

# Iowa Department of Human Services

### Second Amendment to the Iowa Department of Human Services Iowa SNAP/EBT and TANF/EPC Processing Services Request for Proposal

This Amendment to RFP Number ACFS 20-001 is effective as of July 9, 2018. The RFP is amended as follows:

Revision 1. Section 1.6, RFP General Definitions, the following definitions are hereby deleted entirely:

"Federally-Funded Device" means wireless point of sale device used in the project that was provided with the Free SNAP EBT Equipment Program.

"FMC" means Farmers Market Coalition

"Free SNAP EBT Equipment Program" is the USDA FNS has partnered with FMC to provide eligible direct marketing farmers and farmers markets with free electronic EBT equipment necessary to process Supplemental SNAP benefits.

Revision 2. Section 1.6, RFP General Definitions, the following definition is hereby amended as follows:

"Free SNAP EBT Equipment Program" is the USDA FNS has partnered with FMC to grant established to provide eligible direct marketing farmers and farmers markets with free electronic EBT equipment necessary to process Supplemental SNAP benefits.

Revision 3. Section 1.6, RFP General Definitions, the following definition is hereby added:

"SFTP" means Secure File Transfer Protocol.

## Revision 4. Section 4.1, Bid Proposal Formatting, Subject *CD-ROM/USB Flash Drive*, bullet 2 is hereby amended as follows:

• The Technical Proposal must be saved in less than five (5) files not counting required attachments and supporting documentation (i.e. sample workplan, reports, etc.). The CD(s) or USB flash drives must be compatible with Microsoft Office 2007 (or later) software. Proposals shall be provided in Microsoft Word format. An additional Proposal copy may be submitted in PDF format. Files shall not be password protected or saved with restrictions that prevent copying, saving, highlighting, or reprinting of the contents.

# Revision 5. Section 4.2.5, *Information to Include Behind Tab 5A: Initial Deliverables.* Item 4 has been deleted entirely.

4. Written attestation that the Bidder will comply with requirements of the USDA Free SNAP EBT Equipment Program and the eligible markets and the farmers served under the program.

# Revision 6. Section 4.2.6.2, *Personnel*, heading and item 1 *are* is hereby amended as follows:

#### 4.2.6.2 Key Personnel.

Provide the following information regarding key personnel.

 Job descriptions and minimum qualifications for all staff positions to be funded to key personnel responsible for the delivery of EBT/EPC and Wireless EBT Project services.

# Revision 7. Section 5.3.2.1, *Planning Phase Requirements*, subsection 5.3.2.1.2, is hereby amended as follows:

5.3.2.1.2 EBT ONLY. The Contractor shall provide an updated Retailer, TPP, and Provider agreements list with noted deviations or exceptions to the Agency upon request.

# Revision 8. Section 5.3.4, *Development and Testing Phase*, subsection 5.3.4.1.7.9 is hereby amended as follows:

5.3.4.1.7.9 Performance/Stress Testing. The Contractor shall perform performance/stress

testing or capacity planning/modeling to ensure the EBT and EPC solution(s) has been is designed with sufficient capacity to manage lowa's expected transaction volume.

- The Contractor shall be expected to use test results from the stress test to develop a system capacity model to determine the appropriate hardware/software requirements and configuration so the EBT and EPC solution(s) scales with anticipated transaction volumes, and or
- 2. The Contractor shall be expected to use industry standard capacity planning/modeling results to determine the appropriate hardware/software requirements and configuration so the EBT and EPC solution(s) scales with anticipated transaction volumes. The Contractor shall provide the planning/modeling methodology as part of its test plan, and
- EBT ONLY. Stress testing or capacity planning/modeling shall be done
  prior to federal acceptance testing for the EBT solution and the
  Contractor shall make the results available to the Agency.

# Revision 9. Section 5.3.5, *Transition/Databse Conversion Phase Requirements*, subsection 5.3.5.1.4 is hereby amended as follows:

- 5.3.5.1.4 EBT ONLY. If necessary, the Contractor shall be responsible for the migration of the EBT and EPC recipient database conversion, which includes but is not limited to:
  - 1. All transaction history held in the current system,
  - 2. All recipient card and demographic data history held in the current system,
  - 3. Benefit aging history,
  - 4. Expungement history,
  - 5. All benefit data history held in the current system, and
  - 6. All card replacement history held in the current system.

