



Iowa Department of Human Services

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

Jerry R. Foxhoven
Director

Request for Proposal ACFS 20-001 Iowa SNAP/EBT and TANF/EPC Processing Services

June 7, 2018 – Respondent Questions and Agency Responses – Round 1:

This document includes questions that were received by the Agency in response to the above identified RFP during the first round of bidder questions (RFP issuance through May 21, 2018).

Bidders' Conference Questions			
Question		Agency Response	RFP Section / Page(s)
1.	Section 1.4 indicates portions of the program responsibilities are not permitted to be performed by a subcontractor, but Section 3.31 does allow for subcontractors. Will the State please specify which services are not permitted to be performed by subcontractors? Prime contractors often partner with subcontractors to provide various functions necessary for an EBT/EFT program such as banking services for EPC programs, or gateway services for transaction processing. For example, with regard to the Electronic Payment Card services, banking regulations require a bank to hold the underlying EPC electronic bank account. The bank may also provide ancillary services such as the cardholder web portal for the EPC cardholders. Will the State	<p>No, the Agency will not modify the requirement found in 1.4 and 3.31.</p> <p>Under the current contract, the following functions are performed by sub-contractors:</p> <ul style="list-style-type: none">• Customer Call Center including the IVR and CSR,• Retailer Call Center including the IVR and CSR,• Card Production,• EBT gateway and• MCR notices. <p>Additionally, there is also a banking partner that facilitates money movements for EBT and EPC and is the BIN sponsor for the EPC program.</p> <p>The Agency anticipates that the awarded Contractor under this RFP may have similar subcontractor and/or partner relationships.</p>	Section 1.4, pg. 7 Section 3.31, pg. 21

	modify the requirement to allow a subcontractor to be used for Electronic Payment Card services?		
2.	Please define what services and functions are included in the State's definition of "contract administration".	Contract Administration includes, but is not limited to; providing deliverables, responding to requests from the Agency, monitoring the contract for compliance with all terms and conditions, meeting with the Agency to discuss contract performance and providing reports.	Section 1.4, pg. 7
3.	Please define what services and functions are included in the State's definition of "financial administration".	Financial administration includes, but is not limited to; setting up and maintaining client accounts, daily settlement and reconciliation of all financial transactions conducted for the Agency's EBT, EPC and Wireless EBT Project programs. This includes payments and reporting to retailers/merchant, TPP's and FNS. The Contractor must provide Administrative Terminal, web portal for both clients and retailers (EBT only) and mobile app.	Section 1.4, pg. 7
4.	Please define what services and functions are included in the State's definition of "card processing services" that are not permitted to be subcontracted.	Card processing services includes, but is not limited to; ensuring all card requests (from the Agency, CSR, IVR, web portals or mobile apps) result in a card being issued.	Section 1.4, pg. 7
5.	The State has defined "Active Case Month" as a case for which on-going financial transactions were posted during the billing month, i.e. credit (benefit authorization or adjustment) or a debit (purchase, withdrawal, or adjustment). Will the State confirm that a case that has not received a benefit deposit in the current month, but has had a purchase or withdrawal transaction would be considered a billable, active case month?	Per the RFP, section 1.6, " Active Case Month " means a case for which on-going financial transactions were posted during the billing month, i.e. credit (benefit authorization or adjustment) or a debit (purchase, withdrawal, or adjustment).	Section 1.6, pg. 8
6.	Please provide the statistics for the number of SNAP transactions over the last 12-month period?	Please refer to Bidder Q&A Round 1 Attachment A located at the end of this document.	Section 2.1, pg. 12

