

Iowa Department of Human Services

REQUEST FOR INFORMATION (RFI)

Iowa SNAP/EBT and TANF/EPC Processing Services

ACFS 20-001

October 5, 2017

*For information about the notice*

*Interested persons shall contact only:*

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Section 1 Purpose.

# *RFI Purpose.*

The purpose of the Request for Information (RFI) is to solicit insight from the electronic payment card (EPC) and electronic benefit transfer (EBT) vendor community on the availability of products and processing services to support Iowa’s Temporary Assistance for Needy Families (TANF) EPC programs and Iowa’s Wireless EBT Project. The information provided by Respondents will be used to inform the Iowa Department of Human Services (herein referred to as the Agency) on requirements and performance considerations for inclusion in a future Request for Proposal (RFP).

The Agency encourages Respondents who may only have experience in particular segments of the products or services described herein to respond to help provide a full picture of the industry offerings.

**This is not an RFP where *bidders* respond with a specific solution to Agency specifications, including cost. An RFP process is a separate process with further defined requirements.**

*If cost is requested in an RFI, it will be for budget purposes only.*

# *Relevant Dates.*

Issuance of RFI – October 5, 2017

RFI response by vendor deadline – October 18, 2017

# *Overview.*

The Agency is seeking information from the EPC/EBT vendor community on available services to support the EPC scope of work and the Iowa Wireless EBT Project, as further detailed in Appendix A and Appendix B of this RFI. Specifically, the Agency would like input on administration and card processing services for Iowa’s TANF EPC programs. In addition, FNS is encouraging states to include their farmers market services under their EBT contracts. To help support this direction, the Agency is also seeking information on processor’s ability to support Iowa’s unique Wireless EBT Project.

Currently, the Agency has a single contractor administering both TANF EPC and SNAP EBT services. The Agency will continue to have a single contractor provide the administration and card processing services for both TANF EPC and SNAP EBT services. As in the current contract, the Agency expects the EPC services to be provided at no cost to the Agency.

These services include, but are not limited to:

* Settlement and reconciliation,
* Account set up and maintenance,
* Reporting,
* Transaction processing,
* Card issuance and production,
* Recipient customer service representatives (CSRs), Interactive Voice Response (IVR), recipient portal, and technical support, and
* An agency administrative portal and technical support.

The Agency’s current EPC and EBT contract expires June 30, 2020.

Currently, the Agency has a separate contract for the provision of the Wireless EBT Project.

The Agency is currently in the process of developing an RFP for the reprocurement of the TANF EPC, SNAP EBT, and Wireless EBT Project services.

**EPC Services.**

Iowa issues payments to recipients via a VISA® branded Electronic Payment Card (EPC), paper warrants, and direct deposit into recipient bank accounts. Currently, EPC is used to issue over 90% of payments for the following benefit programs:

* **Temporary Assistance for Needy Families (TANF),** including:
	+ **The Family Investment Program (FIP)** is Iowa’s cash assistance program, funded jointly with State and federal funds through the TANF block grant. FIP is to support low-income families with children and to provide services for them to become self-sufficient. This includes cash assistance and supportive services.
	+ **PROMoting Independence and Self- sufficiency through Employment, Job Opportunities and Basic Skills (PROMISE JOBS).** The PROMISE JOBS program, FIP’s work and training program, is jointly funded with State and federal funds through the TANF block grant. PROMISE JOBS payments are made to recipients for transportation and other support services.
* **Refugee Cash Assistance (RCA).** RCA provides cash assistance for up to eight (8) months to needy families, including single adults, who enter the United States as refugees, who are not eligible for FIP. Unless determined exempt, refugees must cooperate with work and training requirements of the RCA programs. RCA is funded with federal funds through the Office of Refugee Resettlement.