# Revision 10. Section 5.3.7, *Contract Close Out,,* subsection 5.3.7.1.24, is hereby deleted entirely.

5.3.7.1.24 EPC ONLY. The Contractor shall release remaining stored EPC recipient account balances to the Agency's new Contractor via file transfer or direct deposit, at the request of the Agency.

# Revision 11. Section 5.4.1, *Deliverable Requirements*, subsection 5.4.1.4, is hereby amended as follows:

- 5.4.1.4 The Contractor shall deliver all Deliverables, including drafts and final versions of training materials, scripts and plans, in an electronic media format(s) and software specified by the Agency.
  - The Agency currently runs on Microsoft Office Suite version 2010. All Deliverables shall maintain compatibility with the Agency's version of Microsoft Office.
  - 2. Training materials and all manuals shall also be provided in both hard copy and electronic media format(s).

# Revision 12. Section 5.4.1, *Deliverable Requirements*, subsection 5.4.1.16.2, is hereby amended as follows:

- 5.4.1.16.2 The transition/database conversion plan shall cover each of the following activities in detail, including a description of all events, steps, schedules, and resources involved in preparing for and carrying out the migration of data from one solution to a new solution:
  - 1. EBT and EPC card issuance and replacement,
  - 2. Recipient databases,
  - 3. Transition of call center operations, including transition of existing call center toll-free numbers (if applicable),
  - 4. EBT ONLY. Transition of appropriate liability and settlement amounts,
  - 5. Conversion testing and test runs,
  - 6. Weekend conversion activities.
  - 7. Agency and client training,
  - 8. Agency and client customer service,
  - 9. EBT ONLY. Migration of EBT transaction acquirers (TPPs) and retailers,
  - 10.EBT ONLY. Transition of Exempt Retailers.
  - 11.EBT ONLY. Retailer training,
  - 12.EBT ONLY. Retailer customer service,
  - 13.EBT ONLY. Client notification of data base conversion outage,
  - 14.EBT ONLY. Retailer notification of database conversion outage,
  - 15.EBT ONLY. EBT POS device deployment and installation, and
  - 16.EBT ONLY. The sending of two separate files of individual transaction data for ALERT sent to FNS for the conversion month (one from the incumbent contractor for transactions occurring before conversation date and one from the Contractor for transactions occurring after the conversion state).

## Revision 13. Section 5.4.1, *Deliverable Requirements*, subsection 5.4.1.16.4, is hereby amended as follows:

5.4.1.16.4 EBT ONLY. The transition/database conversion plan shall address the verification and validation of migration process, in particular the validation of recipient account balances that are converted to the new EBT and EPC solution(s).

## Revision 14. Section 5.4.1, *Deliverable Requirements*, subsection 5.4.1.48.4.27, is hereby deleted entirely.

5.4.1.48.4.27 EPC ONLY. Release remaining stored EPC recipient account balances to the Agency's new Contractor via file transfer or direct deposit, at the request of the Agency.

### Revision 15. Section 5.6.1.3, *EBT/EPC Technology*, subsection 5.6.1.3, is hereby amended as follows:

File transfers shall be are presently transmitted via Connect:Direct z/OS Version 5.01.01 over the frame relay network. In addition, the Administrative Terminal(s) shall also utilize the same frame relay network via TCP/IP. At the Agency's request, the Contractor shall be prepared to support Connect:Direct or other file transfer protocols (CyberFusion v.720 or secure file transfer protocol) or products at no cost to the State. The Contractor may utilize any one of the three mentioned file transfer protocols. If the Contractor and Agency are in agreement to use SFTP, the Agency requires the Contractor to transfer a corresponding Semaphore/Control file along with each data file transfer to the agency.

# Revision 16. Section 6.4.2, *Retailer Participation Requirements*, subsection 6.4.2.1, is hereby amended as follows:

6.4.2.1 The Contractor's primary roles and responsibilities for managing retailer participation shall include (6.54.2.1.1 to 6.54.2.1.7):

# Revision 17. Section 6.4.6, *Exempt Retailer Requirements*, subsection 6.6.1.2.1, is hereby amended as follows:

6.6.1.2.1	If the Contractor cannot support the existing POS terminals, the Contractor
6.4.6.2.1	shall replace the terminals at its own cost.