7.	The State references their plans to continue running the DUFEB pilot project going forward. What level of participation and technology is required from the EBT/EPC/Wireless Contractor for this pilot?	Please refer to RFP sections 8.12, 8.13 and Appendix D for requirements for the DUFEB program.	Section 2.1, pg. 12
8.	Please provide the statistics for the number of TANF ATM withdrawal transactions over the last 12-month period?	Please refer to Bidder Q&A Round 1 Attachment A located at the end of this document.	Section 2.1, pg. 13
9.	Please provide the statistics for the number of TANF POS cash transactions over the last 12-month period?	Please refer to Bidder Q&A Round 1 Attachment A located at the end of this document.	Section 2.1, pg. 13
10.	Are paper warrants for TANF a requirement of the RFP? If so, please provide the current number of paper warrant cases, the requirements for the paper warrants and the number of paper warrants issued over the last 12-month period?	No, providing paper warrants is not a requirement of this RFP.	Section 2.1, pg. 13
11.	Are direct deposits for TANF a requirement of the RFP? If so, please provide the current number of direct deposit cases, the requirements for the direct deposits and the number of direct deposits issued over the last 12-month period?	No, direct deposit is not a requirement of this RFP.	Section 2.1, pg. 13
12.	Is the State still using services (under contract) provided by Merchant Resource Center, Inc. for a farmer's market Wireless solution? If so, what services are being used?	Yes. The Agency currently has a contract in place with Merchant Resource Center, Inc. for a farmers market wireless solution. This includes provision of equipment, supplies, customer service and access to monthly statements.	Section 2.1, pg. 13-14
13.	What is the average device cost, operations cost, and total monthly cost per farmer?	Services requested under this RFP are a different scope of work and today's pricing may not be relative.	Section 2.1, pg. 13-14
14.	How many devices are currently serviced by Merchant Resource Center, Inc?	Merchant Resource Center, Inc. currently services 133 primary wireless machines; however this number may vary throughout the year.	Section 2.1, pg. 13-14
15.	Is Conduent under contract for providing a Farmer's Market Wireless Solution today?	The incumbent, Conduent, does not currently provide these services.	Section 2.1, pg. 13-14

16.	If Conduent is providing a Farmer's Market Wireless Solution today, what is the model, brand and cost of the mobile device? What is the monthly cost to each farmer? And, how many devices are deployed to farmers and being supported?	The incumbent, Conduent, does not currently provide these services.	Section 2.1, pg. 13-14
17.	What transaction types, i.e.: SNAP EBT, WIC EBT, FMNP, CVB, DUFB, Credit, Debit, are being supported on the Wireless EBT POS used by the farmers?	It is the expectation of the Agency that, under the new contract, SNAP EBT, credit, debit and DUFB will be supported. The Agency does not currently foresee a need for WIC EBT, FMNP or CVB to be supported on the Wireless EBT POS used by farmers.	Section 2.1, pg. 13-14
18.	The State references acquiring devices through CardConnect with First Data as the TPP for the Wireless EBT Project. Is the State under contract with CardConnect to continue utilizing these services that would overlap with the EBT/EPC/Wireless Contractor wireless services, or would the EBT Contractor's services be in addition to or would they replace CardConnect and First Data TPP services?	<p>The Agency does not have a contract agreement with CardConnect. The Agency has a contract agreement with Merchant Resource Center, Inc., the agent that works directly with CardConnect. This Merchant Resource Center Inc. contract has an end date of 6-30-20.</p> <p>It is the expectation of the Agency that responsive bidders to this RFP will demonstrate how they will meet the Wireless EBT Project requirements.</p>	Section 2.1, pg. 14
19.	Please clarify the Envelope Contents and Labeling instruction that states that each envelope must be numbered to correspond with the number of copies of Proposals. With the 1,000 pages allowed (printed single-sided), each copy of the proposal will likely be in 2 or 3 volumes (i.e., binders), and these are too big for envelopes. Does the State intend for the bidders to separately seal and ship each complete proposal copy in its own box? For example, the original and 8 copies, each copy consisting of 2 or 3 binders, would be shipped in 9 boxes with each box numbered as 1 of 9, 2 of 9, 3 of 9, etc.? If	Please see Amendment 1 to Request for Proposal ACFS 20-001.	Section 4.1, pg. 22

