the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the Offeror's proposal. The States' determination regarding any questions of conflict of interest is final.

6.6 Proposals, including supplemental terms and conditions, may be accepted, but supplemental conditions that conflict with those contained in this RFP or that diminish the States' rights under any contract resulting from the RFP will be considered null and void. The States are not responsible for identifying conflicting supplemental terms and conditions before issuing an award. After award:

1) If conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail;
2) A condition that the offer will remain open and valid for the period indicated in this solicitation; and
3) If the States' rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

6.7 By signature on the proposal, an Offeror certifies that it complies with:

1) The laws of North Dakota and South Dakota;
2) North Dakota Administrative Code;
3) All applicable local, state, and federal laws, codes, and regulations;
4) The applicable portion of the Federal Civil Rights Act of 1964;
5) The Equal Employment Opportunity Act and the regulations issued by the federal government;
6) The Americans with Disabilities Act of 1990 and the regulations issued by the federal government;
7) All terms, conditions, and requirements set forth in this RFP;
8) A condition that the proposal submitted was independently arrived at, without collusion;
9) A condition that the offer will remain open and valid for the period indicated in this solicitation; and
10) A condition that the firm and any individuals working on the contract on behalf of the firm do not have a possible conflict of interest (e.g. employed by the state of North Dakota).

6.8 Each State will evaluate the proposals received from Offerors independently of each other. Evaluation points will be distributed as per the table contained in Section 6.1.9. Each State will use the same evaluation instrument for scoring the technical solution, although only South Dakota will score the responses for the South Dakota specific services, specifically the Medical Identification Card (MIC) Production and the Electronic Payment Processing (Direct Deposit) Services.

6.9 After the completion of contract negotiation, the States will issue a written Notice of Intent to Award and send copies to all Offerors. The Notice of Intent to Award will set out the names and

addresses of all Offerors and identify the proposal or proposals selected for award. The scores and placement of other Offerors will not be part of the Notice of Intent to Award.

The Successful Offeror or Offerors named in the Notice of Intent to Award are advised not to begin work, purchase materials, or enter into subcontracts relating to the project until each States' Successful Offeror and the respective State sign their contract.

6.10 North Dakota law requires that every person or entity that desires to bid or submit a proposal for contracts for commodities or services be an approved vendor to be placed on the North Dakota State's bidders' list. An Offeror that is not registered by the deadline for receipt of proposal will be determined to be non-responsive and its proposal will be rejected.

To become an approved vendor, Offerors shall register with the North Dakota Secretary of State (fees apply), and shall submit a completed Bidders' List Application to the North Dakota Vendor Registry. Prospective Offerors may access the Procurement Vendor Database online to verify whether their firm is currently on the bidders' list. The bidders' list that will be used for this solicitation is commodity code # 946 Financial Services, Sub-Class, 35 Credit Card, Charge Card Services and 952 Human Services, Sub-Class 45 SNAP Benefits.

The Procurement Vendor Database, registration instructions and forms are available online at http://www.nd.gov/spo/vendor/registry/. Contact the North Dakota Vendor Registry at 701-328-2773 or infospo@nd.gov for assistance.

6.11 **Award:** The States and the highest ranked Offeror or Offerors shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.

6.11.1 If the States and the highest ranked Offeror or Offerors are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the States, the States shall, either orally or in writing, terminate negotiations with the contractor. The States may then negotiate with the next highest ranked Offeror or Offerors.

6.11.2 The negotiation process may continue through successive Offerors, according the States' ranking, until an agreement is reached or the States terminate the contracting process.

6.12 **Protest and Appeal:** North Dakota law provides that an interested party may protest a solicitation. If an interested party wishes to protest the content of this RFP, the protest must be received, in writing, by the State of North Dakota at least seven calendar days before the deadline for receipt of proposals.

An interested party may protest the award or proposed award of a contract. If an Offeror wishes to protest the award of a contract or proposed award of a contract, the protest must be received, in writing, by the State of North Dakota within seven calendar days after the date the Notice of Intent to Award

6.12 **Contract Changes** – Unanticipated Amendments: During the course of a contract or contracts resulting from this RFP, the Successful Offeror or Offerors may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the States will provide the Successful Offeror with a written description of the additional work and request the Successful Offeror to submit a time schedule for accomplishing the additional work and a price for the additional work. The Successful Offeror must provide cost and pricing data to justify the cost of the additional work.

The Successful Offeror will not begin the additional work until the States have approved the additional work and signed a written contract amendment.

7 Cost Proposal

Cost will be evaluated independently from the technical proposal. Each Offeror may submit to each State alternative cost proposals. Alternative cost proposals must at least comply with the minimum specifications in Section 3, Scope of Work, and must be submitted using the format provided in this Section. Alternative cost proposals must be clearly marked. All costs related to the provision of the required EBT services must be included in each cost proposal offered.

The States reserve the right to procure for any or all of the Service Description items based on cost and budget authority to meet those costs.

This Section describes the format and content of the cost proposals. This information provides a format for submitting cost proposals that facilitate evaluation by the States**.** The States will evaluate pricing for all services and hardware, both core and optional. Unless identified otherwise, prices quoted must apply for the duration of the base contract period and each of the succeeding option years, as applicable to each individual State.

7.1 Pricing Approach

The States are purchasing core EBT services and may purchase optional services as specified in this RFP. Each State's selected Contractor ~~or Contractors~~ will provide all system components, hardware, software, interfaces, professional services, and any other services necessary to meet this RFP's requirements at the prices specified in their offer. The States will incur no additional fees.

The Offeror's Cost Per Case Month (CPCM) prices shall be based on the core service requirements, which include all EBT services requirements as specified in the RFP. As indicated in Section 7.2, the CPCM charge to the States for the billing month will be based on the total number of active cases for the billing month.

Core Services (CPCM) include:

1. All system components, hardware, software, interfaces, professional services, and any other services necessary to meet this RFP's requirements at the prices specified on Schedule 2;
2. Over-the-counter card issuance cards, equipment and software which includes card readers, PIN pads and associated software for integration with the state eligibility system for designated county offices;
3. SNAP POS Terminal Hardware with Integrated PIN Pad for all exempt SNAP retailers as defined in the Agricultural Act of 2014;
4. Transaction processing fees associated with SNAP transactions for all exempt SNAP retailers as defined in the Agricultural Act of 2014;
5. All SNAP POS terminals (wireless and/or wired) with hand held PIN pads for Farmer's Markets;
6. All investigative/test cards;
7. A contractor testing region that is available upon request;
8. Online SNAP purchases;
9. All other SNAP EBT requirements detailed in Section 3 of the RFP that is not specifically identified as being an optional service.

In addition to CPCM pricing, the States are requesting pricing as specified for the following:

1. Transition/Implementation service costs on Schedule 1;
2. Medical Identification Card (MIC) Production for South Dakota on Schedule 5;
3. Electronic Payment Processing (Direct Deposit) for South Dakota on Schedule 6; and
4. Pricing for additional EBT equipment beyond the number detailed in Section 3 of the RFP on Schedule 7.

Best and final offers may be requested at the option of the States. However, there is no guarantee that best and final offers will be requested.

7.2 Definition of Case/Active Account or Combined Case

A “case” shall be defined as a single beneficiary household receiving a benefit(s) through a single EBT account for the SNAP benefit program. “Active account” means an account for which a benefit authorization has been credited and made available during the billing month. The Contractor may not charge the States for accounts that have had no benefit authorizations credited during the billing month.

In the instance where a customer has a SNAP benefit posted to their EBT account on the 2nd of the month, and a supplemental benefit is authorized on the 15th of the month and posted to the same EBT account, the Contractor would bill for one active SNAP case at the end of the month.

7.3 Implementation/Transition Costs

Each State will pay a fixed price to the Contractor for any system implementation and transition costs required. Offerors shall use the pricing schedule contained in Schedule 1, Transition and Implementation Pricing. A quote must be provided for each State. If an Offeror is not proposing a price for a State, the cell must indicate $0. The States will pay a transition and conversion cost following the successful transition to the new EBT system. Offerors shall provide costs within the defined categories as follows:

- EBT System Design and Development – Offerors shall provide pricing directly related to the design, development, and testing of the EBT system being provided to the States. This includes the requirement to test all Contractor provided software and equipment in each State’s operational environment, including both the state and county offices. The Offeror shall include in this category the price for the interfaces to the States’ eligibility systems. The Offeror shall also include in this category the cost of transportation for two state representatives and one EBT State Planning Consultant per state at each State’s System Acceptance Test held outside a State’s boundaries.
- EBT-Only Terminal Conversion Costs – Offerors shall provide any costs related to transition of exempt retailers, if required. Offerors shall include in this category the price to deploy replacement POS terminals and to train retailers, and the price of retailer transaction acquiring costs until the EBT database has been converted.
- EBT Database Conversion Costs – Offerors shall provide pricing related to the conversion of the EBT database from the Incumbent Contractor to the Contractor’s EBT system, if required. Offeror prices must include the cost of development and testing of conversion programs, performing mock conversions, and performing the actual database conversion in this category.

The fixed-price Implementation/Transition Costs will be paid to the Contractor in four installments. The first installment, consisting of 30% of the total Implementation/Transition Costs, will be paid upon the receipt and approval of the Project Work Plan. The second installment, consisting of 30% of the total Implementation/Transition Costs, will be paid upon the receipt of the document deliverables and FNS approval of the Implementation/Transition Plan. The third installment, consisting of 20% of the total Implementation/Transition Costs, will be paid early as an incentive for the Contractor to successfully complete Trial Conversion Run #1, but no later than the successful completion of the System Acceptance Test. The final installment, consisting of 20% of the total Implementation/Transition Implementation/Transition Costs, will be paid upon the successful system conversion and upon receipt of all corresponding document updates and completion and acceptance of state/federal reconciliation.

7.4 CPCM Pricing Schedule

The Offeror shall express costs proposed for the core EBT services in terms of CPCM for SNAP cases as detailed in Section 7.1. CPCM represents the fixed charge to deliver the core services to a single active account per month for EBT-only cases. The CPCM proposed to each State shall apply for all active accounts. The Offeror’s price quotations must include all costs associated with operation of the EBT system for the core services, including the cost of interoperability and the cost of each

State's yearly membership in Quest® from and after the system transition date. Offerors shall use the pricing table contained in Schedule 2, to reflect the CPCM pricing for each States' EBT contract. Active accounts are each State's individual unduplicated case count on the Contractor's EBT system for the billing month.

7.5 Fee for Service Pricing

Pricing Schedule 3 contains pricing for services that the States will purchase based upon the use of the respective service. Offerors shall complete this schedule. The services contained in this table are:

- Hourly rate for Professional Services within the respective labor categories
- Ad hoc reporting
- Onsite installation of EBT-only POS Device

If specified in this RFP, each States' selected Contractor may be required to exceed federal requirements to meet state requirements. As federal and state regulations or the Quest® Operating Rules are changed, the EBT system must be modified to meet the new requirements.

For any changes to the EBT system as a result of federal law, the Contractor shall not charge the respective State any more than that States' prorated share of the cost.

7.6 Pricing of Optional Services – Increase or Decrease in CPCM

Offerors shall specify the increase or decrease in the core CPCM for the following optional EBT services. Offerors are required to offer and price these services. The services may be purchased at the option of the States and there is no guarantee of minimum or maximum purchase amounts. If there is no change to the CPCM for the optional service, the incremental CPCM increase/decrease should be listed as zero. The optional services for which the Offeror is required to provide pricing are:

- Interpretive Services for CSR support for up to five languages in addition to English and Spanish (increase to the core CPCM)
- Increase number of base level professional services hours to 400 per year (increase to the core CPCM)
- Eliminate Contractor provided training materials (decrease to the core CPCM)
- Eliminate Customer Training Digital Media (decrease to the core CPCM)
- Eliminate card sleeve (decrease to the core CPCM)
- Issue all cards via mail issuance (increase to the core CPCM)

The Offeror shall use Pricing Schedule 4 to specify costs associated with optional services. Pricing for any additional optional services the Offeror wishes to propose should also be included in Schedule 4.

7.7 Pricing for Additional Programs

The Offeror shall use Pricing Schedule 5 to specify costs associated with:

- Medical Identification Card (MIC) Production (South Dakota Only)

The Offeror shall use Pricing Schedule 6 to specify costs associated with:

- Electronic Payment Processing (Direct Deposit) Services (South Dakota Only)

7.8 Pricing for Additional EBT Equipment

The Offeror shall use Pricing Schedule 7 to specify costs associated with obtaining additional EBT equipment beyond that specified in Section 3. This includes EBT-only POS devices (Section 3.9.5), card swipe devices (Section 3.6.36), and PIN select terminals (Section 3.6.36).

7.9 Operational Invoicing and Payment

At a mutually agreed upon time during each calendar month, the Contractor for each respective State shall prepare an electronic invoice for services rendered during the previous calendar month. If the States utilize the same Contractor, separate invoices shall be prepared for each State. The Contractor shall itemize monthly invoices by benefit type or service category. Each States' invoice must be accompanied by supporting documentation that substantiates each individual line item on the invoice, including pass-through expenses to the State, in order for payment to be approved. Each State shall determine its invoicing requirements.

At a minimum, the monthly invoice must contain the following:

- Report period (month/year);
- Total number of active SNAP EBT accounts in the State;
- Applicable CPCM for active SNAP EBT accounts in the State;
- Extensions of the CPCM pricing (total of active SNAP EBT accounts times the CPCM);
- A breakout list of the fee for any optional contracted service provided and total cost for the State, including cost for POS terminals for exempt retailers that is in addition to the POS terminals included in the CPCM price;
- Number of Medical Identification Cards produced times the cost per card to provide a total cost (South Dakota only); and
- Number of ACH originations times the cost per origination to provide a total cost (South Dakota only).

7.9.1 Schedule 1 – Implementation/Transition Pricing

Respondent Name: _____

Date: _____

Item	Pricing
NORTH DAKOTA COSTS	$
SOUTH DAKOTA COSTS	$

7.9.2 Schedule 2 – CPCM for Core EBT Services

Respondent Name: _____

Date: _____

Active Cases for Billing Month	CPCM Pricing
North Dakota SNAP Only	$
South Dakota SNAP Only	$

7.9.3 Schedule 3 – EBT Fee for Service – Professional Services

Offeror Name: _____

Date: _____

Item	Pricing
Hourly rate for professional services in excess of 300 hours per year for each State (Refer to RFP Section 3.11.1, Change Request Control Process). The Offeror must state a firm, fixed hourly price for professional services outside of the scope of this RFP, which may include, but are not limited to, system enhancement requests to support new functionality and conforming changes. A per hour price must be provided for professional services within the respective labor categories: • Project Manager • Developer • Business Analyst • Test Analyst	$
Ad Hoc Reporting • Report Analyst	$
Onsite EBT-only POS Installation – cost per installation	$

7.9.4 Schedule 4 – EBT Optional Services

Offeror Name: _____

Date: _____

The Offeror shall provide pricing for optional services as an incremental increase or an incremental decrease in the core CPCM. The States shall determine which, if any, of the options will be exercised in the contract with the Contractor. This determination will be made and finalized prior to the execution of the contract.

Optional Service or Service Improvement Description	**Incremental CPCM Increase (+) OR Decrease (-)**
Interpretive Services for CSR support for up to five languages in addition to English and Spanish (increase to the core CPCM)	$
Increase number of base level professional services hours to 400 per year (increase to the core CPCM)	$
Eliminate Contractor provided training materials (decrease to the core CPCM)	$
Eliminate Customer Training Digital Media (decrease to the core CPCM)	$
Eliminate card sleeve (decrease to the core CPCM)	$
Issue all cards via mail issuance (increase to the core CPCM)	$
Other: (specify)	$
Other: (specify)	$

7.9.5 Schedule 5 – Medical Identification Card Production Services (South Dakota Only)

Offeror Name: _____

Date: _____

State Costs (MIC):

Item	Pricing
Card Production and Mailing Per Card	$

7.9.6 Schedule 6 – Electronic Payment Processing (Direct Deposit – South Dakota Only)

Offeror Name: _____

Date: _____

Description of Service	Unit of Measure	Unit Price
ACH Fee: For direct deposit to customer and provider bank accounts	Per ACH origination	

7.9.7 Schedule 7 – Additional EBT Equipment

Offeror Name: _____

Date: _____

Description of Equipment	Cost Type	Unit Price
SNAP POS Terminal with Integrated PIN Pad	Monthly lease price	
Wireless POS Terminal with Integrated PIN Pad	Monthly lease price	
Magnetic Stripe Card Reader Device	Purchase price	
PIN Selection/Change Terminal	Purchase price	

Addendum A – Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief that:

(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 awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(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 Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Organization Name

Name and Title of Official Signing for Organization

Signature of Official / Date

03/96

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

1. Type of Federal Action: a. Contract b. Grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	2. Status of Federal Action: a. bid/offer/application b. initial award c. post-award	3. Report Type: a. initial/filing b. material change For Material Change Only: Year_____ quarter_____ Date of last report_____
4. Name and Address of Reporting Entity: ☐ Prime ☐ Subawardee Tier_____, if known Congressional District, if known:	5. If Reporting In No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable:_____	
8. Federal Action Number, if known:	9. Award Amount, if known: $	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	Signature:_____ Print Name:_____ Title:_____ Telephone No.:_____Date:_____	
Federal Use Only:		Authorized for Local Reproduction Standard Form-LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime federal recipient, at the initiation or receipt of a covered federal action or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered federal action.

2. Identify the status of the covered federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include congressional district, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks “Subawardee,” then enter the full name, address, city, state, and zip code of the prime federal recipient. Include congressional district, if known.

6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the federal program name or description for the covered federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate federal identifying number available for the federal action identified in item 1 (e.g., Request for Proposal (RFP) number, Invitation to Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the federal agency). Include prefixes, e.g., “FRP-DE-90-001.”

9. For a covered federal action where there has been an award or loan commitment by the federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

Addendum B - USDA / FNS Federal Procurement Clauses, October 2016

Equal Employment Opportunity

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of federally assisted construction contract in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." (2 CFR 200, Subpart F, Appendix II)

Clean Air and Federal Water Pollution Control Act

Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended. Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). (2 CFR 200, Subpart F, Appendix II)

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 2 CFR 200, Subpart F, Appendix II, for persons entering into a grant or cooperative agreement over $100,000, as defined at 31 U.S.C. 1352, the applicant certifies that:

a. 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;
b. 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 Congress 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;
c. 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.

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 and State and local governments, except public transportation services.

Drug-Free Workplace Statement

The Federal government implemented 41 U.S. Code § 8103, Drug-free workplace requirements for Federal grant recipients 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:

a. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the work place.
b. Violators may be terminated or requested to seek counseling from an approved rehabilitation service.
c. Employees must notify their employer of any conviction of a criminal drug statue no later than five days after such conviction.
d. Contractors of federal agencies are required to certify that they will provide drug-free workplaces for their employees.