**Wireless EBT Project.**

Iowa has prioritized Farmers Market participation, which is reflected in the extensive participation and support as the State leads the nation in its Farmers Market program, the Wireless EBT Project. To increase access for SNAP recipients, Iowa assists direct marketing farmers to become SNAP authorized retailers rather than certifying the entire Farmers Market. A large majority of participating farmers attend multiple markets each week to sell their goods. Many also have farm stands, greenhouses, or ‘pick your own’ operations. By allowing each farmer to take the wireless POS device with them, the Agency increases the number of markets where SNAP recipients can use their EBT card. As of 2017, the Agency has acquired wireless devices through CardConnect as the independent sales organization (ISO) with First Data as the third-party processor (TPP). Total sales, which include EBT, credit, and debit, on the wireless equipment, exceeded one million dollars in each of 2013, 2014, 2015, and in 2016 was in excess of $1.4 million. To date, Iowa has approximately 150 farmers participating in the Wireless EBT Project.

There is no ‘one solution that fits all’ when determining the type of wireless equipment to be used, and whether to purchase or rent equipment. The Agency needs flexibility for Farmers Markets. The Agency suspends accounts for some farmers during the winter months to avoid incurring monthly fees, however year-round markets are becoming more common.

Today, Agency staff interview farmers to learn about the type of products grown and selling locations to best determine the type of wireless POS device and purchase arrangement to be used for each specific farmer.

Once interested, farmers contact the Agency, 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/ISO, and DHS bank addendum form. All paperwork is returned to the Agency who then forwards it to the appropriate entities. If requested, Agency staff will assist the farmers in completing all the paperwork. Currently, Agency staff maintains 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/ISO, the new wireless POS device is sent to the Agency or farmer. The Agency performs routine tests if the POS comes directly to the Agency prior to issuing the device to the farmer. The Agency does this for several reasons, including:

* Not all equipment arrives with all functions working properly.
* Not all farmers have the ability to perform software downloads at their home.
* Farmers are busy, especially once the market season begins.
* The Agency wants to get off to a good start with each farmer.

The Agency schedules a training session for each farmer. At the end of the training, each farmer should be able to process EBT, debit, and credit transactions, know how to initiate settlement, know who to call if there are technical issues, and understand the reimbursement process from the Agency.

Transaction and reimbursement data is a high priority and needed for reporting purposes and integrity of the Wireless EBT Project.

On the first of each month, the Agency collects statement information from the processors to reconcile total number of transactions, type of transactions, total amount of sales, amount of EBT sales, and monthly fees/charges. A separate worksheet is maintained that breaks down commercial and EBT sales volume, amount and transactions for each farmer.

In addition, the Agency maintains Excel spreadsheets showing the amount reimbursed to each farmer. The Agency reimburses farmers for the monthly EBT transaction fees. Depending on the funding source of the wireless equipment, the Agency may reimburse farmers for the core monthly fees. A copy of the spreadsheet is sent to the EBT Contractor who then initiates the transfer of funds via electronic funds transfer (EFT) to each farmer’s bank account. The EBT Contractor invoices the Agency for the amount reimbursed to the farmers. The reimbursements by the EBT Contractor are completed no later than the 15th of each month.

In May 2017, Iowa rolled out a pilot program called Double Up Food Bucks (DUFB) as part of the Wireless EBT Project. This program offers SNAP recipients the opportunity to receive up to $10.00 in matching funds, each market day, to purchase Iowa locally grown fruits and vegetables. Iowa’s goal is to grow the Double Up Food Bucks program with farmers who participate in the Wireless EBT Project.

Proposed detailed requirements for Wireless EBT Project and DUFB have been provided in Appendix B.

Section 2 Definitions

***“Agency”*** means the Iowa Department of Human Services.

***“ACH”*** means the Automated Clearing House.

***“Bid Proposal”*** or ***“Proposal”*** means the bidder’s proposal submitted in response to the RFP.

***“Change Order”*** means changes to the scope of all RFP requirements, bidder’s RFP response, the Contract, or agreements to any supplemental negotiations agreed to between the Contractor and the Agency.

***“CSR”*** means customer service representative.

***“Deliverables”*** means all of the services, goods, products, work, work product, data (including data collected on behalf of the Agency), items, materials and property to be created, developed, produced, delivered, performed, or provided by or on behalf of, or made available through, the Contractor (or any agent, contractor or subcontractor of the Contractor) in connection with any contract resulting from this RFI.

***“Direct Marketing Farmer”*** means farmers who sell their own agricultural products directly to the general public, which includes fruits and vegetables, meat, fish, poultry, dairy products, and grains.