	multiple copies can be included in a single box for shipping, please clarify how the boxes would be “numbered to correspond with the number of copies of Proposals”.		
20.	The CD-ROM/USB Flash Drive instruction states that Proposals shall be provided in Microsoft Word format. However, signed forms can only be provided in PDF format. Will the State agree that signed forms are not required to be provided in Word format?	Yes. The Agency will accept PDF versions of all signed forms.	Section 4.1, pg. 22
21.	Please confirm that the requirement of one (1) original hard copy of the Proposal and eight (8) identical copies of the original applies to both the Technical Proposal and the Cost Proposal.	Yes, bidders shall submit one (1) original hard copy and eight (8) identical hard copies of both the original technical proposal and the original cost proposal.	Section 4.1, Pg. 22
22.	There may be certain required documents that are not in Microsoft Word native formats and/or required to be scanned for submission (i.e. forms requiring signatures, sample marketing materials, etc.) Will the State allow PDF submission of these documents instead of Microsoft Word documents?	Yes. The Agency will accept PDF versions of all required signed forms and/or reports that are not available in a MS native format.	Section 4.1, Pg. 22
23.	Will any objections or exceptions, as allowed to be included on the Primary Bidder Detail & Certification Form, negatively impact a bidder's evaluation score?	Bidders may identify “Exceptions to RFP/Contract Language” on the Primary Bidder Detail & Certification Form. This form is not scored.	Section 4.1, pg. 23
24.	This section states that, in its proposal, the bidder is to restate the Bidder's Response Question and then include the detailed response explaining the bidder's approach to meet the requirement. Are the specific numbered requirements to be included as part of the restatement of the Bidder's	Bidder's shall restate each “Bidder's Response Question” prior to detailing their planned approach. Bidders are not required to restate the requirements that precede the Bidder's Response Questions.	Section 4.2.4, pg. 24

	Response Question? For example, would the bidder restate all requirements listed from 5.1 to 5.1.1.15.2 and Bidder's Response Question #1, or just restate Bidder's Response Question #1 followed by the response?		
25.	The "Initial project work plan Deliverables for EBT, EPC and the Wireless EBT Project" are to be included in Tab 5A. Will the State clarify that this statement is referring to bidders providing the draft project work plan that will explain the tasks, milestones and dates associated with the required Deliverables, and does not mean that all draft Deliverables (as defined in Appendix A) are to be included in Tab 5A?	<p>Per the RFP, section 4.2.5, the bidder shall submit the following behind tab 5A:</p> <ol style="list-style-type: none"> 1. Initial project work plan Deliverables for EBT, EPC, and the Wireless EBT Project, 2. Initial issue management process documents for EBT, EPC and Wireless EBT Project, 3. System security plan for the EBT and EPC solutions. For the EBT solution, the system security plan shall be mapped to the Security Plan Checklist that is provided in section A14 of the FNS 901 Handbook, and 4. Written attestation that the Bidder will comply with requirements of the USDA Free SNAP EBT Equipment Program and the eligible markets and farmers served under the program.* <p>It is the expectation of the Agency that some of the information provided may be submitted as initial drafts. These documents will serve as ongoing working documents that are maintained throughout the life of the contract for the selected bidder.</p> <p><i>*Per Amendment 1 to Request for Proposal ACFS 20-001.</i></p>	Section 4.2.5, pg. 24
26.	Given the current environment with regard to increased sensitivity around system security, associated contingency plans, and publishing such details in a public document, will the State consider allowing only the winning Bidder to submit a System Security Plan	No, as this is a requirement of FNS it is the expectation of the Agency that all bidders provide this information to demonstrate compliance. It is the expectation of the Agency that the information provided may be an initial draft. This document will serve as ongoing working document that is maintained throughout the life of the	Section 4.2.5, pg. 24