# Revision 18. Section 6.7.1, *Administrative Terminal Requirements*, subsection 6.7.7.22, is hereby amended as follows:

### 6.7.1.22 The administrative terminal shall support reconciliation information, including:

- 1. Processor to processor transactions adjustments,
- 2. State to recipient transactions adjustments.
- 3. Processor to recipient transactions adjustments,
- 4. Repayment,
- 5. Transactions Adjustments search, and
- 6. Settlement worksheet(s). , and
- 7. Cross-system balancing.

## Revision 19. Section 6.8.1, *EBT-only Technology Requirements*, subsection 6.8.1.3, is hereby amended as follows:

- 6.8.1.3 The Contractor and EBT solution shall comply with the guidance contained in the following publications, as well as future updates to such guidance, including but not limited to:
  - 1. FNS Handbook 901 (v2.0 January 2017),
  - 2. FNS EBT System Transaction Transition Guide (v2.0 June 2005),
  - 3. FNS EBT Reconciliation Guidance for State Agencies (rev. 6/21/05), and

USDA FNS Supplemental Nutrition Assistance Program (SNAP) Disaster SNAP Guidance (July 2014).

### Revision 20. Section 7.2. Benefit Management, is hereby amended as follows:

### Benefit Management.

This section outlines the requirements for the maintenance of recipient benefits, including:

- Benefit Authorization, and
- Benefit Aging Escheatment and Expungement

# Revision 21. Section 7.2.2, *Benefit Aging and Expungement Requiements*, is hereby amended as follows:

7.2.2 Benefit Aging Escheatment and Expungement Requirements.

# Revision 22. Section 7.2.2, *Benefit Aging and Expungement Requiements*, Subsection 7.2.2.2, is hereby amended as follows:

7.2.2.2 Benefit Aging Escheatment.

Revision 23. Section 7.2.2, *Benefit Aging and Expungement Requiements*, Bidder's Response Question #77, is hereby amended as follows:

**Bidder's Response Question #77** – The bidder shall describe its approach to benefit aging escheatment and expungement and how it will meet the requirements listed above.

1. The bidder's Bid Proposal shall include statements specifically describing its ability to satisfy each of the requirements listed above within the timeframes specified. Any deviations to the requirements shall be identified by requirement number and requirement description. The bidder shall either describe why it cannot satisfy the requirement or describe an alternative, including a specific timeframe, for meeting the requirement.

**Bidder's Response Question #78** – The bidder shall describe its approach to returning funds under lowa's unclaimed property laws.

## Revision 24. Section 8.4, *Wireless EBT Project Applications,* is hereby amended follows:

This section outlines the requirements for facilitating new farmer completion of the USDA Food Assistance Retailer Application, Free SNAP EBT Equipment Application, and bank application form the process/Independent Sales Organization as necessary forms required to participate in the Wireless EBT Project.

#### **Current State Information.**

Once interested Direct Marketing Farmers contact the Agency, and the Agency walks the farmers through the process of how to obtain equipment to accept EBT.the Agency provides farmers with instructions on how to complete the USDA Food Assistance Retailer Application. Farmers Market Coalition (FMC) grant application, bank application from the processor/independent sales organization, and DHS addendum form. All paperwork is returned to the Agency, which then forwards it to the appropriate entities. If

requested, Agency staff will assist the farmers in completing all paperwork. The Agency assists farmers with the bank application from the processor/Independent Sales Organization, and DHS addendum form. Currently, Agency staff maintain a Microsoft Word table for all participating farmers that includes key information, such as their FNS number, what they sell, where they sell, etc.

Once all the paperwork is submitted and approved by the processor/independent sales organization, the new wireless POS device is sent to the Agency or farmer.

The USDA offers equipment for Direct Marketing Farmers when funding is available, which is separate from the Wireless EBT.