***“EBT”*** means electronic benefit transfer.

“***Enhanced Security Password”*** means a special password for recipients who require additional security for their EBT account.

***“EPC”*** means electronic payment card.

***“Farmers Market”*** means a food market where local farmers sell fruit, vegetables, meat, cheese, and bakery products directly to consumers.

***“FIP”*** means Iowa’s Family Investment Program, which is the federal Temporary Assistance for Needy Families cash assistance program.

***“FMC”*** means Farmers Market Coalition.

***“FNS”*** means the Food and Nutrition Service, the federal agency responsible for administrating the Supplemental Nutrition Assistance Program.

***“IVR”*** means interactive voice response.

***“NACHA”*** means National Automated Clearinghouse Association. See: https://www.nacha.org/

***“PAN”*** means primary account number.

***“POS”*** means point-of-sale. Electronic devices in retailer locations that allow each user of the EBT card or authorized representative access to their benefits.

***“PROMISE JOBS”*** means PROMoting Independence and Self-sufficiency through Employment, Job Opportunities, and Basic Skills. PROMISE JOBS is the Agency’s work and training program.

***“RCA”*** means Refugee Cash Assistance, which provides cash assistance for up to eight (8) months to needy families, including single adults, who enter the United States as refugees who are not eligible for the Family Investment Program.

***“Respondent”*** means the vendor responding to the RFI.

***“RFI”*** means the request for information.

***“RFP”*** means the request for proposals that may result after the completion of this RFI.

***“SNAP”*** means Supplemental Nutrition Assistance Program.

***“TANF”*** means Temporary Assistance for Needy Families.

***“TTP”*** means third party processors.

***“USDA”*** means the United States Department of Agriculture.

***“Wireless EBT Project”*** is the Agency’s Farmers Market EBT project. The Agency solicits participation from direct marketing farmers selling food products to EBT recipients at places such as their local farmers markets, road side stands, or on-the-farm sales. The Agency offers individualized support to direct marketing farmers to assist them with obtaining FNS authorization as a SNAP retailer as well as assisting them with obtaining a wireless POS device.

Section 3 RFI Responses

3.1 RFI Response.

Respondents are requested to submit a response to this RFI as described herein.

3.2 Submission Instructions.

Respondents are not required to respond to both EPC and Wireless EBT Project scope of work, however the Agency requests that responses adhere to the following instructions:

* RFI responses should:
	+ Respond to the questions included in the Appendices of this RFI
	+ Provide a redline version of the proposed requirements using a Microsoft Word compatible tracked changes feature
* Feedback shall be submitted electronically to the Issuing Officer.
* A signed transmittal letter on the Respondent’s letterhead shall include the company and the main contact’s information such as name, title, telephone, and email.
* Please include the page number, section number, ID, or any other identifying information when referencing a specific service included in the Appendices.
* Budgetary cost shall be submitted by general price ranges with their cost information, where applicable, to be used for reference only. No formal quotations shall be received or awarded in the RFI process.

Please note that the Agency is currently drafting general requirements related to contract management, project management, deliverables, and technology that have not been provided under this RFI as the Agency is looking for feedback specifically on the EPC and Wireless EBT Project scope of works.

No awarded contract shall be issued from the RFI process. Submitting a response to this RFI is optional. Submitted RFIs shall in no way bind the Agency or any other State agency to any purchase for any reason. The RFI is for information gathering purposes only. All information provided by Respondents shall be at no cost and without obligation to the Agency.

3.3 Review of RFI Responses.

The Agency will review all RFI responses. Review of submitted responses to the RFI will assist in the potential bid opportunity for the procurement of the goods and/or services sought by the Agency. The Agency will not formally respond to any feedback received in response to this RFI.

3.4 Ownership.

Once received, submitted responses become the property of the Agency.

3.5 Copyright.

By submitting a response, the Respondent agrees that the Agency may copy the response for purposes of facilitating the evaluation or to respond to requests for public records. The Respondent represents that such copying will not violate any copyrights in the materials submitted.

3.6 Vendor Responsibilities.

Respondents shall submit information for explanation of products and services to the Agency.