Transactions subject to the suspension/debarment rules (covered transactions) include grants, subgrants, cooperative agreements, and prime contracts under such awards. Subcontracts are not included. Also, the dollar threshold for covered procurement contracts is $25,000. Contracts for Federally required audit services are covered regardless of dollar amount.

Debarment and Suspension

Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. (2 CFR 200, Subpart F, Appendix II)

Royalty-Free Rights to Use Software or Documentation Developed

2 CFR 200.315 Intangible property.

(a) Title to intangible property (see §200.59 Intangible property) acquired under a Federal award vests upon acquisition in the non-Federal entity. The non-Federal entity must use that property for the originally-authorized purpose, and must not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in §200.313 Equipment paragraph (e).

(b) The non-Federal entity may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(c) The non-Federal entity is subject to applicable regulations governing patents and inventions, including government wide regulations issued by the Department of Commerce at 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements."

(d) The Federal Government has the right to:

(1) Obtain, reproduce, publish, or otherwise use the data produced under a Federal award; and
(2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

Addendum C – North Dakota State Specific Requirements

SNAP FILE AND RECORD LAYOUTS

NORTH DAKOTA BENEFIT FILE LAYOUT - SNAP

File Name	File Description	Frequency	Time
NDFSBEUD	Daily FS Benefits	Monday – Friday	6 p.m. – 3 a.m. CST Normally 9 p.m.

NORTH DAKOTA SNAP BENEFIT HEADER RECORD LAYOUT

Field #	Position	Description	Length	Type	Data	R/O
1	1-2	Record Type	2	X	"HD"	R
2	3-10	Transaction Type	8	X	• "NDFSBEUD" = Daily FS Benefit File	R
3	11-18	Date	8	9	• File date. CCYYMMDD • Must match trailer.	R
4	19-26	Time	8	9	• File time. HHMMSSSS • Must match trailer.	R
5	27-32	Control Number	6	9	• Incremented by 1 after each successful posting completion • Must match trailer.	R
6	33-34	State ID	2	X	"ND"	R
7	35-43	Profile Number	9	9	• 380000001 = ND Food Stamps	R
8	44-64	Reserved for State	21	X	• Any purpose or spaces. • Is not stored on the contractor database but is sent back in the return file.	O
9	65-117	Filler	53	X	Reserved for Future Use	O
10	118-121	Reserved for Contractor	4	X	Error code line description.	O
11	122-125	Response Code	4	X	• "0000" = No errors • Must be initialized to "0000".	R

Record Length = 125
R – Required field
O – Optional field

Response (Error) Code	Comment
HD01	Invalid Record Type
HD02	Invalid Transaction Type

Response (Error) Code	Comment
HD03	Invalid Date
HD04	Invalid Time
HD05	Invalid Control Number
HD06	Duplicate File
HD07	File out of sequence
HD08	Invalid profile number
HD09	Invalid State ID

NORTH DAKOTA SNAP BENEFIT DETAIL RECORD LAYOUT

Field #	Position	Description	Length	Type	Data	Notes Action Codes:	1	2	3	4
1	1-2	Record Type	2	X	"DT"		R	R	R	R
2	3-4	Action Code	2	X	• "01" = Update (Credit) • "02" = Pending Void (Debit from Pending file) • "03" = Batch (Debit – Repayment)	• (02) Pending Void – Dakotas can delete benefits at the benefit level from benefit pending file before the available date is reached. • (03) Batch Repayment – Dakotas can delete benefits at the account level from recipient accounts. This will not guarantee unposting a specific benefit grant.	R	R	R	R
3	5-10	Benefit Type	6	X	See chart below.		R	R	R	R
4	11-12	Credit/Debit Indicator	2	X	• "CR" = Action Code 01 and 04 • "DB" = Action Code		R	R	R	R

Field #	Position	Description	Length	Type	Data	Notes Action Codes:	1	2	3	4
					02 and 03					
5	13-26	State Unique Case Number	14	X	Left Justified		R	R	R	R
6	27-33	Benefit Amount	7	9(5)V99			R	R	R	R
7	34-41	Available Date	8	9	CCYYMMDD	May be current date, future date, or past date.	R	O	O	R
8	42-49	Benefit Period Date	8	9	CCYYMMDD	Date of Benefit Payment	R	O	O	R
9	50-66	EBT Authorization Number (ATP)	17	X	Left Justified Pos 1: • "F" for Food Stamp	• EBT Authorization Number is incremented by 1 for each new authorization number. • Benefit number will be Proceeded with and "F" for regular FS and "FN" Emergency FS insure uniqueness for all benefit authorization numbers	R	R	R	R
10	67-68	County Code	2	X	Pos 1-2 = County (number)		R	O	O	R
11	69-89	Reserved for State	21	X	Reserved for State Use	For State Use	O	O	O	O
12	90-113	Filler	24	X	Reserved for Future Use					
13	114-117	Soft Edit Error	4	X	Soft Edit Errors	Still process record				
14	118-121	Reserved for Contractor	4	X	Error code line description		R	R	R	R
15	122-125	Response Code	4	X	• "0000" = No errors • Must be	Hard edit errors-will not process	R	R	R	R

Field #	Position	Description	Length	Type	Data	Notes Action Codes:	1	2	3	4
					initialized to "0000"	records.				

Record Length = 125 characters
R – Required field
O – Optional field
N – Not valid for this transaction

Response (Error) Code	Comment
DT01	Record type invalid
DT02	Missing/invalid action code
DT03	Missing/invalid State unique ID (case number)
DT04	Missing/invalid Benefit amount (non zero, non blank)
DT05	Missing/invalid availability date for action code 01
DT06	Missing/invalid benefit period date for action code 01
DT07	Missing/invalid authorization number (ATP)
DT08	Missing/invalid debit/credit indicator
DT09	Missing/invalid benefit type
DT10	01 action code – duplicate ATP number
DT13	01 action code – credit/debit indicator not "CR"
DT17	Missing/invalid county code for action code 01
DT18	Missing/invalid missing response code
DT19-DT20	Reserved for future use
DT34-DT36	Reserved for future use

Soft edit errors - return errors to State; continue to process detail

NORTH DAKOTA SNAP BENEFIT TRAILER RECORD LAYOUT

Field #	Position	Description	Length	Type	Data	R/O
1	1-2	Record Type	2	X	"TR"	R
2	3-10	Transaction Type	8	X	Must match header	R
3	11-18	Date	8	9	Must match header	R

4	19-26	Time	8	9	Must match header	R
5	27-32	Control Number	6	9	Must match header	R
6	33-38	Credit Count	6	9	Total Credit Detail Records	R
7	39-44	Debit Count	6	9	Total Debit Detail Records	R
8	45-54	Credit Amount	10	9(8)V99	Total Dollars All Credit Records	R
9	55-64	Debit Amount	10	9(8)V99	Total Dollars All Debit Records	R
10	65-70	Total Detail Records	6	9		R
11	71-95	Reserved for State	25	X		O
12	96-117	Filler	22	X	For Future Use	O
13	118-121	Reserved for Contractor	4	X		O
14	122-125	Response Code	4	X	• “0000” = No errors • Should be initialized to “0000”	R

Record Length = 125 characters

R – Required field

O – Optional field

Response (Error) Code	**Comment**
TR01	Trailer record missing
TR02	Mismatch on transaction type
TR03	Mismatch on Header Date
TR04	Mismatch on Header Time
TR05	Mismatch on Header Control Number
TR06	Mismatch on Total Detail Records
TR07	Mismatch on Credit Amount
TR08	Mismatch on Debit Amount

***Entire file rejects on header and trailer edits**

NORTH DAKOTA SNAP DEMOGRAPHIC FILE

NORTH DAKOTA SNAP DEMOGRAPHIC HEADER RECORD LAYOUT

Field #	Position	Description	Length	Type	Data	R/O
1	1-2	Record Type	2	X	"HD"	R
2	3-10	Transaction Type	8	X	• "NDCCUPDT" – Daily North Dakota Demographics	R
3	11-18	Date	8	9	• File date. CCYYMMDD • Must match trailer.	R
4	19-26	Time	8	9	• File time. HHMMSSSS • Must match trailer.	R
5	27-32	Control Number	6	9	• Incremented by 1 each time sent. • Must match trailer.	R
6	33-34	State ID	2	X	• "ND"	R
7	35-55	Reserved for State	21	X	• Any purpose or spaces. • Is not stored on the contractor database but is sent back in the return file	O
8	56-226	Filler	171	X	• For Future Use	O
9	227-230	Reserved for Contractor	4	X	• Error code line description	O
10	231-234	Response Code	4	X	• "0000" – no errors • Must be initialized to "0000"	R

Record Length = 234 characters
R – Required Field
O – Optional Field

Response (Error) Code	Comment
HD01	Invalid Record Type
HD02	Invalid Transaction Type
HD03	Invalid Date
HD04	Invalid Time
HD05	Invalid Control Number
HD06	Duplicate File
HD07	File out of sequence
HD08	Invalid State ID

Note: All batch transmissions are one logical file per physical file.

NORTH DAKOTA SNAP DEMOGRAPHIC DETAIL RECORD LAYOUT

Field #	Field Position	Description	Length	Type	Comment	Notes	1	9
1	1-2	Record Type	2	X	"DT"		DT	DT
2	3-4	Action Code	2	X	• "01" = Account Setup • "09" = Reactivate	• Action codes indicate the setup of a new account or a complete overlay of the existing record. • Reactivate will reset the aging clock and overlay existing account information only.	01	09
3	5-18	Case number	14	X	Left justified		R	R
4	19-20	Primary/ Alternate Indicator	2	X	• "01" = Primary • "02" = Authorized Rep • "03" = Protective Payee	Dakotas default is "01"	R	R
5	21-21	Cardholder Access	1	X	• "0" = No access • "1" = Food Stamps	Dakotas default is "1"	R	R
6	22-30	Social Security Number	9	9			O	O
7	31-40	Telephone Number	10	9			O	O
8	41-55	First Name	15	X			R	R
9	56-56	Middle Initial	1	X			O	O
10	57-81	Last Name	25	X	Jr.Sr. part of last or first name		R	R
11	82-111	Address Line 1	30	X		Line 1 needs to be populated first	R	R
12	112-141	Address Line 2	30	X			O	O
13	142-161	City	20	X			R	R
14	162-163	State	2	X			R	R

Field #	Field Position	Description	Length	Type	Comment	Notes	1	9
15	164-172	Zip Code	9	9			R	R
16	173-174	County Code	2	X	County code = 2 digits		R	R
17	175-182	Date of Birth	8	9	CCYYMMDD		O	O
18	183-183	Card Issuance Code	1	X	• "M" = Mail Card • "N" = Don't Issue Card	Default to "N" since DK is doing OTC issuance	R	R
19	184-184	Program Type	1	X	• 1 = FS	• Required for Account Reactivation only • Default to "1"	O	R
20	185-199	Mother Maiden Name	15	X	Future Use		O	O
21	200-220	Reserved for State	21	X	Reserved for State		O	O
22	221-222	Filler	2	X	Reserved for future use		O	O
23	223-226	Soft Edit Error	4	X	Soft Edit Errors	Still process records but return error to State	R	R
24	227-230	Error Code	4	9	Contractor Internal Use		R	R
25	231-234	Response Code	4	X	"0000" = No errors	• Default "0000" • Hard Edit errors	R	R

Record Length = 234 characters
R – Required field
O – Optional field

Response (Error) Code	Comment
DT01	Record type invalid
DT02	Missing/invalid action code
DT03	Missing/invalid State unique ID (case number)
DT04	Missing/invalid primary – alternate indicator for action code 01
DT05	Missing/invalid cardholder access
DT06	Missing/invalid first name

Response (Error) Code	Comment
DT07	Missing/invalid last name
DT08	Missing/invalid address line 1
DT09	Missing/invalid city
DT10	Missing/invalid state
DT11	Missing/invalid zip code (non-numeric will accept 5 numeric+4 spaces or 9 numeric)
DT12	Missing/invalid card issuance code
DT13	Missing/invalid program type for action code 09
DT15	Missing/invalid county code
DT16-DT19	Reserved for future use
DT20	Soft-missing social security number
DT21	Soft-missing primary account date of birth
DT22	Soft-missing/invalid telephone number
DT34	Soft-social security number not numeric
DT35	Soft-date of birth not numeric
DT23-DT33	Reserved for future use

Soft edit errors, return errors to State; continue to process detail

NORTH DAKOTA SNAP DEMOGRAPHIC TRAILER RECORD LAYOUT

Field #	Positions	Description	Length	Type	Data	R/O
1	1-2	Record Type	2	X	“TR”	R
2	3-10	Transaction Type	8	X	Must match header	R
3	11-18	Date	8	9	Must match header	R
4	19-26	Time	8	9	Must match header	R
5	27-32	Control Number	6	9	Must match header	R
6	33-38	Total Detail Records	6	9	Total Detail records sent	R
7	39-63	Reserved for State	25	X	• Any purpose or spaces • Is not stored on the Contractor database but is sent back in the return file	O

8	64-226	Filler	163	X	For Future Use	O
9	227-230	Reserved for Contractor	4	X	Error code line description	O
10	231-234	Response Code	4	X	• "0000" – no errors • Must be initialized to "0000"	R

Record Length = 234 characters
R – Required field
O – Optional field

Response (Error) Code	Comment
TR01	Trailer record missing
TR02	Mismatch on transaction type
TR03	Mismatch on Header Date
TR04	Mismatch on Header Time
TR05	Mismatch on Header Control Number
TR06	Mismatch on Total Detail Records

***Entire file rejects on header and trailer edits**

3.7 Customer Service Cardholder Statistics

	Recipient		
	Total Calls	Total IVR Calls Answered	Total Calls Transferred to CSR
Jan-17	55,043	55,033	459
Dec-16	58,221	58,216	430
Nov-16	60,246	60,234	419
Oct-16	63,626	63,588	473
Sep-16	56,212	56,199	363
Aug-16	56,339	56,318	457
Jul-16	56,174	56,160	340
Jun-16	56,612	56,592	324
May-16	55,889	55,867	308
Apr-16	55,255	55,234	337
Mar-16	54,297	54,280	326
Feb-16	53,032	53,009	283

3.7 Customer Service Retailer Statistics

	Merchant		
	Total Calls	Total IVR Calls Answered	Total Calls Transferred to CSR
Jan-17	1,046	1,046	94
Dec-16	1,054	1,054	92
Nov-16	1,183	1,183	38
Oct-16	1,086	1,086	26
Sep-16	1,126	1,126	33
Aug-16	1,062	1,062	50
Jul-16	1,059	1,059	49
Jun-16	1,074	1,074	43
May-16	1,060	1,060	37
Apr-16	1,110	1,110	31
Mar-16	1,232	1,232	27
Feb-16	1,070	1,070	37

3.8.1 User Security Profiles

These user profiles are currently used to limit and control access to the incumbent contractor system.

- State Office EBT Program Staff -
- County Caseworkers – Inquiry Only
- County Issuance Staff – Card Issuance
- State Office Staff -
- Technology Staff -
- Domain Manager -
- Security Administrator -
- Online Reporting –

Addendum D – South Dakota State Specific Requirements

3.3.1 State EBT Administrator

The sole point of contact for South Dakota for contracting purposes, billing issues and program management will be:

Sandra Vanneman
SD EBT Program Administrator
Dept. of Social Services
700 Governors Drive
Pierre, SD 57501
Telephone: 605-773-5850
Email: Sandra.vanneman@state.sd.us

3.6.4 Account Set-Up (SNAP File Formats and Data Elements)

a. The Files **coming from** SD: [From SD to VENDOR]

Daily Demographic File – SNAP	SS41.F01.DEMO
Daily Benefit File – SNAP	SS41.F01.BENE

b. Files **going to** SD: [From VENDOR to SD]

Daily Demographic Post File – SNAP	SS41.F01.DEMO.POST
Daily Benefit Post File – SNAP	SS41.F01.BENE.POST
Daily Administrative Terminal Transaction File (Required to be sent as part of the SNAP payroll process)	SS41.F10
Daily Account Aging	SS41.F21
Daily Account Activity File	SS41.F31
Monthly MIS File	SS41.F25
Daily Active Card Number File for WIC/ DOH	SS36.F85
Monthly SNAP 3 Card File	SS41.F49.CARD
Monthly ORFI 4 or More Card File	SS41.F50.CARD

EBT DEMOGRAPHIC FILE (DAILY) – SNAP

DEMOGRAPHIC HEADER RECORD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	"HD"	R
2	3-10	Transaction Type	8	X	▪ "SDCCUPDT" – Daily South Dakota Demographics	R
3	11-18	Date	8	9	▪ File date. CCYYMMDD ▪ Must match trailer.	R
4	19-26	Time	8	9	▪ File time. HHMMSSSS ▪ Must match trailer.	R
5	27-32	Control Number	6	9	▪ Incremented by 1 each time sent. ▪ Must match trailer.	R
6	33-34	State ID	2	X	▪ "SD"	R
7	35-55	Reserved for State	21	X	▪ Any purpose or spaces. ▪ Is not stored on the contractor database but is sent back in the return file	O
8	56-226	Filler	171	X	For Future Use	O
9	227-230	Reserved for Contractor	4	X	Error code line description	O
10	231-234	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"	R

Record Length = 234 characters

R – Required field

O – Optional field

DEMOGRAPHIC DETAIL RECORD

FIELD #	FIELD POSITION	DESCRIPTION	LENGTH	TYPE	COMMENTS	NOTES	R/O
1	1-2	Record Type	2	X	"DT"		DT
2	3-4	Action Code	2	X	▪ "01" = Account Setup	▪ Action code 01 indicates the setup of a new account or a complete	

FIELD #	FIELD POSITION	DESCRIPTION	LENGTH	TYPE	COMMENTS	NOTES	R/O
						overlay of the existing record.	01
3	5-18	Case Number	14	X	Left justified		R
4	19-20	Primary/Alternate Indicator	2	X	“01” = Primary		R
5	21-21	Cardholder Access	1	X	▪ “0” = No access ▪ “1” = SNAP ▪ “2” = Future Use ▪ “3” = Future Use ▪ “4” = Future Use	Must be “1”	R
6	22-30	Social Security Number	9	9		00000nnnn	O
7	31-40	Telephone Number	10	9			O
8	41-55	First Name	15	X			R
9	56-56	Middle Initial	1	X			O
10	57-81	Last Name	25	X	Jr., Sr. part of last or first name		R
11	82-111	Address Line 1	30	X		Line 1 needs to be populated first	R
12	112-141	Address Line 2	30	X			O
13	142-161	City	20	X			R
14	162-163	State	2	X			R
15	164-172	Zip Code	9	9			R
16	173-174	County Code	2	X	County code = 2 digits		R
17	175-182	Date of Birth	8	9	CCYYMMDD		O
18	183-183	Card Issuance Code	1	X	▪ “M” = Mail Card ▪ “N” = Don’t Issue Card	Default to “N’ since SD is doing OTC issuance	R