	following contract award?	contract for the selected bidder. Bidder's may choose to mark this information as "Confidential".	
27.	Please specify what documentation is required to provide evidence that the bidder participates in the USDA Free SNAP EBT Equipment Program.	Please see Amendment 1 to Request for Proposal ACFS 20-001.	Section 4.2.5, pg. 24
28.	Is the response provided in Tab 5A included in the 1,000-page limit referenced in Section 4.1?	No, documents provided in response to Section 4.2.5 will not count toward the page limit.	Section 4.2.5 pg. 24
29.	Is the response provided in Tab 5B (screen shots, sample reports, etc.) included in the 1,000-page limit referenced in Section 4.1?	No, documents provided in response to Section 4.2.5.1 will not count toward the page limit.	Section 4.2.5 pg. 24 -25
30.	Is the response provided in Tab 5C included in the 1,000-page limit referenced in Section 4.1?	No, documents provided in response to Section 4.2.5.2 will not count toward the page limit.	Section 4.2.5 pg. 25
31.	How will a preference be applied to a bidder's score for having a program manager that resides in Iowa? How many additional points are available for this preference?	Please see Amendment 1 to Request for Proposal ACFS 20-001.	Section 4.2.6.2, pg.27
32.	Please provide the volume of notices mailed on a daily and monthly basis for the prior twelve months.	Please refer to Request for Proposal ACFS 20-001 Attachment Q, <i>EBT Card Issuance and Replacement Data</i> .	Section 6.3.4.4, pg. 72
33.	With regard to Liquidated Damages, will the State accept our suggestion to add that the total liquidated damages applicable in any month will not exceed 25% of the contract revenues for that month?	The Agency does not anticipate changes to the liquidated damages identified in this RFP.	Section 6.12.1.1, pg. 113 Section 7.9.1.1, pg. 139 Section 8.14.1.1, pg. 156
34.	The current prevailing industry standard does not utilize activation stickers. Would the State be agreeable to amending this requirement and allow an alternate method of providing card activation instructions?	It is the expectation of the Agency that bidders shall meet the requirements stated in the RFP. Bidders may propose additional methods for providing activation instructions for the Agency to consider.	Section 7.3.1.2.9, Pg. 119

35.	Please provide EPC Card Issuance and Replacement Data over the last 12-month period?	The Agency is in the process of compiling this data and intends to make it available via the bid opportunities website with the release of the Agency Response to Questions, Second Round of Questions.	Section 7.3.2, pg. 120
36.	Regarding DUFBI, can the State share the functional technical specifications aligned to the DUFBI transaction to be processed on the wireless POS terminal, as it is performed on the Clover mobile device or any updated technical specification?	This information is not available.	Section 8.12.1, pg. 154
37.	Please provide details on how the DUFBI is earned, redeemed, and tracked today for reporting requirements.	It is the expectation of the Agency that bidders shall meet the requirements stated in the RFP, section 8.12.1, 8.13.1, and Appendix D. Bidders are expected to describe an approach to meet these requirements.	Section 8.12.1, pg. 154
38.	Will the State evaluate each bidder's response independently against the stated requirement, or will each bidder's response be compared to the other bidders' responses to determine the points to be awarded for each element?	Bid proposal responses shall be evaluated against the requirements of the RFP.	Section 9.3, pg. 157
39.	There are several performance standards at 100%. As written, one mistake in 5 years could result in a penalty. There is zero room for error. While we agree consistent timely and accurate performance is critical and we strive for 100% performance efficiency, assessing liquidated damages for anything less than 100% accuracy is onerous on the Contractor. Will the State negotiate the 100% SLAs during contract negotiations?	The Agency does not anticipate changes to the service level agreements identified in this RFP.	Appendix B.3 Appendix C.3 Appendix D.2
40.	Where should the Contractor provide pricing for the lease price for POS equipment for exempt retailers?	Pricing for POS equipment for exempt retailers shall be figured into the cost per case month shown on Tab 2, Table 1 of Appendix E, EBT Cost Proposal Form.	Appendix E, pg. 1

41.	What is the current active SNAP case volume for March and April 2018?	Current active SNAP case volume is as follows: March 2018 – 168,037 households April 2018 – 166,681 households	Appendix E, Table 1
42.	What is the current active TANF case volume for March and April 2018?	Current active TANF case volume is as follows: March 2018 - 8,526 Cases April 2018 - 8,220 Cases	Appendix E, Table 1
43.	What is the current active EPC case volume for March and April 2018?	March 2018 - 10,658 deposits for 7,318 head of households. April 2018 - 10,242 deposits for 7,122 head of households.	Appendix E, Table 1
44.	What is the current CPCM for SNAP?	The current Cost Per Case Month for SNAP is \$0.73	Appendix E, Table 1
45.	The instructions state that Total Case Per Farmer in Table 4 will be used for the Cost Proposal evaluation criteria. Does this refer to the “Total Monthly Cost Per Farmer” in the last row of Table 4 (cells C11 and D11), or does it refer to the “Average Monthly Cost Per Farmer” calculated after Table 4 (cell C13)?	Please see Amendment 1 to Request for Proposal ACFS 20-001.	Appendix E, Table 4
46.	The monthly cost per farmer for “average device costs” is requested for two separate periods of time: April – October, and November – March. If a farmer is only using the device for one period of time, does the State anticipate that the farmer will return the equipment to the EBT vendor during the non-use time? How is this managed today?	It is up to the bidder to demonstrate how they will meet the Wireless EBT Project requirements outlined in section 8.6.1 of the RFP.	Appendix E.3, Table 4
47.	Please provide the breakout the EBT Call Center Statistics by language.	CSR’s calls broken down by language for May, 2018 is as follows: English – 3,088 calls Spanish – 53 calls	Attachment O, pg. 1
48.	Please provide the breakout the EPC Call Center Statistics by language.	CSR’s calls broken down by language for May 2018 is as follows: English – 1,062 calls	Attachment R, pg. 1