### **Wireless EBT Project Application Requirements**

8.4.1	USDA Food Assistance Reailer and Free SNAP EBT Equipment Applications
8.4.1.1	The Contractor shall assist farmers with completing Wireless EBT Project applications to obtain equipment to accept EBT. direct farmers to the correct website to complete USDA Food Assistance Retailer Application and the Free SNAP EBT Equipment Application
8.4.1.2	The Contractor shall participate in the United States Department of Agriculture's (USDA) Free SNAP EBT Equipment Program. Currently, the Farmers Market Coalition (FMC) is administering this program.
8.4.1.3	If requested by the farmer, the Contractor shall direct them to the appropriate FNS' resources or FMC resources for additional customer service assistance to complete the application, as necessary.
8.4.2	Bank Application Form from the Process/Independent Sales Organization.
8.4.2.1	The Contractor shall facilitate the completion of the bank application form from the process/independent sales organization and the Agency's addendum form.
8.4.2.2	The Contractor shall provide instructions for the completion of the application.
8.4.2.3	If requested by the farmer, the Contractor shall offer additional customer service assistance to complete the application, as necessary.
8.4.2.4	The Contractor shall evaluate the application for completeness. If additional information is necessary, the Contractor shall request that additional information from the farmer within three (3) business days of initial application receipt.
8.4.2.5	The Contractor shall collect all completed applications and forms and distribute them to the appropriate entities for processing.
8.4.2.6	The Contractor shall provide the Agency with an electronic copy of the complete form.
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**Bidder's Response Question #120** – The bidder shall describe its approach to facilitating new farmer completion of required applications and forms and how it will meet the requirements listed above.

1. The bidder's Bid Proposal shall include statements specifically describing its ability to satisfy each of the requirements listed above within the timeframes specified. Any deviations to the requirements shall be identified by requirement number and requirement description. The bidder shall either describe why it cannot satisfy the requirement or describe an alternative, including a specific timeframe, for meeting the requirement.

# Revision 25. Section 9.3, *Proposal Scoring and Evaluation Criteria*, Technical Proposal Components, is hereby amended as follows:

### Technical Proposal Components.

When Bid Proposals are evaluated, the total points for each component are comprised of the component's assigned weight multiplied by the score the Bid Proposal earns. Points for all components will be added together. The evaluation components, including maximum points that may be awarded, are as follows:

Written Technical Proposal Components	Weight Score (0-4)		Potential Maximum Points		
Experience and Key Personnel (Sections 4.2.6.1, 4.2.6.2 and 5.5)	13%		130		
- Experience (Section 4.2.6.1)					
- Personnel (Section 4.2.6.2)					
Approach to Section 5 General Scope of Work (except Section 5.5)					
- General Contract Management Requirement	- General Contract Management Requirements (Section 5.1)				
- Project Management (Section 5.2)	- Project Management (Section 5.2)				
- Project Phase (Section 5.3)					
<ul> <li>Deliverables (Section 5.4)</li> <li>Initial project work plan Deliverables for EBT and EPC (Section 4.2.5: Tab 5A 1)</li> </ul>					

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 (Section 4.2.5: Tab 5A 3)

Initial issue management process documents for EBT and EPC (Section 4.2.5: Tab 5A 2)

### Approach to Section 6 EBT Scope of 30% 300 Work Recipient Management (Section 6.1) Benefit Management (Section 6.2) EBT Card Management (Section 6.3) Sample EBT card mailer (Section 4.2.5.1: Tab 5B 4) Retailer Management (Section 6.4) Sample retailer portal screen shots (Section 4.2.5.1: Tab 5B 1) Sample retailer training manual, tip sheets, or quick guides (Section 4.2.5.1: Tab 5B 2) Recipient Customer Service (Section 6.5) Sample EBT recipient portal screen shots (Section 4.2.5.1: Tab 5B 3) Sample EBT mobile application screen (Section 4.2.5.1: Tab 5B 5) Financial (Section 6.6) Documentation of its EBT transaction processing process (Section 4.2.5.2: Tab 5C 1) Agency Customer Service (Section 6.7) Sample EBT administrative terminal screen shots (Section 4.2.5.1: Tab 5B 6) EBT-only Technology (Section 6.8) Data Warehouse (Section 6.9) Sample Data Warehouse reports (Section 4.2.5.1: Tab 5B 7) Sample "Advanced" Data Warehouse screen shots and reports (Section 4.2.5.1: Tab 5B 8) Reporting (Section 6.10) Sample EBT reports (Section 4.2.5.1: Tab 5B 9) Disaster SNAP (Section 6.11) Service Level Agreements (Section 6.12) Approach to Section 7 EPC 23% 230 Requirements Recipient Management (Section 7.1) Benefit Management (Section 7.2) EPC Card Management (Section 7.3) Sample EPC card mailer (Section 4.2.5.1: Tab 5B 11) Recipient Customer Service (Section 7.4) Sample EPC recipient portal screen shots (Section 4.2.5.1: Tab 5B 10) Sample EPC mobile application screen (Section 4.2.5.1: Tab 5B 12) Financial (Section 7.5) Documentation of its EPC transaction processing process (Section 4.2.5.2: Tab 5C 2) Agency Customer Service (Section 7.6) Sample EPC administrative terminal screen shots (Section 4.2.5.1: Tab 5B 13) EPC-Only Technology (Section 7.7) Reporting (Section 7.8)