FIELD #	FIELD POSITION	DESCRIPTION	LENGTH	TYPE	COMMENTS	NOTES	R/O
19	184-184	Program Type	1	X	▪ "1" = SNAP ▪ "2" = Future Use ▪ "3" = Future Use ▪ "4" = Future Use	▪ Must be "1"	O
20	185-199	Mother Maiden Name	15	X	Future Use		O
21	200-220	Reserved for State	21	X	Reserved for State		O
22	221-222	Filler	2	X	Reserved for future use		O
23	223-226	Soft Edit Error	4	X	Soft Edit Errors	Still process records but return error to State	R
24	227-230	Error Code	4	9	Contractor Internal Use		R
25	231-234	Response Code	4	X	"0000" = No errors	▪ Default "0000" ▪ Hard Edit errors	R

Record Length = 234 characters

R – Required field

O – Optional field

DEMOGRAPHIC TRAILER RECORD

FIELD #	POSITIONS	DESCRIPTION	LENGTH	TYPE	DATA	R/O
1	1-2	Record Type	2	X	"TR"	R
2	3-10	Transaction Type	8	X	Must match header	R
3	11-18	Date	8	9	Must match header	R
4	19-26	Time	8	9	Must match header	R
5	27-32	Control Number	6	9	Must match header	R
6	33-38	Total Detail Records	6	9	Total Detail records sent	R
7	39-63	Reserved for State	25	X	▪ Any purpose or spaces	O

					▪ Is not stored on the Contractor database but is sent back in the return file	
8	64-226	Filler	163	X	For Future Use	O
9	227-230	Reserved for Contractor	4	X	Error code line description	O
10	231-234	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"	R

Record Length = 234 characters

R – Required field

O – Optional field

DEMOGRAPHIC RECORD EDITS

HEADER RECORD EDITS

REJECTION CODE	ERROR CODE	DESCRIPTION
**	HD01	Invalid record type
**	HD02	Invalid transaction type
*	HD03	Invalid date (numeric check)
*	HD04	Invalid time (numeric check)
*	HD05	Invalid control number (numeric edit)
*	HD06	Duplicate file (same control number for transaction type)
*	HD07	File out of sequence (control number for transaction type not incremented by one) – NOTE: control number must be incremented by one for every transmission, even if batch was rejected.
*	HD08	Invalid State ID (must be 'SD')

** Reject entire file and don't return detail records

* Reject entire file; return entire file

DETAIL RECORD EDITS

HARD EDIT ERRORS (REJECT RECORDS; DON'T PROCESS)

Returned in response code field (D-RESPONSE-CODE) – position 231-234

ERROR CODE	DESCRIPTION
DT01	Missing/Invalid record type
DT02	Missing/Invalid action code
DT03	Missing/Invalid Case number
DT04	Missing/Invalid Primary or Alternate Indicator for action code '01'
DT05	Missing/Invalid Cardholder access
DT06	Missing First Name
DT07	Missing Last Name
DT08	Missing Address Line 1
DT09	Missing City
DT10	Missing/Invalid State
DT11	Missing/Invalid Zip Code (non-numeric – will accept 5 numeric + 4 spaces or 9 numeric)
DT12	Missing/Invalid Card Issuance
DT13	Reserved for future use
DT14	Missing/Invalid Response Code
DT15	Missing/Invalid County Code
DT16 – DT19	Reserved for FIS Internal Use
DT36 – DT43	Reserved for FIS Internal Use
DT99	Reserved for FIS Internal Use

SOFT EDIT ERRORS – RETURN TO STATE – STILL PROCESS DETAIL

ERROR CODE	DESCRIPTION
DT20	Missing Social Security Number
DT21	Missing Primary Account's Date of Birth
DT22	Missing/Invalid Telephone Number
DT23 – DT33	Reserved for future use

ERROR CODE	DESCRIPTION
DT34	Social Security not numeric
DT35	Date of Birth not numeric

Invalid = If populated, with other than spaces, perform edit check.

Missing = Field is required in the proper format.

Returned in soft edit error field (D-SOFT-EDIT-CODE) – position 223-226

TRAILER RECORD EDITS

REJECTION CODE	ERROR CODE	DESCRIPTION
*	TR01	Missing trailer record
*	TR02	Mismatch on transaction type
*	TR03	Mismatch on date
*	TR04	Mismatch on time
*	TR05	Mismatch on control number
*	TR06	Mismatch on total detail records

* Reject entire file; return entire file to State

EBT BENEFIT FILE (Daily) – SNAP

BENEFIT FILE HEADER RECORD

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	DATA	R/O
1	1-2	Record Type	2	X	"HD"	R
2	3-10	Transaction Type	8	X	▪ "SDFSBEUD" = Daily SNAP Benefit File	R
3	11-18	Date	8	9	▪ File date. CCYYMMDD ▪ Must match trailer.	R
4	19-26	Time	8	9	▪ File time. HHMMSSSS ▪ Must match trailer.	R
5	27-32	Control Number	6	9	▪ Incremented by 1 each time sent. ▪ Must match trailer.	R
6	33-34	State ID	2	X	▪ "SD"	R
7	35-43	Profile Number	9	9	▪ 460000001 = SD SNAP	R
8	44-64	Reserved for State	21	X	▪ Any purpose or spaces. ▪ Is not stored on the contractor database but is sent back in the return file.	O
9	65-117	Filler	53	X	For Future Use	O
10	118-121	Reserved for Contractor	4	X	Error code line description.	O
11	122-125	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"	R

Record Length = 125 characters

R – Required field

O – Optional field

BENEFIT FILE RECORD – DETAIL FORMAT

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	DATA	NOTES	1	2	4
1	1-2	Record Type	2	X	"DT"		R	R	R
2	3-4	Action Code	2	X	▪ "01" = Update (Credit) ▪ "02" =	▪ (02) Pending Void –SD can delete benefits at the benefit level from	R	R	R

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	DATA	NOTES	1	2	4
					Pending Void (Debit from Pending file) ▪ "04" = Emergency Benefit	benefit pending file before the available date is reached.			
3	5-10	Benefit Type	6	X	See table below		R	R	R
4	11-12	Credit/Debit Indicator	2	X	▪ "CR" = Action Code 01 and 04 ▪ "DB" = Action Code 02		R	R	R
5	13-26	State Unique Case Number	14	X	Left Justified		R	R	R
6	27-33	Benefit Amount	7	9(5)V99			R	R	R
7	34-41	Available Date	8	9	CCYYMMDD	May be current date, future date, or past date	R	O	R
8	42-49	Benefit Period Date	8	9	CCYYMMDD	Date of Benefit Payment	R	O	R
9	50-66	EBT Transaction Number	17	X	Left Justified Pos 1: ▪ "F" for SNAP	▪ EBT Transaction Number is incremented by 1 for each new transaction number. ▪ Transaction number will be preceded with an "F" for SNAP to insure uniqueness for all benefit transaction numbers.	R	R	R
10	67-68	County Code	2	X	Pos 1-2 = County (number)		R	O	R
11	69-89	Reserved for	21	X	Reserved for	For State Use	O	O	O

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	DATA	NOTES	1	2	4
		State			State Use				
12	90-99	FIS Transaction Number	10	X	Left Justified Pos 1: ▪ "F" for SNAP	▪ FIS Transaction Number is created from the EBT Transaction Number. ▪ FIS Transaction number will consist of an "F" for SNAP followed by either a 9 (expedited – SNAP only) or 0 (regular payment) and then the last 8 bytes of the EBT Transaction Number.	R	R	R
13	100-113	Filler	14	X	Reserved for Future Use				
14	114-117	Soft Edit Error	4	X	Soft Edit Errors	Still process record			
15	118-121	Reserved for Contractor	4	X	Error code line description		R	R	R
16	122-125	Response Code	4	X	▪ "0000" = No errors ▪ Must be initialized to "0000"	Hard edit errors – will not process records.	R	R	R

Record Length = 125 characters

R – Required field

O – Optional field

N – Not valid for this transaction

Benefit Types

Class	Benefit Type	Funding Source (Federal/State)	Description	Primary Program Designation (Cash)
FS	FSFSFS	Federal	SNAP	10
FS	Future	State		20
CS	Future	Federal		30
CS	Future	Federal		40

BENEFIT FILE FORMAT – TRAILER RECORD

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	DATA	R/O
1	1-2	Record Type	2	X	"TR"	R
2	3-10	Transaction Type	8	X	Must match header	R
3	11-18	Date	8	9	Must match header	R
4	19-26	Time	8	9	Must match header	R
5	27-32	Control Number	6	9	Must match header	R
6	33-38	Credit Count	6	9	Total Credit Detail Records	R
7	39-44	Debit Count	6	9	Total Debit Detail Records	R
8	45-54	Credit Amount	10	9(8)V99	Total Dollars All Credit Records	R
9	55-64	Debit Amount	10	9(8)V99	Total Dollars All Debit Records	R
10	65-70	Total Detail Records	6	9		R
11	71-95	Reserved for State	25	X		O
12	96-117	Filler	22	X	For Future Use	O
13	118-121	Reserved for Contractor	4	X		O
14	122-125	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"	R

Record Length = 125 characters

R – Required field

O – Optional field

BENEFIT FILE RECORD EDITS

HEADER RECORD EDITS

REJECTION CODE	ERROR CODE	DESCRIPTION
**	HD01	Invalid record type
**	HD02	Invalid transaction type
*	HD03	Invalid date
*	HD04	Invalid time
*	HD05	Invalid control number
*	HD06	Duplicate file
*	HD07	File out of sequence
*	HD08	Invalid profile number
*	HD09	Invalid State ID

** Reject entire file and don't return detail records

* Reject entire file; return entire file

DETAIL RECORD EDITS

HARD EDIT ERRORS (REJECT RECORDS; DON'T PROCESS)

ERROR CODE	DESCRIPTION
DT01	Invalid record type
DT02	Invalid/missing action code
DT03	Invalid or missing State Unique ID (case number)
DT04	Invalid or missing benefit amount (non-zero, non-blank)
DT05	Invalid or missing Availability Date for action code 01 or 04
DT06	Invalid or missing Benefit Period for action code 01 or 04
DT07	Invalid or missing FIS Transaction Number (10 digit number)
DT08	Invalid or missing Credit/Debit Indicator
DT09	Invalid or missing Benefit Type
DT10	01 action code – duplicate FIS Transaction Number (10 digit number)
DT11	04 action code – Mismatched Emergency Issuance Amount

DT12	04 action code – Duplicate Emergency Benefit – Payment already issued
DT13	01 action code – credit/debit indicator not “CR”
DT14	02 action code – no benefit found in pending
DT15	02 action code – credit/debit indicator not “DB”
DT16	Reserved for future use
DT17	Invalid or missing County Code for action code 01 or 04
DT18	Invalid or missing response code
DT19 – DT20	Reserved for future use

SOFT EDIT ERRORS – STILL PROCESS RECORDS

ERROR CODE	DESCRIPTION
DT21	04 action code – Emergency Issuance not processed through online but through batch
DT31	No active card/account
DT32-36	Reserved for future use

TRAILER RECORD EDITS - REJECT ENTIRE FILE; RETURN ENTIRE FILE TO STATE

ERROR CODE	DESCRIPTION
TR01	Missing trailer record
TR02	Mismatch on transaction type
TR03	Mismatch on date
TR04	Mismatch on time
TR05	Mismatch on control number
TR06	Mismatch on total detail records
TR07	Mismatch on credit count
TR08	Mismatch on debit count
TR09	Mismatch on credit amount
TR10	Mismatch on debit amount

NOTE: Trailer errors are also returned in the header record.

ADMINISTRATIVE TERMINAL TRANSACTION FILE (DAILY) – SNAP

ADMINISTRATIVE HEADER RECORD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HD”	R
2	3-10	Transaction Type	8	X	“SDADMNTM”	R
3	11-18	Date	8	9	CCYYMMDD	R
4	19-26	Time	8	9	HHMMSSSS	R
5	27-32	Control Number	6	9	Incremented by 1 each time sent	R
6	33-34	State ID	2	X	“SD”	R
7	35-168	Filler	134	X	For future use	

Record Length = 168 characters

R – Required field

O – Optional field

ADMINISTRATIVE TERMINAL DETAIL RECORD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	RECORD TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“DT”	R
2	3-4	County Code	2	X		R
3	5-18	Case Number	14	X		R
4	19-27	SOC SEC Number	9	9		O
5	28-42	First Name	15	X		R
6	43-43	Middle Initial	1	X		O
7	44-68	Last Name	25	X		R
8	69-70	Program Type	2	X	“01” for SNAP	R
9	71-72	Transaction Type	2	X	▪ 01 = Emergency benefit add ▪ 02 = Repayment	R
10	73-80	Transaction Date	8	9	CCYYMMDD	R

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	RECORD TYPE	COMMENTS	R/O
11	81-88	Transaction Time	8	9	HHMMSSSS	R
12	89-104	User ID	16	X		R
13	105-112	Benefit Period	8	9	CCYYMMDD required for type “01”	R
14	113-116	Response Code	4	X		R
15	117-124	Amount Requested	8	9(6)V99	▪ 01 = requested amount for complete transaction ▪ 02 = requested amount for complete transaction	R
16	125-132	Amount Completed	8	9(6)V99	▪ 01 = completed amount for complete transaction ▪ 02 = completed amount against each benefit	R
17	133-140	Benefit Balance	8	9(6)V99	▪ 01 = amount of benefit applied to account ▪ 02 = remaining balance for each benefit for which repayment amount is applied	R
18	141-150	Grant ID/Transaction Number	10	X	Emergency (01) The Transaction Number will consist of the following: Position 1: • “F” for SNAP Position 2: • 9 (expedited – SNAP only) • 0 (regular payment) • 8 (Investigative Case – SNAP	R

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	RECORD TYPE	COMMENTS	R/O
					only) Position 3-10: • the last 8 bytes of the EBT Transaction Number (assigned during the payroll process)	
19	151-157	Filler	7	X	Future use	
20	158-159	Reason Code	2	X		R
21	160-168	Filler	9	X	Future use	

Record Length = 168 characters

R – Required field

O – Optional field

As soon as the vendor has received a valid SNAP Benefit File and sent a SNAP Benefit Post File back to South Dakota, the vendor can then send the Administrative Terminal Transaction File.

The Administrative Terminal Transaction File contains information on monetary related transactions that were generated on a daily basis by the South Dakota staff using the administrative screens.

ADMINISTRATIVE TERMINAL TRAILER RECORD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENT	R/O
1	1-2	Record Type	2	X	“TR”	R
2	3-10	Transaction	8	X	Same as header	R
3	11-18	Date	8	9	Same as header	R
4	19-26	Time	8	9	Same as header	R
5	27-32	Total Number of Details	6	9	Detail record count	R
6	33-168	Filler	136	X	For future use	

Record Length = 168 characters

R – Required field

O – Optional field

ACCOUNT AGING FILE (BENEFIT AGING) (DAILY) – SNAP

ACCOUNT AGING HEADER RECORD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	"HD"	R
2	3-10	Transaction Type	8	X	"SDINACTV"	R
3	11-18	Date	8	9	CCYYMMDD	R
4	19-26	Time	8	9	HHMMSSSS	R
5	27-32	Control Number	6	9	Incremented by 1 each time sent	R
6	33-34	State ID	2	X	"SD"	R
7	35-130	Filler	96	X		N/A

Record Length = 130 characters

R – Required field

O – Optional field

Blank – N/A

ACCOUNT AGING DETAIL RECORD

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	W	I	E
1	Record Type	2	1-2	X	"DT"	R	R	R
2	County Code	2	3-4	9		R	R	R
3	Case Number (RID)	14	5-18	9		R	R	R
4	Card Number (Primary)	16	19-34	9		R	R	R
5	Benefit Transaction Number (Document ID)	10	35-44	X	The Transaction Number will consist of the following: Position 1: • "F" for SNAP Position 2: • 9 (expedited –	R	R	R

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	W	I	E
					SNAP only) • 0 (regular payment) • 8 (Investigative Case – SNAP only) Position 3-10: • the last 8 bytes of the EBT Transaction Number (assigned during the payroll process)			
6	Filler	7	45-51	X	Future Use	R	R	R
7	Last Debit Transaction Date	8	52-59	9	CCYYMMDD	R	R	R
8	Benefit Balance	7	60-66	9(5)V99	Contains the remaining benefit for the action indicator. This is a grant level balance. When a benefit is aged to the expunged level, the benefit is canceled and the expunged amount is reported in this field as the benefit balance. An indicator is set on this benefit to be expunged. On a monthly basis the benefits indicated as expunged are swept off the accounts.	R	R	R
9	Action Indicator Date	8	67-74	9	CCYYMMDD = Contains dates for action indicator “W’,	R	R	R

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	W	I	E
					"I', "E"			
10	Action Indicator	1	75-75	X	"W" = Warning Status "I" = Inactive Status "E" = Expunged Status	R	R	R
11	Program Type	1	76-76	9	"1" = SNAP	R	R	R
12	First Name	15	77-91	X		R	R	R
13	Middle Initial	1	92-92	X		O	O	O
14	Last Name	25	93-117	X		R	R	R
15	Filler	13	118-130	X	Future Use	R	R	R

Record Length = 130 characters

R – Required field

O – Optional field

Blank – N/A

Warning = 120 days

Inactive = 180 days

Expunged = 365 days

ACCOUNT AGING TRAILER RECORD

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	R/O
1	Record Type	2	1-2	X	"TR"	R
2	Transaction Type	8	3-10	X	Must match header	R
3	Date	8	11-18	9	Must match header	R
4	Time	8	19-26	9	Must match header	R
5	Control Number	6	27-32	9	Must match header	R

6	Total Detail Records	6	33-38	9		R
7	Filler	92	39-130	X		N/A

Record Length = 130 characters

R – Required field

O – Optional field

ACCOUNT ACTIVITY FILE (DAILY) – SNAP

ACCOUNT ACTIVITY HEADER RECORD

FIELD #	DESCRIPTION	LENGTH	FIELD POSITIONS	TYPE	COMMENTS	R/O
1	Record Type	2	1-2	X	“HD”	R
2	Transaction Type	8	3-10	X	“SDRMSTXN”	R
3	Date	8	11-18	9	CCYYMMDD	R
4	Time	8	19-26	9	HHMMSSSS	R
5	Control Number	6	27-32	9	Incremented by 1 each time sent.	R
6	State ID	2	33-34	X	“SD”	R
7	Filler	156	35-190	X		N/A