		Spanish – 26 calls	
49.	What percentage of the current active case volume do the ABAWD cases represent?	Able Bodied Adult Without Dependents currently make up 5% of the active case volume.	
50.	What liquidated damages has the State assessed on the current EBT contractor under the current contract, and for what infraction?	Under the current contract, contract period 7/1/10 to current, the incumbent has incurred \$97,900 in liquidated damages. Damages were assessed for: <ul style="list-style-type: none"> • Issues during conversion • Cards not mailed timely • System outage 	
51.	Please share the incumbent provider's history of non-performance resulting in formal notifications, notice of contract default, or deficiencies in service in the current contract period.	Under the current contract the incumbent has been sighted for non-performance resulting in formal notification for the following reasons: <p>EBT</p> <ul style="list-style-type: none"> • Issues during conversion • Cards not mailed timely • System outage <p>EPC</p> <ul style="list-style-type: none"> • None 	
52.	If a bidder has additional capabilities to support other benefit and/or payment programs beyond EBT/EPC, would the State consider allowing such benefit programs within Iowa to utilize the contract resulting from this procurement?	The Agency does not anticipate future amendments to this procurement or the resulting contract would expand the scope of work to include additional benefit programs. <p>Please refer to Iowa Administrative Code (IAC) 11-118.</p>	



ATTACHMENT A

Request for Proposal ACFS 20-001
Iowa SNAP/EBT and TANF/EPC Processing Services
June 7, 2018 – Respondent Questions and Agency Responses – Round 1

Question 6.

Please provide the statistics for the number of SNAP transactions over the last 12-month period?

Response to Question 6:

SNAP Transaction Statistics	
Month	SNAP Transactions
05/2017	1,571,415
06/2017	1,563,401
07/2017	1,571,856
08/2017	1,569,867
09/2017	1,542,703
10/2017	1,512,012
11/2017	1,430,943
12/2017	1,420,813
1/2018	1,280,874
2/2018	1,275,977
3/2018	1,366,157
4/2018	1,345,327

Question 8.

Please provide the statistics for the number of TANF ATM withdrawal transactions over the last 12-month period?

Response to Question 8:

EPC Monthly Transactions by Type			
Month	ATM	Bank Teller	POS
05/2017	14,520	346	62,128
06/2017	14,430	337	60,427
07/2017	14,981	307	62,489
08/2017	14,821	375	60,273
09/2017	14,713	367	61,918
10/2017	14,887	358	64,279
11/2017	13,833	347	60,695
12/2017	13,947	339	62,118
1/2018	13,167	337	60,737
2/2018	12,687	375	56,821
3/2018	11,978	322	57,843
4/2018	11,938	293	56,017

Question 9.

Please provide the statistics for the number of TANF POS cash transactions over the last 12-month period?

Response to Question 9: *Same as the response to Question 8*

EPC Monthly Transactions by Type			
Month	ATM	Bank Teller	POS
05/2017	14,520	346	62,128
06/2017	14,430	337	60,427
07/2017	14,981	307	62,489
08/2017	14,821	375	60,273
09/2017	14,713	367	61,918
10/2017	14,887	358	64,279
11/2017	13,833	347	60,695
12/2017	13,947	339	62,118
1/2018	13,167	337	60,737
2/2018	12,687	375	56,821
3/2018	11,978	322	57,843
4/2018	11,938	293	56,017