Sample EPC reports (Section 4.2.5.1: Tab 5B 14)

- Service Level Agreements (Section 7.9)  Approach to Section 8 Wireless EBT Project Scope of Work  12%						
						- Key Personnel (Section 8.1)
- Wireless EBT Project Phases (Section 8.2)						
<ul> <li>Wireless EBT Project Deliverables (Section 8.</li> <li>Initial project work plan Deliverables for the W</li> <li>Initial issue management process documents</li> <li>Written attestation that the Bidder will comply and the farmers served under the program (Section 1)</li> </ul>	rireless EBT Project (Sec for the Wireless EBT Pro with requirements of the	oject (Section 4.2.5: Tab	•			
- Wireless EBT Project Device Activation (Secti	Wireless EBT Project Device Activation (Section 8.4)					
- Wireless EBT Project Applications (Section 8.	Wireless EBT Project Applications (Section 8.5)					
- Wireless EBT Project Deactivation and Reacti	Wireless EBT Project Deactivation and Reactivation (Section 8.6)					
- Wireless EBT Project Customer Service (Sect	Wireless EBT Project Customer Service (Section 8.7)					
- Wireless EBT Project Monthly Statements (Se	Wireless EBT Project Monthly Statements (Section 8.8)					
- Wireless EBT Project Supplies (Section 8.9)						
- Wireless EBT Project Training (Section 8.10)						
- Promotion of the Wireless EBT Project (Section	on 8.11)					
- Double Up Food Bucks (DUFB) (Section 8.12)	Double Up Food Bucks (DUFB) (Section 8.12)					
- Wireless EBT Project and DUFB Reporting (S	ection 8.13)					
- Service Level Agreements (Section 8.14)						
Total Written Technical Score	90%		900			

# Revision 26. Section 9.3, *Proposal Scoring and Evaluation Criteria*, Scoring of Cost Proposal Pricing, is hereby amended as follows:

### Scoring of Cost Proposal Pricing.

Cost proposal pricing will be broken out into two components as shown in the table below. Each component will be scored based on a ratio of the lowest cost proposal versus the cost of each higher priced Bid Proposal. Under this formula, the lowest cost proposal receives all of the points assigned to pricing. A cost proposal twice as expensive as the lowest cost proposal would earn half of the available points. The formula is:

Weighted Cost Score = (price of lowest cost proposal/price of each higher priced cost proposal) X (points assigned to pricing)

# Total Cost Proposal Score = Componet 1 Weighted Cost Score Score + Component 2 Weighted Cost Score

COMPONENT 1 – Total Estimated Annual Cost Appendix E	75%	150
COMPONENT 2 - Total Estimated Annual Cost for Wireless EBT Project Appendix E	25%	50
Total Cost Proposal Score	100%	200