Record Length = 190 characters

R – Required field

O – Optional field

Blank – N/A

ACCOUNT ACTIVITY DETAIL RECORD

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	R/O
1	Record Type	2	1-2	X	“DT”	R
2	Case Number (RID)	14	3-16	9		R
3	Cardholder Number	16	17-32	9		R

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	R/O
4	Primary/Alternate Indicator	2	33-34	9	▪ "01" = PR ▪ "02" = AR	R
5	Program Type	1	35-35	X	▪ "1" = SNAP	R
6	Transaction Type	3	36-38	9	See table A below	R
7	Transaction Log Date	8	39-46	9	CCYYMMDD	R
8	Transaction Log Time	8	47-54	9	HHMMSSSS	R
9	Transaction Response Code	2	55-56	9	See table B below	R
10	Reversal Reason Code	2	57-58	9	See table C below	R
11	Credit/Debit Indicator	2	59-60	X	▪ "CR" = Credit ▪ "DB" = Debit	R
12	Requested Amount (including fees/surcharge)	7	61-67	9(5)v99		R
13	Completed Amount (including fees/surcharge)	7	68-74	9(5)v99		R
14	Cashback Amount	7	75-81	9(5)v99		R
15	Account Balance	7	82-88	9(5)v99		R
16	County Code	2	89-90	9	Right justified, populate with leading zeros.	R
17	FNS Number	7	91-97	9	Required for SNAP only	O
18	POS/ATM ID	15	98-112	X		R
19	Origination Date (SWLOG)	8	113-120	9	CCYYMMDD = Settlement Day	R
20	Business Date (Alog)	8	121-128	9	CCYYMMDD = Business Day	R
21	Card Entry (Keyed or Swiped)	1	129-129	X		R
22	Merchant Name	15	130-144	X	Merchant Name	O
23	Reg. E	40	145-184	X	POS Merchant Location 1-20 Address	O

RECORD FIELD	DESCRIPTION	LENGTH	FIELD POSITION	TYPE	COMMENTS	R/O
					21-38 City 39-40 State	
24	Filler	6	185-190	X	For future use	

Record Length = 190 characters

R – Required field

O – Optional field

Blank – N/A

Table A – Transaction Type (Transaction Activity Codes)

TRANSACTION	FUNCTION	DESCRIPTION
101 (NA)	Emergency Benefit Add (Admin)	Authorize emergency benefits from an administrative terminal (non-settling)
102	Coupon Conversion	Debit account SNAP balance and issue Food coupons (non-settling)
103	Account Adjustment (Admin)	Credit or debit an account balance through an Administrative terminal (settling)
104	SNAP Manual Authorization	Debit account based on SNAP manual Authorization hold funds (non-settling)
105	Repayment	Debit account based on repayment/recoupment (non-settling)
106 (NA)	Card Replacement Fee	Fee for excessive card replacements (settling)
201	Benefit Add (Batch)	Add funds to an account via the batch interface (settling)
202	Coupon Conversion Expungement	Expunge portion of account SNAP balance that could not be converted to coupons (non-settling)
203	Expungement	Expunge account balance after no debit activity (non-settling) for 365 days (non-settling)
204	SNAP Manual Authorization Release	Credit client account if merchant does not submit voucher within 30 days (non-settling)
207 (NA)	Client ACH Adjustment (Direct Deposit)	Adjustment to remove funds from the client account to pass to ACH (settling)
301	SNAP Purchase	Purchase food with SNAP benefits (settling)

TRANSACTION	FUNCTION	DESCRIPTION
302	SNAP Merchandise Return	Credit account when merchandise is returned (settling)
303	Account Adjustment (TPP)	Credit or debit an account balance through a TTP transaction (settling)
304 (NA)	Cash Withdrawal	Account cash withdrawal (ATM) (settling)
305 (NA)	Purchase Transaction	Account cash purchase (POS) (settling)
306 (NA)	Purchase with Cash Back	Account cash purchase plus cash back (POS) (settling)
307 (NA)	Cashback Only	Cash Back (POS) (settling)
309	Balance Inquiry	Account balance inquiry (non-settling)
310	SNAP Manual Authorization Debit	Follow up to manual authorization: held funds debited to pay merchant (settling)
411	Reversal/Cancellation	Reverse or cancel all or part of a transaction from an ATM/POS (settling)
412	Void	Cancel a transaction from a POS device (settling)

Table B - Transaction Response Code

Error Code	Error	Description	Used by Contractor (Y/N)
00	Transaction Approved	Transaction processed. Will be displayed on the Cardholder Detail Journal or Cardholder Transaction Detail Screens as blanks.	Y
04	Invalid FNS Number	FNS Number not valid	Y
05	Future Use	Future Use	N
07	Future Use	Future Use	N
12	Inactive Transaction Code	Not used.	N
14	Invalid Amount	Transaction received with an invalid EDA number or the account is statused.	Y
15	Invalid Cash Request	Manual card entry for a cash purchase when it has been set to not allow that type of entry by the Profile Record.	Y
17	Maximum Amount Exceeded	Transaction amount exceeded Profile Record limit (DB or CR).	Y
31	Unknown Card Bank	ISO cannot be found in Profile File	Y

Error Code	Error	Description	Used by Contractor (Y/N)
41	Hot Card	Card statused to 4 or 33 through 44.	Y
50	Pre-Authorization Transaction Detail	NSF on Pre-Authorization transaction type 5.	N
51	Insufficient Funds	NSF on normal transaction.	Y
52	Account Not On File	Database error, EDA on card not found in debit record.	Y
54	Expired Card	Card has reached its expiration date.	Y
55	Invalid PIN	Incorrect PIN	Y
56	Card Not On File	Card number not found in Card Auth File.	Y
57	Transaction Not Permitted for Cardholder		Y
58	Invalid Transaction	Manual auth clear	Y
62	Inactive Card	Card status is 0, 9 or 60 through 99.	Y
63	Closed Card	Card status is 2, 11, or 22.	Y
64	Card Status Inactive	Account sub status is not 1.	Y
75	PIN tries Exceeded	Exceeded PIN retry count in Profile Record.	Y
76	PIN Key Synchronization Error	Sanity failure returned from security device.	Y
77	Maximum PIN Tries Exceeded	Exceeded PIN reset count in Profile Record.	Y
79	Duplicate Reversal	A reversal was sent for a transaction that has already been reversed.	Y
80	Manual Authorization Expired	Manual hold expired before the clear was sent.	Y
81	No Manual Authorization Record	No record found for this clear.	Y
82	Amount Exceeds Hold	Manual hold clear was attempted for more than the hold amount.	Y
91-95	Unable to Process Transaction		Y

Note: Some response/error codes may be changed based on how much history the new vendor retrieves from the prior vendor.

Table C – Reversal Reason Code

POS 1	Description	POS 2	Description
0	Not a reversal	0	Not a reversal
1	Card Acceptor originated reversal (terminal)	1	Unknown error
2	Acquirer originated reversal (TPP)	2	Terminal processor error (POS/ATM)
3	Intermediate facility originated reversal (GW)	3	System time out (down/not responding fast enough)
4-9	Reserved for future use	4	Terminal error/In disperse
		5	Terminal communication error
		6	Terminal error
		7	Late/unsolicited response
		8	Clerk initiated
		9	Unknown error

Note: A value of ‘00’ or ‘99’ will only be returned to the State.

DATA ELEMENT/TRANSACTION TYPE MATRIX

	102	103	104	105	106	107	108	201	202	203	204	208	301
Record Type	R	R	R	R	R	R	R	R	R	R	R	R	R
State Unique ID (RID #)	R	R	R	R	R	R	R	R	R	R	R	R	R
EBT Account Number	R	R	R	R	R	R	R	R	R	R	R	R	R
Card Number			R		R						R		R
Primary/Alternate Indicator			R		R						R		R
Transaction Type	R	R	R	R	R	R	R	R	R	R	R	R	R
Transaction Date	R	R	R	R	R	R	R	R	R	R	R	R	R
Transaction Time	R	R	R	R	R	R	R	R	R	R	R	R	R

Transaction Response Code	R	R	R	R	R	R	R	R	R	R	R	R	R
Reversal Reason Code													
Program Type	R	R		R	R	R	R	R	R	R		R	R
Credit/Debit Indicator	R	R	R	R	R	R	R	R	R	R	R	R	R
Requested Amount	R	R	R	R	R	R	R	R	R	R	R	R	R
Completed Amount (includes Fees and Surcharges)	R	R	R	R	R	R	R	R	R	R	R	R	R
Cashback Only (Cash only)													
Account Balance	R	R	R	R	R	R	R	R	R	R	R	R	R
Applied Amount (Settled Amount)	R	R	R	R	R	R	R	R	R	R	R	R	R
County/LCA code	R	R	R	R	R	R	R	R	R	R	R	R	R
FNS Number			R								R		R
POS/ATM ID													R
EBT Authorization Number	R	R		R	R	R	R	R	R	R		R	R
Benefit Month	R	R		R	R	R	R	R	R	R		R	R
Switch Date	R	R	R	R	R	R	R	R	R	R	R	R	R
Business Date	R	R	R	R	R	R	R	R	R	R	R	R	R
Swiped/Keyed (POS/ATM)													R
Reserved for State	R	R		R	R	R	R	R	R	R	R	R	R
Filler													

DATA ELEMENT/TRANSACTION TYPE MATRIX (cont.)

	302	304	305	306	307	309	310		411 *FS	412 *CS	989	999
Record Type	R	R	R	R	R	R	R		R	R		
State Unique ID (RID #)	R	R	R	R	R	R	R		R	R		
EBT Account Number	R	R	R	R	R	R	R		R	R	R	R
Card Number	R	R	R	R	R	R	R		R	R		
Primary/Alternate Indicator	R	R	R	R	R	R	R		R	R		
Transaction Type	R	R	R	R	R	R	R		R	R		
Transaction Date	R	R	R	R	R	R	R		R	R		
Transaction Time	R	R	R	R	R	R	R		R	R		
Transaction Response Code	R	R	R	R	R	R	R		R	R		
Reversal Reason Code										R		
Program Type	R	R	R	R	R		R		O	O		
Credit/Debit Indicator	R	R	R	R	R		R		R	R		
Requested Amount	R	R	R	R	R		R		R	R		
Completed Amount (includes Fees and Surcharges)	R	R	R	R	R		R		R	R		
Cashback Only (Cash only)					R							
Account Balance	R	R	R	R	R	R	R		R	R		
Applied Amount (Settled Amount)	R	R	R	R	R		R		R	R		
County/LCA code	R	R	R	R	R	R	R		R	R		
FNS Number	R					O			R			

	302	304	305	306	307	309	310		411 *FS	412 *CS	989	999
POS/ATM ID	R	R	R	R	R	R	R		R	R		
EBT Authorization Number	R	R	R	R	R		R		O	O		
Benefit Month	R	R	R	R	R		R		O	O		
Switch Date	R	R	R	R	R	R	R		R	R		
Business Date	R	R	R	R	R	R	R		R	R		
Swiped/Keyed (POS/ATM)	R	O	R	R	R	R	R					
Reserved for State	R	R	R	R	R	R	R		R			
Filler												

R – Required field

O – Optional field

ACCOUNT ACTIVITY TRAILER RECORD

FIELD #	DESCRIPTION	LENGTH	FIELD POSITIONS	TYPE	COMMENTS	R/O
1	Record Type	2	1-2	X	“TR”	R
2	Transaction Type	8	3-10	X	Must match header	R
3	Date	8	11-18	9	Must match header	R
4	Time	8	19-26	9	Must match header	R
5	Control Number	6	27-32	9	Must match header	R
6	Total Detail Records	6	33-38	9		R
7	Total Credits	10	39-48	9(8)V99		R
8	Total Debits	10	49-58	9(8)V99		R
9	Filler	132	59-190	X		N/A

Record Length = 190 characters

R – Required field

O – Optional field

Blank – N/A

MIS FILE (MONTHLY) – SNAP

MIS FILE HEADER

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HD”	R
2	3-10	Transaction Type	8	X	“SDMISRPT”	R
3	11-18	Date	8	9	CCYYMMDD	R
4	19-26	Time	8	9	HHMMSSSS	R
5	27-32	Control Number	6	9	Incremented by 1 each time sent	R
6	33-34	State ID	2	X	“SD”	R
7	35-60	Filler	26	X		

Record Length = 60 characters

R – Required field

O – Optional field

MIS FILE DETAIL

FIELD #	FIELD POSITION	DESCRIPTION	LENGTH	RECORD TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“DT”	R
2	3-16	Case Number	14	X		R
3	17-24	Current Balance	8	9(6)V99		R
4	25-32	Filler	8	X		R
5	33-40	Filler	8	X		R
6	41-42	County Code	2	X		R
7	43-44	Program Type	2	X	“01” for SNAP	R
8	45-60	Filler	16	X		R

Record Length = 60 characters

R – Required field

O – Optional field

Transmitted to South Dakota on a monthly calendar basis – This file contains the current balance for all cases.

MIS FILE TRAILER

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENT	R/O
1	1-2	Record Type	2	X	“TR”	R
2	3-10	Transaction	8	X	Same as header	R
3	11-18	Date	8	9	Same as header	R
4	19-26	Time	8	9	Same as header	R
5	27-32	Total Number of Details	6	9	Detail record count	R
6	33-60	Filler	28	X	For future use	

Record Length = 60 characters

R – Required field

O – Optional field

ACTIVE CARD NUMBER FILE (DAILY) – SNAP FOR WIC

ACTIVE CARD HEADER

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HD”	R
2	3-10	Transaction Type	8	X	“ACTCDFIL”	R
3	11-12	State Code	2	X	“SD”	R
4	13-20	Process Date	8	9	CCYYMMDD	R
5	21-28	Process Time	8	9	HHMMSSSS	R
6	29-102	Filler	74	X		O

Record Length = 102 bytes

R – Required field

O – Optional field

ACTIVE CARD DETAIL

FIELD #	FIELD POSITION	DESCRIPTION	LENGTH	RECORD TYPE	COMMENTS	R/O
1	1-14	Case Number	14	9		R
2	15-39	Card Number	25	9		R
3	40-41	Card Status	2	X	“A” = Active “IA” = Issued, but not Activated	R
4	42-49	Card Issue Date	8	9	CCYYMMDD	R
5	50-69	Card Holder Last Name	20	X		R
6	70-84	Card Holder First Name	15	X		R
7	85-99	Card Holder Middle Name	15	X		R
8	100-102	District Code (County)	3	X	Right justified, populate with leading zeros.	R

Record Length = 102 bytes

R – Required field

O – Optional field

ACTIVE CARD TRAILER

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENT	R/O
1	1-2	Record Type	2	X	"TR"	R
2	3-10	Process Date	8	9	▪ CCYYMMDD ▪ Must match header	R
3	11-18	Process Time	8	9	▪ HHMMSSSS ▪ Must match header	R
4	19-27	Total Detail Records	9	9		R
5	28-102	Filler	75	X	For Future Use	O

Record Length = 102 bytes

R – Required field

O – Optional field

3.7 Customer Service Cardholder Statistics

	Recipient		
	Total Calls	Total IVR Calls Answered	Total Calls Transferred to CSR
Jan-17	96,625	96,589	782
Dec-16	95,316	95,289	689
Nov-16	103,357	103,317	789
Oct-16	112,093	112,049	803
Sep-16	95,277	95,227	620
Aug-16	95,087	95,055	835
Jul-16	99,291	99,271	631
Jun-16	96,535	96,503	687
May-16	97,820	97,795	530
Apr-16	95,880	95,819	668
Mar-16	95,933	95,893	593
Feb-16	87,302	87,274	539

3.7 Customer Service Retailer Statistics

	Merchant		
	Total Calls	Total Calls Answered	Total Calls Transferred to CSR
Jan-17	1,461	1,461	147
Dec-16	1,276	1,276	86
Nov-16	1,552	1,552	47

	Merchant		
	Total Calls	Total Calls Answered	Total Calls Transferred to CSR
Oct-16	1,682	1,682	44
Sep-16	1,397	1,397	47
Aug-16	1,496	1,496	41
Jul-16	1,617	1,617	47
Jun-16	1,671	1,671	55
May-16	1,699	1,699	50
Apr-16	1,869	1,869	53
Mar-16	1,650	1,650	32
Feb-16	1,586	1,586	48

3.8.1 User Security Profiles

User	**Capability**	**Access**
EBT Program Staff	Add/delete users Assign permissions Complete online adjustments	Full query/update capability View all reports Access to full testing Data Warehouse Query
State Office Staff	Reset users Full query	View Reports
Finance Staff	Full query of financial reports	Financial/Reconciliation reports
Benefits Staff	Client query only No access to transaction history detail	Online Query
Recoveries Staff	Client Query Retailer Query	Online Query Data Warehouse Query
Technology Staff	No production access Full test access	View all reports
Card Issuance Staff	Client Query Online card linkage PIN Reset	Online Query

3.10 SD Card Replacement Waiver File Layouts

SNAP CARD FILE (MONTHLY) – SNAP – 3 CARD FILE

CARD HEADER – 3 CARD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HC”	R
2	3-3	Filler	1	X		O
3	4-58	File Type	55	X	“CLIENTS RECVD.THEIR CARD# :03 IN THE MONTH”	R
4	59-59	Filler	1	X		O
5	60-65	Agency	6	X	“SDDSS”	R
6	66-66	Filler	1	X		O
7	67-74	Create Date	8	9	CCYYMMDD	R
8	75-75	Filler	1	X		O
9	76-79	Create Time	4	9	HHMM	R
10	80-150	Filler	71	X		O

Record Length = 150 bytes

R – Required field

O – Optional field

CARD DETAIL – 3 CARD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HC”	R
2	3-3	Filler	1	X		O
3	4-58	File Type	55	X	“CLIENTS RECVD.THEIR CARD# :03 IN THE MONTH”	R
4	59-59	Filler	1	X		O

5	60-65	Agency	6	X	“SDDSS”	R
6	66-66	Filler	1	X		O
7	67-74	Create Date	8	9	CCYYMMDD	R
8	75-75	Filler	1	X		O
9	76-79	Create Time	4	9	HHMM	R
10	80-150	Filler	71	X		O

Record Length = 150 bytes

R – Required field

O – Optional field

3 CARD TRAILER – 3 CARD

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENT	R/O
1	1-2	Record Type	2	X	“TC”	R
2	3-11	Total Detail Records	9	9		R
3	12-150	Filler	139	X	For Future Use	O

Record Length = 150 bytes

R – Required field

O – Optional field

SNAP CARD FILE (MONTHLY) – SNAP – 4 OR MORE CARD FILE

CARD HEADER – 4 OR MORE

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HC”	R
2	3-3	Filler	1	X		O
3	4-58	File Type	55	X	“CLIENTS RECVD.THEIR CARD# :04+ IN THE MONTH”	R
4	59-59	Filler	1	X		O
5	60-65	Agency	6	X	“SDDSS”	R

6	66-66	Filler	1	X		O
7	67-74	Create Date	8	9	CCYYMMDD	R
8	75-75	Filler	1	X		O
9	76-79	Create Time	4	9	HHMM	R
10	80-150	Filler	71	X		O

Record Length = 150 bytes

R – Required field

O – Optional field

CARD DETAIL – 4 OR MORE

FIELD #	FIELD POSITION	DESCRIPTION	LENGTH	RECORD TYPE	COMMENTS	R/O
1	1-3	District Code (county)	3	9	Right justified, populate with leading zeros.	R
2	4-17	Case Number	14	9	Left Justified	R
3	18-32	First Name	15	X		R
4	33-47	Middle Name	15	X		O
5	48-67	Last Name	20	X		R
6	68-92	EBT Card Number	25	9		R
7	93-100	Card Issue Date	8	9	CCYYMMDD	R
8	101-103	Countable Card	3	9		
9	104-150	Filler	47	X		O

Record Length = 150 bytes

R – Required field
O – Optional field

CARD TRAILER – 4 OR MORE

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENT	R/O
1	1-2	Record Type	2	X	“TC”	R
2	3-11	Total Detail Records	9	9		R
3	12-150	Filler	139	X	For Future Use	O

Record Length = 150 bytes

R – Required field

O – Optional field

3.15.3 ELECTRONIC PAYMENT PROCESSING (DIRECT DEPOSIT) FILE FORMATS

Program Name	Acronym	Mainframe System
Assisted Living	ASL	SS09
Child Care Services	CCS	
Child Support	CSE	
Child Protection Services	CPS	FACIS
Low Income Energy Assistance	LIEAP	
Non-Emergency Medical Transportation	NEMT	
Optional State Supplement	OPS	SS09
Supplemental Security	SSIS	
Temporary Assistance for Needy Families	TANF	

a. <u>The Files coming from SD: [From SD to Contractor]</u>

SS09 OPS Payroll – Direct Deposit File	SS42.F01
SS09 ASL Payroll – Direct Deposit File	SS42.F02
SS09 INTERIM Payroll – Direct Deposit File	SS42.F03
SSIS Payroll – Direct Deposit File	SS42.F04
TANF INTERIM Payroll – Direct Deposit File	SS42.F06
TANF REGULAR Payroll – Direct Deposit File	SS42.F07
CCS Payroll – Direct Deposit File	SS42.F08
NEMT Payroll – Direct Deposit File	SS42.F08.NEMT
CSE Payroll – Direct Deposit File	SS42.F09
LIEAP VENDOR CLAIM Payroll – Direct Deposit File	SS42.F11
CPS (FACIS) Payroll – Direct Deposit File	SS42.F11.CPS

b. <u>The Files going to SD: [From Contractor to SD]</u>

SS09 OPS Payroll – Direct Deposit – Post File	SS42.F01.POST
SS09 ASL Payroll – Direct Deposit – Post File	SS42.F02.POST
SS09 INTERIM Payroll – Direct Deposit – Post File	SS42.F03.POST
SSIS Payroll – Direct Deposit – Post File	SS42.F04.POST
TANF INTERIM Payroll – Direct Deposit – Post File	SS42.F06.POST
TANF REGULAR Payroll – Direct Deposit – Post File	SS42.F07.POST
CCS Payroll – Direct Deposit – Post File	SS42.F08.POST
NEMT Payroll – Direct Deposit – Post File	SS42.F08.NEMT.POST
CSE Payroll – Direct Deposit – Post File	SS42.F09.POST
LIEAP VENDOR CLAIM Payroll – Direct Deposit – Post File	SS42.F11.POST
CPS (FACIS) Payroll – Direct Deposit – Post File	SS42.F11.CPS.POST
ACH Return File	SS42.F90

OPTIONAL STATE SUPPLEMENT AND ASSISTING LIVING (SS09)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	“HD”
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD02 (for OPS) ▪ SDDIRD03 (for ASL) ▪ SDDIRD04 (for interim) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-	Control Number	6	9	▪ Incremented by 1 each time sent.

		CONTROL-NO)				
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 02 (for OPS) ▪ 03 (for ASL) ▪ 04 (for interim)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-TYPE	Account Type	1	X	▪ C (Checking) ▪ S (Savings)
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Payee name. Can be client name in compressed first, middle, last, modifier format or an alternate

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
						payee. ▪ Vendor or Provider name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the SS09 program	10	X	▪ Recipient ID
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 02 (for OPS) ▪ 03 (for ASL) ▪ 04 (for interim)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ OPS ▪ ASL
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000
19	157-206	T-CLIENT-NAME	Client Name	50	X	▪ Client name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	“TR”
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD02 (for OPS) ▪ SDDIRD03 (for ASL) ▪ SDDIRD04 (for interim) ▪ Must match

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
						header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 02 (for OPS) ▪ 03 (for ASL) ▪ 04 (for interim)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ “0000” – no errors ▪ Must be initialized to “0000”

Record Length = 250 characters

SOCIAL SERVICES INFORMATION SYSTEM (SSIS)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	“HD”
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD05 (for SSIS) ▪ Must match trailer.

3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 05 (for SSIS)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-TYPE	Account Type	1	X	▪ C (Checking) ▪ S (Savings)
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Provider name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the SSIS program	10	X	▪ Provider Number
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 05 (for SSIS)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ SSIS
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000
19	157-206	T-CLIENT-NAME	Name of person being paid	50	X	▪ Payee Name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	“TR”
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD05 (for SSIS) ▪ Must match header.
3	11-18	BTT-DATE-	Date Transmitted	8	9	▪ File date (CPU-

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
		ALPHA (BTT-DATE)				DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 05 (for SSIS)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ “0000” – no errors ▪ Must be initialized to “0000”

Record Length = 250 characters

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	"HD"
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD06 (for interim) ▪ SDDIRD07 (for monthly) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 06 (for interim) ▪ 07 (for monthly)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-	Account Type	1	X	▪ C (Checking) ▪ S (Savings)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
		TYPE				
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Payee name. Can be client name in compressed first, middle, last, modifier format or an alternate payee.
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the TANF program	10	X	▪ Either Case Number or Recipient ID (ending with an 'S') ▪ S = Supportive Service Payment
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 06 (for interim) ▪ 07 (for monthly)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ TANF
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date ▪ Warrants

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
						(checks) are always post-dated to the 1st of the following month (on REGULAR payroll).
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000
19	157-206	T-CLIENT-NAME	Name of person being paid	50	X	▪ Payee name or alternate payee
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	"TR"
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD06 (for interim) ▪ SDDIRD07 (for monthly) ▪ Must match header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-		10	9(8)V99	▪ Total amount of payments on the file (total

		AMT-PAYMENTS)				amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 06 (for interim) ▪ 07 (for monthly)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ “0000” – no errors ▪ Must be initialized to “0000”

Record Length = 250 characters

CHILD CARE SERVICES (CCS)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	"HD"
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD09 (for CCS) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 09 (for CCS)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-	Account Type	1	X	▪ C (Checking) ▪ S (Savings)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
		TYPE				
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Provider name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ○ Provider ID ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the CCS program	10	X	▪ Provider ID
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 09 (for CCS)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ CCS
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000
19	157-206	T-CLIENT-NAME	Client name	50	X	▪ Provider name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	"TR"
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD09 (for CCS) ▪ Must match header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 09 (for CCS)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	"HD"
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD08 (for NMT) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 08 (for NMT)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-TYPE	Account Type	1	X	▪ C (Checking) ▪ S (Savings)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Payee name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the NEMT program	10	X	▪ Case Number (TIN)
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 08 (for NMT)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ NMT
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000
19	157-206	T-CLIENT-NAME	Name of person being paid	50	X	▪ Payee name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)
21	247-250	T-RESPONSE-	Response Code	4	X	▪ 0000

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
		CODE				

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	"TR"
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD08 (for NMT) ▪ Must match header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 08 (for NMT)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

CHILD SUPPORT ENFORCEMENT (CSE)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	"HD"
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD10 (for DCS) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 10 (for Child Support)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-	Account Type	1	X	▪ C (Checking) ▪ S (Savings)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
		TYPE				
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Payee name ▪ Can be client name in compressed first, middle, last, modifier format or an alternate payee. ▪ Can be other State name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ○ SSN or Other State's FIPS ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the DCS program	10	X	▪ DCS Case Number
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 10 (for Child Support)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ CSE
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Date the payroll runs

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD ▪ CTX
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000 ▪ May contain a number if addenda record present (for CTX records)
19	157-206	T-CLIENT-NAME	Name of client	50	X	▪ Client name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Addenda record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	A-REC-TYPE	Record Type	2	X	"DA"
2	3-3	A-ACCOUNT-TYPE	Account Type	1	X	▪ C (Checking) ▪ S (Savings)
3	4-16	A-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	A-ACCOUNT-NUMBER	Account Number	17	X	▪ Account number
5	34-43	A-PAYMENT-AMOUNT	Payment Amount	10	9(8)V99	▪ Payment amount
6	44-63	A-IDENT-NUMBER	Warrant ID	20	X	▪ DSS Warrant number used to identify payment
7	64-98	A-PAYEE-NAME	Payee Name	35	X	▪ Payee name
8	99-107	A-DSS-ID	FIPS code of other state	9	X	▪ Receiving State FIPS code
9	108-117	A-ADDENDA-PAY-AMT	Payment Amount	10	9(8)V99	▪ Payment amount
10	118-197	A-ADDENDA-DATA	Other State's information	80	X	▪ See below for listing of data elements
11	198-247	A-CLIENT-NAME	Client Name	50	X	▪ Client name

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
12	248-250	FILLER	Filler	3	X	▪ For Future Use

Record Length = 250 characters

A-ADDENDA-DATA (80):

1. Other State Case Number
2. Employee withholding date
3. Amount withheld
4. SSN
5. Insurance available (‘Y’, ‘N’ or ‘W’)
6. Non-custodial parent (AP) name (10 bytes)
7. Receiving State FIPS

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	“TR”
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD10 (for DCS) ▪ Must match header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 10 (for Child Support)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	"HD"
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD12 (for LIEAP) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 12 (for LIEAP)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-TYPE	Account Type	1	X	▪ C (Checking) ▪ S (Savings)
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Vendor name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the LIEAP program	10	X	▪ Vendor ID
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 12 (for LIEAP)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ LIEA
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Service date for the utility
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
19	157-206	T-CLIENT-NAME	Name of person being paid	50	X	▪ Vendor name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	"TR"
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD12 (for LIEAP) ▪ Must match header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 12 (for LIEAP)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

CHILD PROTECTION SERVICES (CPS)

DIRECT DEPOSIT FILE LAYOUT

Header record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTH-REC-TYPE	Record Type	2	X	"HD"
2	3-10	BTH-TRANS	Transaction Type	8	X	▪ SDDIRD11 (for CPS) ▪ Must match trailer.
3	11-18	BTH-DATE-ALPHA (BTH-DATE)	Batch Date	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match trailer.
4	19-26	BTH-TIME-ALPHA (BTH-TIME)	Batch Time	8	9	▪ File time. 00HHMMSS ▪ Must match trailer.
5	27-32	BTH-CONTROL-NUMBER (BTH-CONTROL-NO)	Control Number	6	9	▪ Incremented by 1 each time sent.
6	33-34	BTH-STATE-ID	State ID	2	X	▪ "SD"
7	35-59	BTH-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	60-68	BTH-PROFILE	Profile Number	9	X	▪ 888882222
9	69-70	BTH-PROGRAM-TYPE	Program Type	2	X	▪ 11 (for CPS)
10	71-246	FILLER	Filler	176	X	▪ For Future Use
11	247-250	BTH-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

Detail Record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	T-RECORD-TYPE	Record Type	2	X	"DT"
2	3-3	T-ACCOUNT-TYPE	Account Type	1	X	▪ C (Checking) ▪ S (Savings)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
3	4-16	T-ROUTING-NUMBER	EFT Routing Number	13	X	▪ Routing number for the receiving bank
4	17-33	T-ACCOUNT	Account Number	17	X	▪ Account number
5	34-43	T-PAY-AMT	Grant Amount	10	9(8)V 99	▪ Payment amount
6	44-59	T-ID (T-WARR-ID (T-WARR-YEAR (4) T-WARR-MM (2) T-WARR-NO (10)))	Warrant ID	16	X	▪ DSS Warrant number used to identify payment
7	60-63	FILLER	Filler	4	X	▪ For Future Use
8	64-98	T-PAYEE-NAME	Payee Name	35	X	▪ Payee name
9	99-107	T-DSS-IDENTIFIER	Payee Identifier	9	X	▪ DSS Payee Identifier ○ Resource ID ▪ DDA Key
10	108-117	T-PROGRAM-KEY	Key to the FACIS program	10	X	▪ Resource ID
11	118-119	T-PAYMENT-TYPE	Payment Type	2	X	▪ DD (direct deposit)
12	120-121	T-PROGRAM-TYPE	Code used to identify payroll	2	X	▪ 11 (for CPS)
13	122-125	T-PROGRAM-IDENTIFIER	Program Identifier	4	X	▪ CPS
14	126-133	T-PERIOD-DATE	Benefit Period	8	X	▪ Date covered by payment
15	134-141	T-AVAILABILITY-DATE	Availability Date	8	X	▪ Payroll run date plus 2 days
16	142-149	T-PAYROLL-DATE	Warrant Date	8	X	▪ Payroll date
17	150-152	T-ENTRY-TYPE	Type of ACH record	3	X	▪ CCD
18	153-156	T-ADDENDA-COUNT	Number of addenda records on ACH file	4	9	▪ 0000
19	157-206	T-CLIENT-NAME	Name of person being paid	50	X	▪ Payee name
20	207-246	FILLER	Filler	40	X	▪ Blanks (For Future Use)

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
21	247-250	T-RESPONSE-CODE	Response Code	4	X	▪ 0000

Record Length = 250 characters

Trailer record:

FIELD #	POSITION	FIELD NAME	DESCRIPTION	LENGTH	TYPE	DATA
1	1-2	BTT-REC-TYPE	Record Type	2	X	"TR"
2	3-10	BTT-TRANS	Transaction Type	8	X	▪ SDDIRD11 (for CPS) ▪ Must match header.
3	11-18	BTT-DATE-ALPHA (BTT-DATE)	Date Transmitted	8	9	▪ File date (CPU-DATE). CCYYMMDD ▪ Must match header.
4	19-26	BTT-TIME-ALPHA (BTT-TIME)	Time Transmitted	8	9	▪ File time. 00HHMMSS ▪ Must match header.
5	27-31	BTT-NO-PAYMENTS-ALPHA (BTT-NO-PAYMENTS)		5	9	▪ Total number of payments on the file (number of detail records).
6	32-41	BTT-AMT-PAYMENTS-ALPHA (BTT-AMT-PAYMENTS)		10	9(8)V99	▪ Total amount of payments on the file (total amount of detail records).
7	42-66	BTT-STATE-RESERVED-AREA	Reserved for State	25	X	▪ Spaces
8	67-68	BTT-PROGRAM-TYPE	Program Type	2	X	▪ 11 (for CPS)
9	69-246	FILLER	Filler	178	X	▪ For Future Use
10	247-250	BTT-RESPONSE-CODE	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000"

Record Length = 250 characters

DIRECT DEPOSIT EDIT CODES

HEADER RECORD EDITS

REJECTION CODE	ERROR CODE	DESCRIPTION
*	HD01	Record Type Error • must be 'HD' • *control number is not incremented*
*	HD02	Invalid Transaction Type • must be 'SDDIRDxx', where 'xx' is the Program Type • *control number is not incremented*
*	HD03	Transaction Date Error
*	HD04	Transmission Time Error
*	HD05	Invalid Control Number
*	HD06	Duplicate Control Number
*	HD07	Control Number out of Sequence
*	HD08	Invalid Profile Number • must be 888882222
*	HD09	Program Type Error • must be numeric and '02' thru '20'
*	HD10	Invalid or Missing State ID • must be 'SD'

* Reject entire file; return entire file

DETAIL RECORD EDITS

HARD EDIT ERRORS (REJECT RECORDS; DON'T PROCESS)

Note: Any record with a record type of 'DA' are addenda records and should not be edited on the detail record edits

ERROR CODE	DESCRIPTION
DT01	Record Type Error • must be 'DT' for DETAIL record

ERROR CODE	DESCRIPTION
DT02	Account Type Error • must be ‘S’ for SAVINGS or ‘C’ for CHECKING
DT03	Routing Number Error • must be numeric and greater than ‘0’
DT04	Account Number Error • cannot be blanks or all zeros
DT05	Payment Amount Error • must be numeric and greater than ‘0’ and less than $1 million
DT06	Identification Number (Warrant Number) Error • cannot be blank
DT07	Payee Name Error • cannot be blank
DT08	DSS Identifier Error • cannot be blank
DT09	Program Key Error • cannot be blank
DT10	Payment Type Error • Must be ‘DD’
DT11	Program Type Error • Must be same as Program Type on Header Record
DT12	Program Identifier Error • Cannot be blank
DT13	Availability Date Error • Must be a valid date, not less than current date, and not more than 15 days in the future
DT14	Period Date Invalid • Must be a valid date
DT15	Payroll Date Invalid • Must be a valid date
DT16	Type not ‘CCD’ or ‘CTX’
DT17	Addenda amount invalid • Should be checking addenda payment amount field
DT18	Addenda does not match Detail • The account type, the routing number, the account number, the payment amount and the warrant ID on the addenda record must match the same fields on the detail record or else the DT18 response code is issued.
DT19	Mismatch Addenda Count

ERROR CODE	DESCRIPTION
DT20	Addenda does not match Detail • DT20 should be adding up the addenda payment amounts (#9) and matching them back to the payment amount on the detail record (should be the same payment amount as field #5 on the addenda record). If the total amount of the addenda payment amounts does not match the detail record payment amount then issue the DT20 response code.
DT21	Addenda Count greater than 1 for CCD
DT22	Addenda Count not numeric
DT23	Missing Client Name

TRAILER RECORD EDITS

REJECT ENTIRE FILE; RETURN ENTIRE FILE TO STATE

ERROR CODE	DESCRIPTION
TR01	Trailer Record Missing • No record with Record Type = 'TR'
TR02	Mismatch on Header Transaction • Transaction Code must match Header Record Transaction Code
TR03	Mismatch on Header Date • Date must match Header Record Date
TR04	Mismatch on Header Time • Time must match Header Record Time
TR08	Mismatch on Amount • Dollar amount must total dollar amount from all detail records
TR09	Mismatch on Number of Details • Must match number of detail records
TR10	Mismatch on Header Program Type • Must match Header Record Program Type

NOTE: Trailer errors are also returned in the header record.