### **Total Points Assigned to Cost Proposal: 200**

### Example:

Bid #1, Component 1: \$1,000 Bid #2, Component 1: \$5,000

Score for Bid #1, Component 1 = (\$1,000/\$1,000) \* 200 150 = 200 150 points

Score for Bid #2, Component 1 = (\$1,000/\$5,000) \* 200 150 = 40 30 points

Bid #1, Component 2: \$500 Bid #2, Component 2: \$100

Score for Bid #1, Component 2 = (\$100/\$500) \* 50 = 10 points

Score for Bid #2, Component 2 = (\$100/\$100) \* 50 = 50 points

Total Cost Proposal Score for Bid #1 = 150 + 10 = 160 points

Total Cost Proposal Score for Bid #2 = 30 + 50 = 80 points

### Revision 27. Appendix B3, *EBT Service Level Agreements*, item EBT 11 is hereby amended as follows:

EBT11	EBT Call	<u>IVR</u>	<u>IVR</u>	<u>IVR</u>
	Center	(1) Ninety nine percent	(1) Failure to answer	(1) Contractor shall
	Response	(99%) of all calls	ninety nine percent	pay the Agency
	Time &	answered within twenty	(99%) of IVR calls	liquidated damages
	Tracking	five (25) seconds.	within twenty five (25)	of \$1,000 per
	_	Measured over a	seconds.	month of failure to
		calendar month.		answer ninety nine
				percent (99%) of
				IVR calls within
				twenty five (25)
				seconds.
		CSR	<u>CSR</u>	
		(1) IVR calls transferred	(1) Failure to answer	<u>CSR</u>

to a customer service			
representative shall have			
an average wait time of			
three (3) minutes or less,			
measured over a			
calendar month.			

- (2) One hundred percent (100%) of all calls to a CSR shall be documented, including the date, time, nature and resolution of the call.
- (3) One hundred percent (100%) of all calls to a CSR shall be recorded and retrievable for investigative and/or monitoring purposes.

all CSR calls within three (3) minutes meet an average wait time of three (3) minutes or less on all CSR calls, measured over a calendar month.

- (2) Failure to document one hundred percent (100%) of all CSR calls.
- (3) Failure to record one hundred percent (100%) of CSR calls. Failure to produce a recording of a CSR call.
- (1) Contractor shall pay the Agency liquidated damages of \$1,000 per month of failure to answer all CSR calls within three (3) minutes meet an average wait time of three (3) minutes or less on all CSR calls, measured over a calendar month.
- (2) Contractor shall pay the Agency liquidated damages of \$1,000 per month of failure to document one hundred percent (100%) of all CSR calls.
- (3) Contractor shall pay the Agency liquidated damages of \$1,000 per month of failure to record one hundred percent (100%) of CSR Calls or failure to produce a recording of a CSR call.

## Revision 28. Appendix C3, *EPC Service Level Agreements*, item EPC 5 is hereby amended as follows:

EPC5	EPC Call	<u>IVR</u>	<u>IVR</u>	<u>IVR</u>
	Center	(1) Ninety nine percent	(1) Failure to	(1) Contractor shall
	Response	(99%) of all calls answered	answer ninety nine	pay the Agency
	Time &	within twenty five (25)	percent (99%) of	liquidated damages

Tracking	seconds. Measured over a calendar month.  CSR	IVR calls within twenty five (25) seconds.	of \$1,000 per month of failure to answer ninety nine percent (99%) of IVR calls within twenty five (25) seconds.
	(1) IVR calls transferred to a customer service representative shall have an average wait time of three (3) minutes or less, measured over a calendar month.  (2) One hundred percent (100%) of all calls to a CSR shall be documented, including the date, time, nature and resolution of the call.  (3) One hundred percent	CSR (1) Failure to answer all CSR calles within three (3) minutes meet an average wait time of three (3) minutes or less on all CSR calls, measured over a calendar month.  (2) Failure to document one	CSR (1) Contractor shall pay the Agency liquidated damages of \$1,000 per month of failure to answer all CSR calls within three (3) minutes meet an average wait time of three (3) minutes or less on all CSR calls, measured over a calendar month.  (2) Contractor shall
	(100%) of all calls to a CSR shall be recorded and retrievable for investigative and/or monitoring purposes.	hundred percent (100%) of all CSR calls.  (3) Failure to record one hundred percent (100%) of CSR calls. Failure to produce a recording of a CSR call.	pay the Agency liquidated damages of \$1,000 per month of failure to document one hundred percent

Revision 29 Appendix E is herby deleted entirely and replaced as shown in document 33. ACFS 20-001, Appendix E, Amendment 2\_Incorporated.