RETURNS - ACH RETURN FILE

South Dakota requires an ACH Return File be provided by the direct deposit vendor. Records on the ACH Return file would be any attempted direct deposit that could not be completed by the financial institution responsible for the ACH transaction.

Each record on the provided ACH Return File must contain the following elements:

- Program Indicator — Corresponding Direct Deposit field: T-PROGRAM-TYPE
- File Key — Corresponding Direct Deposit field: T-PROGRAM-KEY
- Transaction ID (Warrant ID) — Corresponding Direct Deposit field: T-ID
- Payment Amount — Corresponding Direct Deposit field: T-PAY-AMT
- Return Reason — Provided from the corresponding ACH record
- Return Date — Provided from the corresponding ACH record
- Return Correction Data — Provided from the corresponding ACH record

3.16.2 MEDICAL IDENTIFICATION CARD FILE AND RECORD LAYOUTS

a. The Files **coming from** SD: [From SD to VENDOR]
Daily MIC File SW87.F16

b. Files **going to** SD: [From VENDOR to SD]
Daily MIC Post File SW87.F16.POST

MEDICAL IDENTIFICATION CARD (MIC) FILES

Header Record

FIELD #	FIELD POSITIONS	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“HD”	R
2	3-10	Transaction Type	8	X	“SDMEDFIL”	R
3	11-18	Date	8	9	CCYYMMDD	R
4	19-26	Time	8	9	HHMMSSSS	R
5	27-32	Control Number	6	9	Incremented by 1	R

					each time sent	
6	33-34	State ID	2	X	“SD”	R
7	35-43	Profile Number	9	9	▪ Number assigned by Contractor ▪ Currently ‘888881111’	R
8	44-208	Filler	165	X		O
9	209-212	Response Code	4	X	▪ “0000” – no errors ▪ Must be initialized to “0000” ▪ Error Code (see table below)	R

Record Length = 212 characters

R – Required field

O – Optional field

Detail Record

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	COMMENTS	R/O
1	1-2	Record Type	2	X	“DT”	R
2	3-16	Case Number	14	X		R
3	17-31	First Name	15	X		R
4	32-32	Middle Initial	1	X		O
5	33-51	Last Name	19	X		R
6	51-58	Date of Birth	8	X		R
7	59-59	Sex Code	1	X	▪ “1” = male ▪ “2” = female	R
8	60-94	Payee	35	X		O
9	95-129	Address 1	35	X		R
10	130-164	Address 2	35	X		O
11	165-189	City	25	X		R
12	190-191	State	2	X		R
13	192-200	Zip	9	X		R

14	201-208	Sent Date	8	9	CCYYMMDD	O
15	209-212	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000" ▪ Error Code (see table below)	R

Record Length = 212 characters

R – Required field

O – Optional field

Trailer Record

FIELD #	POSITION	DESCRIPTION	LENGTH	TYPE	DATA	R/O
1	1-2	Record Type	2	X	"TR"	R
2	3-10	Transaction Type	8	X	Must match header	R
3	11-18	Date	8	9	Must match header	R
4	19-26	Time	8	9	Must match header	R
5	27-32	Detail Record Count	6	9	Total number of detail records on file	R
6	33-208	Filler	176	X		O
7	209-212	Response Code	4	X	▪ "0000" – no errors ▪ Must be initialized to "0000" ▪ Error Code (see table below)	R

Record Length = 212 characters

R – Required field

O – Optional field

<u>Processing Rules for MIC file:</u>

- MIC (Medical Identification Card) file sent every State business day.
- Entire file rejects on header and trailer edits.
- Detail records that reject for reasonability will not result in an entire file reject. Each detail record passing edits needs to be processed.
- A return file must be sent back to South Dakota by the contractor.

RESPONSE CODE TABLE – HEADER RECORD EDITS

Response (Error) Code	**Comment**
HD01	Duplicate file
HD02	Control number incorrect – greater than zeros
HD03	File out of sequence – 1 greater than the last file sent
HD04	Invalid Date/Time – Must be valid date and time
HD05	Invalid record type (must be ‘HD’)
HD06	Invalid transaction type (must be ‘SDMEDFIL’)
HD07	Invalid State ID (must be ‘SD’)
HD08	Invalid profile number (must be ‘888881111’)

- Entire file rejects on header and trailer edits.

RESPONSE CODE TABLE – DETAIL RECORD EDITS

Response (Error) Code	**Comment**
DT01	Record type invalid – must be “DT”
DT02	Sequence number missing – must be numeric
DT03	Recipient name missing – must be greater than spaces
DT04	Date of Birth missing – must be greater than spaces
DT05	Sex missing – must be greater than spaces
DT06	Address line 1 missing – must be greater than spaces
DT07	City missing – must be greater than spaces
DT08	State missing – must be greater than spaces
DT09	Zip missing – must be greater than zeros
DT12	Response code missing – must be greater than spaces

- Detail records that reject for reasonability will not result in an entire file reject. Each detail record passing edits needs to be processed.

RESPONSE CODE TABLE – TRAILER RECORD EDITS

Response (Error) Code	**Comment**
TR01	Trailer record missing
TR02	Detail Record Count Incorrect
TR03	Mismatch on transaction type
TR04	Mismatch on date
TR05	Mismatch on time

- Entire file rejects on header and trailer edits.

Addendum E – South Dakota Contract Terms and Conditions Template

DSS Purchase Order #16SC08____

Consultant Contract # 16-0800-___

STATE OF SOUTH DAKOTA
DEPARTMENT OF SOCIAL SERVICES
DIVISION OF FINANCE AND MANAGEMENT

Consultant Contract
For Consultant Services
Between

State of South Dakota
Department of Social Services
DIVISION OF FINANCE AND MANAGEMENT
700 Governors Drive
Pierre, SD 57501-2291

Referred to as Consultant | Referred to as State

The State hereby enters into a contract for consultant services with the Consultant. While performing services hereunder, Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

1. CONSULTANT'S South Dakota Vendor Number is .

2. PERIOD OF PERFORMANCE:
   A. This Agreement shall be effective from the date of signature and the terms shall be for at least four (4) years, beginning with the date the successful conversion/transition to the Contractor host system. The State reserves the option to renew or extend the contract for three (3) successive two (2) year terms not to exceed a total of ten (10) years, inclusive of the initial term and any renewals or extensions, at any time prior to or within thirty (30) days following the expiration of the initial term or any term of renewal. Any renewal or extension is subject to the terms and condition of the existing contract, including price.

   B. Agreement is the result of request for proposal process, RFP #_____

   C. In the event of a conflict in contractual terms and conditions or scope of work between the State and the Contractor the following order shall prevail for purposes of contract interpretation:

      i. The contract executed by the Contractor and the State, Exhibits and work plans;
      ii. Any amendments to the RFP supplied as clarification;
      iii. The Contractor's proposal;
      iv. The State's answers to written questions; and
      v. The State's RFP document including all Addenda, except the North Dakota state-specific requirements.

3. PROVISIONS:
   A. The Purpose of this Consultant contract:
      1.

2. Does this agreement involve Protected Health Information (PHI)? YES ( ) NO (X)

3. The consultant will not use state equipment, supplies or facilities.

B. The Consultant agrees to perform those services described in the Consultant's Work Plan, which is attached to the Contract as Exhibit "x" and incorporated by reference. The Consultant's response to this RFP will be considered part of the Work Plan.

C. The State agrees to:
1. Make payment for services upon satisfactory completion of services and receipt of bill. Payment will be in accordance with SDCL 5-26.

2. Will the State pay Consultant expenses as a separate item?
YES ( ) NO (X)
If YES, expenses submitted will be reimbursed as identified in this agreement.

D. The TOTAL CONTRACT AMOUNT will not exceed **$.**

4. BILLING:
Consultant agrees to submit a bill for services within (30) days following the month in which services were provided. Consultant will prepare and submit a monthly bill for services. Consultant agrees to submit a final bill within 45 days of the contract end date to receive payment for completed services. If a final bill cannot be submitted in 45 days, then a written request for extension of time and explanation must be provided to the State.

5. TECHNICAL ASSISTANCE:
The State agrees to provide technical assistance regarding Department of Social Services rules, regulations and policies to the Consultant and to assist in the correction of problem areas identified by the State's monitoring activities

6. LICENSING AND STANDARD COMPLIANCE:
The Consultant agrees to comply in full with all licensing and other standards required by Federal, State, County, City or Tribal statute, regulation or ordinance in which the service and/or care is provided for the duration of this agreement. The Consultant will maintain effective internal controls in managing the federal award. Liability resulting from noncompliance with licensing and other standards required by Federal, State, County, City or Tribal statute, regulation or ordinance or through the Consultant's failure to ensure the safety of all individuals served is assumed entirely by the Consultant.

7. ASSURANCE REQUIREMENTS:
The Consultant agrees to abide by all applicable provisions of the following assurances: Lobbying Activity, Byrd Anti Lobbing Amendment (31 USC 1352), Debarment and Suspension, Debarment and Suspension (Executive orders 12549 and 12689),Drug-Free Workplace, Executive Order 11246 Equal Employment Opportunity, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Drug Abuse Office and Treatment Act of 1972, Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, Pro-Children Act of 1994, Hatch Act, Health Insurance Portability and Accountability Act (HIPAA) of 1996, Clean Air Act, Federal Water Pollution Control Act, Charitable Choice Provisions and Regulations, Equal Treatment for Faith-Based Religions at Title 28 Code of Federal Regulations Part 38, the Violence Against Women Reauthorization Act of 2013 and American Recovery and Reinvestment Act of 2009 as applicable.

7.1 Certification Regarding Lobbying: The Consultant shall provide, and shall require all subcontractors to provide, the certification regarding lobbying included in Addendum B. Each subcontractor must include similar requirements in any subsequent contracts for services provided under this Contract. The Consultant

shall provide the certification of the Consultant and all individuals and entities with ownership or control interest in the Consultant with the Consultant's Proposal. The Consultant shall provide the certification of current subcontractors within ten (10) days of execution of the Contract pursuant to this RFP or within ten (10) days of the execution of any new subcontract.

7.2 Drug-Free Workplace. The Consultant agrees to:

1) Make a good faith effort, on a continuing basis, to maintain a Drug Free Workplace (including taking specific actions described at 7 CFR Part 3021.200 through 3021.230);

2) Identify all workplace locations where work under the Federal award will be performed. Since Federal entities will no longer collect a paper certificate, this may include the following:

a. Notifying all sub-grantees and contractors of the Drug Free Workplace rules;

b. Making conforming changes to internal procedures, directives, training materials, etc.; and

c. Incorporating the new rules into sub-grantee monitoring practices.

7.3 Other Provisions. The States and its selected Consultant agree to the Federal Procurement Clauses found at Appendix A.

8. RETENTION AND INSPECTION OF RECORDS:
The Consultant agrees to maintain or supervise the maintenance of records necessary for the proper and efficient operation of the program, including records and documents regarding applications, determination of eligibility (when applicable), the provision of services, administrative costs, statistical, fiscal, other records, and information necessary for reporting and accountability required by the State. The Consultant shall retain such records for a period of six years from the date of submission of the final expenditure report. If such records are under pending audit, the Consultant agrees to hold such records for a longer period upon notification from the State. The State, through any authorized representative, will have access to and the right to examine and copy all records, books, papers or documents related to services rendered under this Agreement. State Proprietary Information retained in Consultant's secondary and backup systems will remain fully subject to the obligations of confidentiality stated herein until such information is erased or destroyed in accordance with Consultant's established record retention policies.

All payments to the Consultant by the State are subject to site review and audit as prescribed and carried out by the State. Any over payment of this contract shall be returned to the State within thirty days after written notification to the Consultant.

9. DISPOSAL OF DATA:
The Consultant, and Consultant's Subcontractors, Agents, Assigns and/or Affiliated Entities shall securely dispose of all data in all forms, such as disk, CD/DVD, backup tape and paper, when requested by the State. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods. Certificates of Destruction shall be provided to the State upon request.

10. WORK PRODUCT:
Consultant hereby acknowledges and agrees that all reports, plans, specifications, technical data, drawings, software system programs and documentation, procedures, files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, State Proprietary Information, State Data, End User Data, Personal Health Information, and all information contained therein provided to the State by the Consultant in connection with its performance of service under this Contract

shall belong to and is the property of the State and will not be used in any way by the Consultant without the written consent of the State.

Paper, reports, forms software programs, source code(s) and other materials which are a part of the work under this Contract will not be copyrighted without written approval of the State. In the unlikely event that any copyright does not fully belong to the State, the State none the less reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and otherwise use, and to authorize others to use, any such work for government purposes.

Consultant agrees to return all information received from the State to State's custody upon the end of the term of this contract, unless otherwise agreed in a writing signed by both parties.

11. TERMINATION:
This contract may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Contract may be terminated by the State for cause at any time, with or without notice. Upon termination of this agreement, all accounts and payments shall be processed according to financial arrangements set forth herein for services rendered to date of termination.

12. FUNDING:
This Contract depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of the law or federal funds reduction, this Contract will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

13. AMENDMENTS:
This Contract may not be assigned without the express prior written consent of the State. This Contract may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto. No amendment to a contract executed pursuant to this RFP is effective unless first submitted to and approved by FNS.

14. CONTROLLING LAW:
This Contract shall be governed by and construed in accordance with the laws of the State of South Dakota. Venue for any lawsuit pertaining to or affecting this Agreement shall be resolved in the Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

15. SUPERCESSION:
All prior discussions, communications and representations concerning the subject matter of this Contract are superseded by the terms of this Contract, and except as specifically provided herein, this Contract constitutes the entire agreement with respect to the subject matter hereof.

16. IT STANDARDS:
Consultant warrants that the software and hardware developed or purchased for the state will be in compliance with the BIT Standards including but not limited to the standards for security, file naming conventions, executable module names, Job Control Language, systems software, and systems software release levels, temporary work areas, executable program size, forms management, network access, tape management, hosting requirements, administrative controls, and job stream procedures prior to the installation and acceptance of the final project. BIT standards can be found at http://bit.sd.gov/standards/.

17. SEVERABILITY:
In the event that any provision of this Contract shall be held unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this contract, which shall remain in full force and effect.

18. NOTICE:
Any notice or other communication required under this Contract shall be in writing and sent to the address set forth above. Notices shall be given by and to the Division being contracted with on behalf of the State, and by the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

19. SUBCONTRACTORS:
The Consultant may not use subcontractors to perform the services described herein without express prior written consent from the State. The State reserves the right to reject any person from the contract presenting insufficient skills or inappropriate behavior.

The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Contract, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Contract. The Consultant will cause its subcontractors, agents, and employees to comply with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance. The State, at its option, may require the vetting of any subcontractors. The Consultant is required to assist in this process as needed.

20. CONTRACTOR RESPONSIBILITIES
    1. The State will consider the Contractor to be the sole point of contact with regard to contractual matters. The Contractor has sole responsibility for the complete effort required by any contract executed pursuant to this RFP.
    2. The Contractor shall ensure the professional quality, technical accuracy, timely completion and coordination of all work specified under any contract executed pursuant to this RFP. The contractor, without additional compensation, shall correct or revise any errors, omissions, or other deficiencies in the products, services, reports, information, etc., under 2.22.
    3. Approval of products, services, reports, equipment, information, or anything else furnished, or required to be furnished pursuant to a contract entered as a result of this RFP does not relieve the Contractor in any way of responsibility for the adequacy of the work. Approval, acceptance, or payment for any of the services or products by each State may not be construed as a waiver of any rights under any contract executed pursuant to this RFP or of any cause of action arising out of the performance of that contract.
    4. The Contractor's sole point of contact with the State is the EBT Program Administrator. It is the responsibility of the EBT Program Administrator to coordinate all project activities and contractor concerns within the State.

21. SUBSTITUTION OF PERSONNEL OR SUBCONTRACTOR
If during the term of any contract executed pursuant to this RFP, the Contractor or subcontractor cannot provide the personnel as proposed and requests a substitution or reassignment, the substitution or reassignment must be approved by the States.

The State reserves the right to require the Contractor to promptly relieve a specified Contractor employee from performance of any or all duties under any contract executed pursuant to this RFP. The State will not exercise this authority unreasonably. The Contractor agrees to promptly replace any employee so relieved with an employee of equal or better qualifications. The State shall provide specific written reasons for any exercise of their authority under this provision.

22. ASSIGNMENT OF CONTRACT
No contract executed pursuant to this RFP may be assigned by the Contractor, in whole or in part, without the prior written consent of each of the States. Consent, if granted, does not relieve the Contractor of any of its responsibilities under that contract.

23. SALE OR TAKEOVER OF CONTRACTOR
In the event of any sale or takeover of a majority ownership in the Contractor by a person or entity that did not have majority ownership interest on the day before the effective date of any contract executed pursuant to this RFP, the Contractor shall ensure that it or its successor organization continues to perform its duties under this contract. The Contractor shall inform all parties interested in buying or taking majority control of its business of its obligation to continue performing under any contract executed pursuant to this RFP, and may not agree to any sale or takeover of its business without Assuring that the contract executed pursuant to this RFP will continue to be performed until the term of the contract has expired.

24. HOLD HARMLESS:
The Consultant agrees to hold harmless and indemnify the State of South Dakota, its officers, agents and employees, from and against any and all actions, suits, damages, liability or other proceedings which may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

25. INSURANCE:
Before beginning work under this Contract, Consultant shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Contract. The Consultant, at all times during the term of this Contract, shall obtain and maintain in force insurance coverage of the types and with the limits listed below. In the event a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, the Consultant agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Consultant shall furnish copies of insurance policies if requested by the State.

A. Commercial General Liability Insurance:
Consultant shall maintain occurrence-based commercial general liability insurance or an equivalent form with a limit of not less than $1,000,000 for each occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two times the occurrence limit.

B. Business Automobile Liability Insurance:
Consultant shall maintain business automobile liability insurance or an equivalent form with a limit of not less than $500,000 for each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles.

C. Worker's Compensation Insurance:
Consultant shall procure and maintain Workers' Compensation and employers' liability insurance as required by South Dakota law.

D. Professional Liability Insurance:
Consultant agrees to procure and maintain professional liability insurance with a limit not less than $1,000,000.

(Medical Health Professional shall maintain current general professional liability insurance with a limit of not less than one million dollars for each occurrence and three million dollars in the aggregate. Such insurance shall include South Dakota state employees as additional insureds in the event a claim, lawsuit, or other proceeding is filed against a state employee as a result of the services provided pursuant to this Contract. If insurance provided by Medical Health Professional is provided on a claim made basis, then Medical Health Professional shall provide "tail" coverage for a period of five years after the termination of coverage.)

26. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION:
Consultant certifies, by signing this agreement, that neither it nor its principals or sub-principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by the federal government or any state or local government department or agency under 7 CFR Part 3017.300 and have checked the Excluded Parties List System (EPLS) at www.epls.gov. Consultant further agrees that it will immediately notify the State if during the term of this Contract either it or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

27. CONFLICT OF INTEREST:
Consultant agrees to establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal organizational conflict of interest, or personal gain. Any potential conflict of interest must be disclosed in writing.

28. REPORTING PROVISION:
Consultant agrees to report to the State any event encountered in the course of performance of this Contract which results in injury to any person or property, or which may otherwise subject Consultant, or the State of South Dakota or its officers, agents or employees to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

29. LIQUIDATED DAMAGES
The States and Contractor shall agree to a schedule of fees for failure to perform certain requirements in any contract executed pursuant to this RFP. Liquidated damages are in addition to, and not in lieu of, any actual damages that the States may suffer as a result of the Contractor's failure to perform requirements under a contract executed pursuant to this RFP which is not subject to a schedule of fees. A State may seek actual damages due to a failure by the Contractor to perform any requirement listed in this schedule that persists for more than seven business days or recurs after liquidated damages have been imposed for a similar failure. Any liquidated damages paid by the Contractor for the failure to perform a scheduled requirement will be credited against any actual damages awarded or agreed to, less the State's costs of litigation, including attorney's fees or charges, for failure to perform that scheduled requirement.

30. Notice to Cure
During the term of any contract executed pursuant to this RFP, each party may give notice to the other of any known problem that needs to be cured by the notified party. The notice will include a description of each specific unmet obligation, with reference to the contract provision or other agreement; whether the responsible party is the Contractor, the State, its agencies, or agent; the specific work the State or Contractor will be unable to perform or deliver without a cure, and the last date a cure can be made without delay occurring.

31. Disputes

    1. Any dispute concerning a question of fact arising under any contract executed pursuant to this RFP which is not disposed of by mutual agreement between the Contractor and the State's contact person identified in the State's State Specific Addendum shall be resolved in the manner provided in the State's State Specific Addendum.

    2. This does not preclude consideration of questions of law in connection with decisions made under 2.39(1) provided that nothing in this contract shall be construed as making final the decision of any administrative official on a question of law.

    3. A contract executed pursuant to this RFP is not subject to arbitration.

32. Final Payment
    Upon satisfactory completion of the Scope of Work tasks under a contract executed pursuant to this RFP, and as a condition before final payment or as a termination settlement under that contract, the Contractor shall execute and deliver to the States a release of all claims against the States arising under or by virtue of that contract except claims which are specifically exempted by the Contractor as set forth in the contract. Unless otherwise provided in the RFP or by the States or otherwise expressly agreed to by the parties to this contract, final payment under a contract executed pursuant to this RFP or settlement upon termination of that contract does not constitute a waiver of either State's claim against the Contractor or sureties under that contract. The payment will be for the release of any retained amount only (including any audit adjustments), with the appropriate statement regarding releasing the States from any further liabilities.

33. Turnover Provisions
    After a contract has been awarded for EBT services subsequent to the termination or expiration of a contract executed pursuant to this RFP, the Contractor shall prepare a Turnover Plan outlining the tasks necessary for an orderly turnover of the project to a new Contractor. The Contractor's Turnover Plan for a transition from the Contractor to the new Contractor must be consistent with the provisions of the EBT Transition and Implementation Plan in the Scope of Work Section of the RFP, with the Contractor in the role of Incumbent Contractor. The Contractor shall certify that all documentation is completely updated. The Contractor shall prepare a System Turnover Report containing current system status information, identification of problem areas, a list of enhancements made, and change control documentation.

34. CONFIDENTIALITY OF INFORMATION:
    For the purpose of the sub-paragraph, "State Proprietary Information" shall include all information disclosed to the Consultant by the State. Consultant acknowledges that it shall have a duty to not disclose any State Proprietary Information to any third person for any reason without the express written permission of a State officer or employee with authority to authorize the disclosure. Consultant shall not: (i) disclose any State Proprietary Information to any third person unless otherwise specifically allowed under this contract; (ii) make any use of State Proprietary Information except to exercise rights and perform obligations under this contract; (iii) make State Proprietary Information available to any of its employees, officers, agents or consultants except those who have agreed to obligations of confidentiality at least as strict as those set out in this contract and who have a need to know such information. Consultant is held to the same standard of care in guarding State Proprietary Information as it applies to its own confidential or proprietary information and materials of a similar nature, and no less than holding State Proprietary Information in the strictest confidence. Consultant shall protect confidentiality of the State's information from the time of receipt to the time that such information is either returned to the State or destroyed to the extent that it cannot be recalled or reproduced. State Proprietary Information shall not include information that (i) was in the public domain at the time it was disclosed to Consultant; (ii) was known to Consultant without restriction at the time of disclosure from the State; (iii) that is disclosed with the prior written approval of State's officers or employees having authority to disclose such information; (iv) was independently developed by Consultant without the benefit or influence of the State's information; (v) becomes known to Consultant without restriction from a source not connected to the State of South Dakota. State's Proprietary Information shall include names, social security numbers, employer numbers,

addresses and all other data about applicants, employers or other clients to whom the State provides services of any kind. Consultant understands that this information is confidential and protected under applicable State law at SDCL 1-27-1.5, modified by SDCL 1-27-1.6, SDCL 28-1-29, SDCL 28-1-32, and SDCL 28-1-68 as applicable federal regulation and agrees to immediately notify the State if the information is disclosure, either intentionally or inadvertently. The parties mutually agree that neither of them shall disclose the contents of the contract except as required by applicable law or as necessary to carry out the terms of the contract or to enforce that party's rights under this contract. Consultant acknowledges that the State and its agencies are public entities and thus are bound by South Dakota open meetings and open records laws. It is therefore not a breach of this contract for the State to take any action that the State reasonably believes is necessary to comply with the South Dakota open records or open meetings laws. If work assignments performed in the course of this Agreement require additional security requirements or clearance, the Consultant will be required to undergo investigation.

35. BUREAU OF INFORMATION AND TELECOMMUNICATIONS (BIT) CLAUSES:
Due to the subject matter of this Agreement, it requires the approval of the SD BIT. The Consultant specifically agrees to the terms and conditions of the BIT Security Agreement attached hereto as Exhibit A, the BIT supplementary contract clauses attached hereto as Exhibit B, and the ITSUG attached hereto as Exhibit C, which Exhibits are collectively incorporated herein by reference and made a part hereof.

36. AUTHORIZED SIGNATURES**:**

In witness hereto, the parties signify their agreement by affixing their signatures hereto.

Consultant Signature	Date
State - DSS Division Director Carrie Johnson	Date
State - DSS Deputy Secretary Brenda Tidball-Zeltinger	Date
State - DSS Cabinet Secretary Lynne A. Valenti	Date

State Agency Coding:

CFDA #				
Company				
:ount				
Center Req				
Center User				
Dollar Total				

DSS Program Contact Person _____

Phone _____

DSS Fiscal Contact Person _____

Phone 605 773-3586

Consultant Program Contact Person _____

Phone _____

Consultant Fiscal Contact Person _____

Phone _____

Consultant Email Address _____

EXHIBIT A - SECURITY ACKNOWLEDGEMENT FORM

Security Acknowledgement.pd

EXHIBIT B - BIT STANDARD STATE TECHNOLOGY CONTRACT TERMS

1. APPLICATION OF CONTRACT TERMS

All of the following terms and provisions are applicable to each and every entity that hosts State data. If the Consultant is proposing to subcontract any hosting of State data to another entity, the relationship between Consultant and any such subcontracting entity must be that of Principal and Agent. No such Agent may act as an independent contractor for Consultant. Consultant must include in its contract with any such Agent explicit terms providing for this Principal and Agent relationship, and Consultant must further supervise such Agent so as to insure that such Agent complies with all of the following terms. If the Consultant shares any Personal Health Information with any other entity, other than the individual who owns the information, the Consultant will ensure that that entity also adheres to the security requirements of this agreement. This includes any Personal Health Information that is shared as part of providing health care services, except in emergency situations.

2. PROVISION OF DATA

Upon notice of termination by either party, the State will be provided by the Consultant all current State Data in a non-proprietary form. Upon the effective date of the termination of the agreement, the State will again be provided by the Consultant with all current State Data in a non-proprietary form.

3. THREAT NOTIFICATION

Upon becoming aware of a possible security threat(s) or exploit(s) with the Consultant's product(s) and or service(s) being used by the State, the Consultant or any subcontractor supplying product(s) or service(s) to the Consultant needed to fulfill the terms of this Agreement will notify the State within two (2) busi8ness days of any such threat(s) or exploit(s). If the State requests, the Consultant will provide the State with information on the threat(s) or exploit(s).

4. SECURITY INCIDENT NOTIFICATION

The Consultant will implement, maintain and update Security Incident procedures that comply with all State standards and Federal requirements. A Security Incident is a violation of any BIT security or privacy policies or contract agreements involving sensitive information, or the imminent threat of a violation. The BIT security policies can be found in the Information Technology Security Policies located at: https://bit.sd.gov/docs/Information%20Technology%20Security%20Policy%20-%20Contractor.pdf . The State requires notification of a Security Incident involving any of the State's sensitive data in the Contractor's possession. The parties agree that, to the extent probes and reconnaissance scans common to the industry constitute Security Incidents, this Agreement constitutes notice by Consultant of the ongoing existence and occurrence of such Security Incidents for which no additional notice to the State shall be required. Probes and scans include, without limitation, pings and other broadcast attacks in the Consultant's firewall, port scans, and unsuccessful log-on attempts, as long as such probes and reconnaissance scans do not result in a Security Incident as defined above. Except as required by other legal requirements the Consultant shall only provide notice of the incident to the State. The State will determine if notification to the public will be by the State or by the Consultant. The method and content of the notification of the affected parties will be coordinated with, and is subject to approval by the State, unless required otherwise by legal requirements. If the State decides that the Consultant will be distributing, broadcasting to or otherwise releasing information on the Security Incident to the news media, the State will decide to whom the information will be sent and the State must approve the content of any information on the Security Incident before it may be distributed, broadcast or otherwise released. The Consultant must reimburse the State for any costs associated with the notification, distributing, broadcasting or otherwise releasing information on the Security Incident.

A. The Consultant shall notify the State Contact within twelve (12) hours of the Consultant becoming aware that a Security Incident has occurred.

   If notification of a Security Incident to the State Contact is delayed because it may impede a criminal investigation or jeopardize homeland or federal security, notification must be given to the State within

twelve (12) hours after law-enforcement provides permission for the release of information on the Security Incident.

B. Notification of a Security Incident at a minimum is to consist of the nature of the data exposed, the time the incident occurred and a general description of the circumstances of the incident. If not all of the information is available for the notification within the specified time period Consultant shall provide the State with all of the available information along with the reason for the incomplete notification. A delay in excess of twelve (12) hours is acceptable only if it is necessitated by other legal requirements.

C. At the State's discretion within 12 hours the consultant must provide to the State all data available including: (i) Name of and contact information for the Consultant's Point of Contact for the Security Incident: (ii) date and time of the Security Incident; (iii) date and time the Security Incident was discovered: (iv) description of the Security Incident including the data involved, being as specific as possible; (v) the potential number of records, and if unknown the range of records; (vi) address where the Security Incident occurred: and, (vii) the nature of the technologies involved. Notifications must be sent electronically and encrypted via NIST or other applicable federally approved encryption techniques. If there are none use AES256 encryption. Consultant shall use the term "data incident report" in the subject line of the email. If not all of the information is available for the notification within the specified time period Consultant shall provide the State with all of the available information along with the reason for the incomplete information. A delay in excess of twelve (12) hours is acceptable only if it is necessitated by other legal requirements.

For the purposes of this Agreement the Security Incident definition in the State's Information Technology Security Policy does not apply.

5. HANDLING OF SECURITY INCIDENT

At the State's discretion the Consultant will preserve all evidence including but not limited to communications, documents, and logs. The Consultant will also (i) fully investigate the incident, (ii) cooperate fully with the State's investigation of, analysis of, and response to the incident, (iii.) make a best effort to implement necessary remedial measures as soon as it is possible and (iv) document responsive actions taken related to the Security Incident, including any post-incident review of events and actions taken to implement changes in business practices in providing the services covered by this agreement. At the State's discretion and at the Consultant's expense the Consultant will use a credit monitoring service, call center, forensic company, advisors, or public relations firm services that are acceptable to the State. At the State's discretion the Consultant shall offer 1 year's credit monitoring to each person whose data was compromised. The State will set the scope of any investigation. The State can require a risk assessment of the Consultant, the State mandating the methodology to be used as well as the scope. At the State's discretion a risk assessment may be performed by a third party at the Consultant's expense.

If the Consultant is required by federal law or regulation to conduct a Security Incident or data breach investigation, the results of the investigation must be reported to the State within twelve (12) hours of the investigation report being completed. If the Consultant is required by federal law or regulation to notify the affected parties, the State must also be notified, unless otherwise required by legal requirements.

Notwithstanding any other provision of this agreement, and in addition to any other remedies available to the State under law or equity, the Consultant will reimburse the State in full for all costs incurred by the State in investigation and remediation of the Security Incident including, but not limited, to providing notification to regulatory agencies or other entities as required by law or contract. The Consultant shall also pay any and all legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Security Incident.

6. SECURITY ACKNOWLEDGEMENT FORM

The Consultant will be required to sign the Security Acknowledgement form which is attached to this Agreement as Exhibit A. The signed Security Acknowledgement form must be submitted to the State and approved by the South Dakota Bureau of Information and Telecommunications and communicated to the Consultant by the State contact before work on the contract may begin. This form constitutes the agreement of Consultant to be responsible and liable for ensuring that the Consultant, Consultant's employee(s), and Subcontractor's, Agents, Assigns and or Affiliated Entities and all of their employee(s), participating in the work will abide by the terms of the Information Technology Security Policy- Contractor (ITSP) attached to this Agreement as Exhibit C. Failure to abide by the requirements of the ITSP or the Security Acknowledgement form can be considered a breach of this Agreement at the discretion of the State. It is also a breach of this Agreement, at the discretion of the State, if the Consultant does not sign another Security Acknowledgement form covering any employee(s) and any Subcontractor's, Agents, Assigns and or Affiliated Entities employee(s), any of whom are participating in the work covered by this Agreement, and who begin working under this Agreement after the project has begun. Any disciplining of the Consultant's, Consultant's employee(s) or Subcontractor's, Agents, Assigns and or Affiliated Entities employee(s) due to a failure to abide by the terms of the Security Acknowledgement Form will be done at the discretion of the Consultant or Subcontractor's, Agents, Assigns and or Affiliated Entities and in accordance with the Consultant's or Subcontractor's, Agents, Assigns and or Affiliated Entities personnel policies. Regardless of the actions taken by the Consultant and Subcontractor's, Agents, Assigns and or Affiliated Entities, the State shall retain the right to require at its discretion the removal of the employee(s) from the project covered by this agreement.

7. BACKGROUND CHECKS

The State of South Dakota requires all employee(s) of the Consultant, Subcontractor's, Agents, Assigns and or Affiliated Entities who write or modify State of South Dakota-owned software, alter hardware, configure software of state-owned technology resources, have access to source code and/or protected personally identifiable information or other confidential information or have access to secure areas to undergo fingerprint-based background checks. These background checks must be performed by the State with support from the State's law enforcement resources. The State will supply the finger print cards and prescribe the procedure to be used to process the finger print cards. Project plans should allow two to four weeks to complete this process. If work assignments change after the initiation of the project covered by this agreement so that employee(s) of the Consultant, Subcontractor's, Agents, Assigns and or Affiliated Entities will be writing or modifying State of South Dakota owned software, altering hardware, configuring software of state owned technology resources, have access to source code and/or protected personally identifiable information or other confidential information or have access to secure areas then, background checks must be performed on any employees who will complete any of the referenced tasks. The State reserves the right to require the Consultant to prohibit any employee, Subcontractor's, Agents, Assigns and or Affiliated Entities from performing work under this Agreement that the State, in its sole discretion, believes is detrimental to the project or is considered by the State to be a security risk, based on the results of the background check. The State will provide the Consultant with notice of its determination.

8. MALICIOUS CODE
   A. The Consultant warrants that the licensed software contains no code that does not support an application requirement.
   B. The Consultant warrants that the licensed software contains no malicious code.
   C. The Consultant warrants that the Consultant will not insert into the licensed software or any media on which the licensed software is delivered any malicious or intentionally destructive code.

9. OFFSHORE SERVICES

The Consultant will not provide access to State data to any entity or person(s) located outside the continental United States that are not named in this agreement or without the written permission of the State.

10. DATA LOCATION

The Consultant shall provide its services to the State and its End Users, as well as storage of State data and End User data solely from data centers in the continental United States. This restriction also applies to disaster

recovery; any disaster recovery plan must provide for data storage entirely within the continental United States. The Consultant shall not allow its personnel or contractors to store State data on portable devices, including personal computers, except for devices that are used and kept only at its data centers. The Consultant shall permit is personnel and contractors to access data remotely only as required to provide technical support.

11. DATA PROTECTION

Protection of personnel privacy and data shall be an integral part of the business activities of the Consultant to ensure there is no inappropriate or unauthorized use of State's data and or End User Data at any time. To this end, the Consultant shall safeguard the confidentiality, integrity and availability of State's data and or End User Data and comply with the following conditions:

A. The Consultant shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of Personally Identifiable Information (PII), data protected under the Family Educational Rights and Privacy Act (FERPA), Personal Heath Information (PHI), Federal Tax Information (FTI) or any information that is confidential under state law. Such security measures shall be in accordance with recognized industry practice and not less protective than the measures the Consultant applies to its own non-public data.

B. At no time shall any data 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 Consultant or any party related to the Consultant for subsequent use in any transaction that does not include the State.

C. The Consultant will not use such data for the Consultant's own benefit and, in particular, will not engage in data mining of State's data and or End User Data or communications, whether through automated or manual means, except as specifically and expressly required by law or authorized in writing by the State through a State employee or officer specifically authorized to grant such use of State data.

12. LEGAL REQUESTS FOR DATA

Except as otherwise expressly prohibited by law, the Consultant will:

A. Immediately notify the State of any subpoenas, warrants, or other legal orders, demands or requests received by the Consultant seeking State data and or End User Data maintained by the Consultant,;

B. Consult with the State regarding its response;

C. Cooperate with the State's requests in connection with efforts by the State to intervene and quash or modify the legal order, demand or request; and

D. Upon the State's request, provide the State with a copy of both the demand or request and its proposed or actual response.

13. EDISCOVERY

The Consultant shall contact the State upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. The Consultant shall not respond to service of process, and other legal requests related to the State without first notifying the State unless prohibited by law from providing such notice.

14. ACCESS ATTEMPTS

All access attempts, whether failed or successful, to any system connected to the hosted system which can access, read, alter, intercept, or otherwise impact the hosted system or its data or data integrity shall be logged by the Consultant. For all systems, the log must include at least: log-in page used, username used, time and date stamp, incoming IP for each authentication attempt, and the authentication status, whether successful or not. Logs must be maintained not less than 7 years in a searchable database in an electronic format that is un-modifiable. At the

request of the state, access must be granted to search those logs as needed to demonstrate compliance with the terms of this contract, and any and all audit requirements related to the hosted system.

15. PASSWORD POLICIES

Password policies for all Consultant employees will be documented annually and provided to the State to assure adequate password protections are in place. Logs and administrative settings will be provided to the state on request to demonstrate such policies are actively enforced.

16. THIRD PARTY HOSTING

If the Consultant has the State's data and or End User's Data hosted by another party the Consultant must provide the State the name of this party The Consultant must provide the State with contact information for this third party and the location of their data center(s). The Consultant must receive from the third party written assurances that the state's data and or End User Data will reside in the continental United States at all times and provide these written assurances to the State. If during the term of this agreement the consultant changes from the Consultant hosting the data to a third-party hosting the data or changes third-party hosting provider, the Consultant will provide the State with one hundred and eighty (180) days' advance notice of this change and at that time provide the state with the information required above.

17. THIRD PARTY HOSTING

If the Consultant has the State's data and or End User's Data hosted by another party the Consultant must provide the State the name of this party The Consultant must provide the State with contact information for this third party and the location of their data center(s). The Consultant must receive from the third party written assurances that the state's data and or End User Data will reside in the continental United States at all times and provide these written assurances to the State. If during the term of this agreement the consultant changes from the Consultant hosting the data to a third-party hosting the data or changes third-party hosting provider, the Consultant will provide the State with one hundred and eighty (180) days' advance notice of this change and at that time provide the state with the information required above.

18. SECURING OF DATA

All facilities used to store and process State's data will employ commercial best practices, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use. Such measures will be no less protective than those used to secure the Consultant's own data of a similar type, and in no event less than commercially reasonable in view of the type and nature of the data involved. Without limiting the foregoing, the Consultant warrants that all State's data will be encrypted in transmission (including via web interface) and storage at no less than AES256 level encryption with SHA256 or SHA2hashing.

19. SECURITY PROCESSES

The Consultant shall disclose its non-proprietary security processes and technical limitations to the State such that adequate protection and flexibility can be attained between the State and the Consultant. For example: virus checking and port sniffing.

20. IMPORT AND EXPORT OF DATA

The State shall have the ability to import or export data piecemeal or in entirety at its discretion without interference from the Consultant. This includes the ability for the State to import or export data to/from other Consultants.

21. SCANNING AND AUDIT AUTHORIZATION

The Consultant will provide the State at no cost and at a date, time and for duration agreeable to both parties, authorization to scan and access to a test system containing test data for security scanning activities. The system and data provided to the State by Consultant for testing purposes will be considered a test system containing test data. The State will not scan any environment known by the State to be a production environment at the time the scan is performed by the State. Consultant provides their consent for the State or any third-party acting for the State to scan the systems and data provided as the State wishes using any methodology that the State wishes. Any

scanning performed by the State will not be considered a violation of any licensure agreements the State has with the Consultant or that the consultant has with a third-party.
The Consultant will also allow the State at the State's expense, not to include Consultant's expenses, to perform up to two security audit and vulnerability assessments per year to provide verification of Consultant's IT security safeguards for the system and its data. The State will work with the Consultant to arrange the audit at a time least likely to create workload issues for the Consultant and will accept scanning a test or UAT environment on which the code and systems are a mirror image of the production environment.

The Consultant indemnifies the state for ordinary, consequential and incidental damages to the Consultant's computer system and the data it contains that is the result of scanning. Scanning by the State or any third-party acting for the State will not be considered reverse engineering. If the State's security scans discover security issues the State may collaborate, at the State's discretion with, the Consultant on remediation efforts. These remediation efforts will not be considered a violation of any licensure agreements between the State and Consultant. The State while engaged, and after, with the Consultant on remediation is indemnified and held harmless from all actions, lawsuits, damages (including all ordinary, consequential and incidental damages) or other proceedings that arise from security scanning, remediation efforts, and any after effects of security scanning or remediation. This indemnification includes all defense costs as well as reasonable attorneys' fees the State of South Dakota is required to pay in any such proceedings. The State will not be charged for any costs incurred by the consultant in these remediation efforts unless agreed to by the State in advance in writing. In the event of conflicting language this clause supersedes any other language in this or any other agreement made between the State and the Consultant.

The Consultant agrees to work with the State to rectify any serious security issues revealed by the security audit and or security scanning. This includes additional security audits and security scanning that shall be performed after any remediation efforts to confirm the security issues have been resolved and no further security issues exist. It is required that any security audits must meet the requirements of the Payment Card Industry Data Security Standard (PCI DSS) irrespective of there being any PCI DSS data involved.

22. SYSTEM UPGRADES
Advance notice of 30 days shall be provided the State of any major upgrades or system changes the Consultant will be implementing unless the changes are for reasons of security. A major upgrade is a replacement of hardware, software or firmware with a newer or improved version, in order to bring the system up to date or to improve its characteristics. The State reserves the right to postpone these changes unless the upgrades are for security reasons. The State reserves the right to scan the Consultant's systems for vulnerabilities after a system upgrade. These vulnerability scan can include penetration testing of a test system at the State's discretion.

Exhibit C - BIT IT Security Policy

Information
Technology Security I

Addendum F – South Dakota Security and Vendor Questions

Security and Vendor Questions 07-07-201

Addendum G – North Dakota Contract Terms and Conditions Template

CONTRACT #{Contract Number}

PURCHASE OF SERVICE AGREEMENT

The State of North Dakota, acting through its North Dakota Department of Human Services, Economic Assistance Policy Division (State), has determined the services identified in the Scope of Service paragraph below should be purchased.

{Vendor} (Vendor), {Address], {City}, {State} {Zip}, proposes to provide those services.

State and Vendor therefore enter into the following:

1. TERM OF THE AGREEMENT

   This agreement runs from {Month} {Day}, {Year}, through {Month} {Day}, {Year}.

   a. No Automatic Renewal

      This agreement will not automatically renew.

   b. Extension Option

      State reserves the right to extend the agreement for an additional period of time, not to exceed _____ months, beyond the current termination date of the agreement.

   c. Renewal Option

      State may renew this agreement upon satisfactory completion of the initial agreement term. State reserves the right to execute up to _____options to renew this agreement under the same terms and conditions for a period of _____ months each.

2. SCOPE OF SERVICE

   Vendor shall provide professional Electronic Benefit Transfer (EBT) Consulting services as outlined in State's Request for Proposal (RFP) number 325-17-410-049, dated June 7, 2016, and Vendor's proposal, dated _____, which are both made a part of this agreement by their reference here.

3. COMPENSATION

   State, upon receipt and approval of SFN 1763 Request for Reimbursement or other form required by State, shall pay Vendor $_____ for completing the scope of service. Total payment under this agreement may not exceed ${Total amount}. Vendor shall submit its request for reimbursement to State monthly. Vendor shall submit its final payment request to State no later than 30 days after the expiration or termination of this agreement.

4. TERMINATION

a. Termination by Mutual Agreement or Notice

This agreement may be terminated at any time by mutual consent of both parties executed in writing, or upon 30-days' written notice by either party, with or without cause.

b. Early Termination in the Public Interest

State is entering into this agreement for the purpose of carrying out the public policy of the state of North Dakota, as determined by its Governor, Legislative Assembly, and Courts. If this agreement ceases to further the public policy of the state of North Dakota, State, in its sole discretion, by written notice to Vendor, may terminate this agreement in whole or in part.

c. Termination for Lack of Funding or Authority

State may terminate the whole or any part of this agreement, effective upon delivery of written notice to Vendor or on any later date stated in the notice, under any of the following conditions:

1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.

2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this agreement or are no longer eligible for the funding proposed for payments authorized by this agreement.

3) If any license, permit, or certificate required by law or rule, or by the terms of this agreement, is for any reason denied, revoked, suspended, or not renewed.

Termination of this agreement under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

d. Termination for Cause

State may terminate this agreement effective upon delivery of written notice to Vendor, or any later date stated in the notice:

1) If Vendor fails to provide services required by this agreement within the time specified or any extension agreed to by State; or

2) If Vendor fails to perform any of the other provisions of this agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms.

The rights and remedies of State provided in this section are not exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

5. NONPERFORMANCE

Failure by Vendor to perform the terms of this agreement constitutes a breach of contract and will result in the termination of the agreement. If a breach by Vendor renders the agreement impossible of performance by Vendor and is caused by circumstances beyond the control of Vendor, and through no fault of Vendor, the agreement will be terminated and State may set off, against any liability or obligations owed to Vendor under this agreement or otherwise, any amounts paid for individual items of work which are incomplete at the time of the breach.

6. FORCE MAJEURE

Vendor shall not be held responsible for delay or default caused by fire, flood, riot, acts of God or war if the event is beyond Vendor's reasonable control, and Vendor gives notice to State immediately upon occurrence of the event that caused, or is reasonably expected to cause, the delay or default.

7. VENDOR'S UNDERSTANDING OF TERM OF FUNDING

Vendor understands that this agreement is a one-time agreement, and acknowledges that it has received no assurances that this agreement may be extended beyond its expiration date.

8. VENDOR ASSURANCES

This agreement will be construed according to the laws of the State of North Dakota. In connection with furnishing supplies or performing work under this agreement, persons who contract with or receive funds to provide services to State are obligated and agree to comply with all local, state, and federal laws, regulations, and executive orders related to the performance of this agreement including the following: Fair Labor Standards Act, Equal Pay Act of 1963, Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the North Dakota Human Rights Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, the Drug Abuse Prevention, Treatment and Rehabilitation Act of 1970, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Drug-Free Workplace Act of 1988, the Americans with Disabilities Act of 1990, Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act of 1992, and the Pro-Children Act of 1994.

Consultant agrees to the Federal Procurement Clauses found at Addendum B.

By signing this agreement Vendor certifies that neither Vendor, Subcontractor, nor their principals, are presently debarred, declared ineligible, or voluntarily excluded from participation in transactions with the State or Federal Government by any Department or Agency of the State or Federal Government.

Vendor must be an approved Vendor with the Office of Management and Budget within the State of North Dakota as required by North Dakota Century Code § 54-44.4-09.

9. AUTHORITY TO CONTRACT

Vendor may subcontract with qualified vendors of services, provided that any subcontract acknowledges the binding nature of this agreement, and incorporates this agreement, together with its attachments as appropriate. Vendor is solely responsible for the performance of any subcontractor. Vendor may not contract for or on behalf of or incur obligations on behalf of State. Vendor may not assign or otherwise transfer or delegate any right or duty without State's express written consent.

10. INDEPENDENT ENTITY

Vendor is an independent entity under this agreement. Vendor, its employees, agents, or representatives are not employees of State for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the Federal Unemployment Act, the North Dakota Unemployment Compensation Law, and the North Dakota Workforce Safety and Insurance Act. No part of this agreement may be construed to represent the creation of an employer/employee relationship between State and Vendor. Vendor retains sole and absolute discretion in the manner and means of carrying out Vendor's activities and responsibilities under this agreement, except to the extent specified in this agreement.

11. INDEMNITY

Vendor agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by Vendor to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Vendor also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against Vendor in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

12. INSURANCE

Vendor shall secure and keep in force during the term of this agreement and Vendor shall require all subcontractors, prior to commencement of an agreement between Vendor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools, or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of $250,000 per person and $1,000,000 per occurrence.
2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of $250,000 per person and $1,000,000 per occurrence.
3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this agreement.
4) Employer's liability or "stop gap" insurance of not less than $1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
5) Professional errors and omissions, including a three year "tail coverage endorsement," with minimum liability limits of $1,000,000 per occurrence and in the aggregate.

The insurance coverages listed above must meet the following additional requirements:

1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Vendor.
2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
3) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.
4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights, and coverages of an additional insured under these policies.
5) The insurance required in this agreement, through a policy or endorsement, shall include:

a) a “Waiver of Subrogation” waiving any right to recovery the insurance company may have against the State;

b) a provision that the policy and endorsements may not be canceled or modified without thirty days’ prior written notice to the undersigned State representative;

c) a provision that any attorney who represents the State under this policy must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under North Dakota Century Code section 54-12-08;

d) a provision that Vendor’s insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the Vendor’s insurance and shall not contribute with it;

e) cross liability/severability of interest for all policies and endorsements;

f) the legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary;

g) the insolvency or bankruptcy of the insured Vendor shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Vendor from meeting the retention limit under the policy.

6) Vendor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.

7) Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.

13. NOTICE

Any notice or other communication required under this agreement must be given by registered or certified mail and is complete on the date mailed when addressed to the parties at the following addresses:

Error! Reference source not found. ND
Department of Human Services
Error! Reference source not found. OR Economic Assistance Policy Division
Error! Reference source not found., **Error! Reference source not found. Error! Reference source not found.** 600 E. Boulevard Ave, Dept. 325
Bismarck, ND 58505-0250

Notice provided under this provision does not meet the notice requirements for monetary claims against State found at North Dakota Century Code § 32-12.2-04.

14. INTEGRATION, MODIFICATION, AND CONFLICT IN DOCUMENTS

This agreement, including the following documents, constitutes the entire agreement between Vendor and State. There are no understandings, agreements, or representations, oral or written, not specified within this agreement. No alteration, amendment, or modification of this agreement is effective unless it is reduced to writing, signed by the parties, and attached to the agreement.

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this agreement, the documents must control in this order of precedence:

a. The terms of this agreement as may be amended;
b. State’s Solicitation Amendment #1 to RFP number 325-17-410-049, dated _____;
c. State’s RFP number 325-17-410-049, dated _____;
d. Vendor’s proposal, dated _____, in response to RFP number 325-17-410-049.

If any inconsistency exists between this agreement and other provisions of collateral contractual agreements which are made a part of this agreement by reference or otherwise, the provisions of this agreement control.

15. SEVERABILITY

If any term of this agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms will not be affected and, if possible, the rights and obligations of the parties are to be construed and enforced as if the agreement does not contain the illegal or unenforceable term.

16. APPLICABLE LAW AND VENUE

This agreement is governed by and construed according to the laws of the State of North Dakota. Any action to enforce this agreement must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or forum non conveniens.

17. ASSIGNMENT

Neither party may assign this agreement or the party's rights under this agreement without the written approval of the other party. Approval to assign may not be unreasonably withheld. This agreement is equally binding on the respective parties, and their successors and assigns.

18. SPOLIATION – PRESERVATION OF EVIDENCE

Vendor shall promptly notify State of all potential claims that arise or result from this agreement. Vendor shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to State the opportunity to review and inspect the evidence, including the scene of an accident.

19. WORKS FOR HIRE

Vendor acknowledges that all work(s) under this agreement is "work(s) for hire" within the meaning of the United States Copyright Act (Title 17 United States Code) and hereby assigns to State all rights and interests Vendor may have in the work(s) it prepares under this agreement, including any right to derivative use of the work(s). All software and related materials developed by Vendor in performance of this agreement for State shall be the sole property of State, and Vendor hereby assigns and transfers all its right, title, and interest therein to State. Vendor shall execute all necessary documents to enable State to protect State's intellectual property rights under this section.

20. WORK PRODUCT, EQUIPMENT, AND MATERIALS

All work product, equipment, and materials created for State or purchased by State under this agreement belong to State and must be delivered to State at State's request upon expiration or termination of this agreement.

21. CONFIDENTIAL INFORMATION

Vendor shall not use or disclose any information it receives from State under this agreement that State has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this agreement or as authorized in advance by State. State

shall not disclose any information it receives from Vendor that Vendor has previously identified as confidential and that State determines, in its sole discretion, is protected from mandatory public disclosure under a specific exception to the North Dakota open records law found in North Dakota Century Code chapter 44-04. The duty of State and Vendor to maintain confidentiality of information under this section continues beyond the term of this agreement, including any extensions or renewals.

22. COMPLIANCE WITH PUBLIC RECORDS LAWS

Vendor understands that, except for disclosures prohibited in this agreement, State must disclose to the public upon request any records it receives from Vendor. Vendor further understands that any records obtained or generated by Vendor under this agreement, except for records that are confidential under this agreement, may be open to the public upon request under certain circumstances under the North Dakota open records law. Vendor agrees to contact State immediately upon receiving a request for information under the open records law and to comply with State's instructions on how to respond to the request.

23. ATTORNEY FEES

If a lawsuit is filed by State to obtain performance due under this agreement, and State is the prevailing party, Vendor shall pay State's reasonable attorney fees and costs in connection with the lawsuit, except when prohibited by North Dakota Century Code § 28-26-04.

24. ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

State does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties may enforce their rights and remedies in judicial proceedings. State does not waive any right to a jury trial.

25. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

Vendor shall comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. Vendor shall timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation, and workers' compensation premiums. Vendor also shall have and keep current at all times during the term of this agreement all licenses and permits required by law.

26. ACCESS TO BOOKS AND RECORDS

Vendor shall provide State, the federal government, and their duly authorized representatives access to the books, documents, papers, and records of Vendor which are pertinent to the services provided under this agreement for the purpose of making an audit or examination, or for making excerpts and transcripts. All records, regardless of physical form, and the accounting practices and procedures of Vendor relevant to this agreement are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors. Vendor shall maintain all of these records for at least three (3) years following completion of this agreement and be able to provide them at any reasonable time. State, State Auditor, or Auditor's designee shall provide reasonable notice.

{VENDOR}

By_____ _____

DATE

Its _____

_____{XX-XXXXXXX}_____
Vendor's Federal Taxpayer Identification Number

STATE OF NORTH DAKOTA
NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES

By_____ _____
CHRISTOPHER D. JONES DATE
EXECUTIVE DIRECTOR

By_____ _____
CHERYL FITZGERALD DATE
CONTRACT OFFICER
Approved for form and content

Addendum H – Federal File Specifications

AMA File Formats

AMA File Formats.doc

Alert Submission File Specification

ALERT Submission File Specification V2.0

STARS System File Format

STARS File Record Layout Specs.doc

REDE Information and File Formats

REDE INFORMATION AND FILE FORMATS.d