



# **A REQUEST FOR PROPOSALS**

**REQUEST FOR PROPOSAL  
NCRJ1402012FASS**

**Consultant for the Re-Procurement of WSEA Electronic Benefit Transfer Services**

**Date of Publication: February 10, 2014**

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## SECTION I

### ISSUE AND TIMELINE INFORMATION

#### A. ISSUING OFFICE:

This Request for Proposal (RFP) # NCRJ1402012FASS is issued for the State of Colorado (State) by the Department of Human Services (CDHS or Department), for the benefit of the Office of Self Sufficiency, Food Assistance Programs Division, Colorado Electronic Benefit Transfer Service (CO/EBTS) and Western States Electronic Benefits Transfer Alliance (WSEA). The Division of Procurement is the SOLE point of contact concerning this RFP. All communication must be done through the Division of Procurement.

#### B. INVITATION TO SUBMIT PROPOSALS:

The State of Colorado is posting this RFP on the Bid Information and Distribution System (BIDS) so that firms that have an interest may submit a proposal in accordance with the terms of this RFP.

#### C. MEANS OF COMMUNICATION:

In the event that it becomes necessary to revise any part of this RFP, a modification will be published on the BIDS web site at [www.colorado.gov/bids](http://www.colorado.gov/bids). It is incumbent upon Offerors to carefully and regularly monitor BIDS for any such postings.

The CDHS Division of Procurement is the SOLE point of contact concerning this RFP and the procurement process. **All communication for this procurement must be done through the CDHS Division of Procurement point of contact indicated in this RFP and BIDS.**

#### E. PURPOSE:

This RFP provides prospective firms with sufficient information to enable them to prepare and submit proposals for consideration to satisfy the need for expert assistance in the completion of the goals of this RFP.

#### E. SCOPE:

This RFP contains the instructions governing the proposal to be submitted and the material to be included therein; mandatory requirements which must be met to be eligible for consideration; and other requirements to be met by each proposal.

**F. SCHEDULE OF ACTIVITIES:**

		<b>Time</b>	<b>Date</b>
		<b>(Mountain Time)</b>	
1	RFP PUBLISHED ON BIDS WEB PAGE ( <a href="http://www.colorado.gov/bids">www.colorado.gov/bids</a> )		02/10/2014
2	PROSPECTIVE FIRMS WRITTEN INQUIRY DEADLINE (NO WRITTEN QUESTIONS WILL BE ACCEPTED AFTER THIS DATE) See Administrative Information Section A for inquiry details. Email Inquiries: <a href="mailto:jeff.wylde@state.co.us">jeff.wylde@state.co.us</a>	Close of Business	03/10/2014
3	PROPOSAL SUBMISSION DEADLINE See Administrative Information Section C for submission.	2:30 PM	03/28/2014
4	PROPOSAL REVIEW AND EVALUATION		04/01/2014 to 04/18/2014
5	PROPOSAL SELECTION	Close of Business	04/21/2014
6	CONTRACT DRAFTED AND APPROVED (Includes 60 day FNS review period)		04/22/2014 to 07/25/2014
7	CONTRACT FINALIZED (Estimated week of)		07/31/2014
8	CONTRACT PERIOD: ESTIMATED 08-01-2014 to 03-31-2015 Options to renew (option of the State)		
9	FNS REVIEW AND APPROVAL OF EBT IV VENDOR RFP		04/01/2015 to 05/29/2015

SUBMIT ONE HARD COPY ORIGINAL (marked "ORIGINAL") AND ONE COPY OF THE RFP PROPOSAL IN A SEALED PACKAGE. THE TECHNICAL AND COST PORTIONS OF BOTH THE ORIGINAL PROPOSAL AND COPY MUST BE SEGREGATED AND PROVIDED IN SEPARATELY SEALED PACKAGES.

Package must also include two (2) separate CD's or USB (thumb) Drives containing a complete electronic version of your proposal compatible with Microsoft OFFICE 2007-2010. Co-mingling of cost and technical information is unacceptable.

THE ANTICIPATED INITIAL TERM OF THE RESULTING CONTRACT IS AUGUST 1, 2014 THROUGH MARCH 31, 2015. THE RESULTING CONTRACT MAY BE RENEWED FOR AN ADDITIONAL ONE-YEAR PERIOD AT THE SOLE DISCRETION OF THE STATE, CONTINGENT UPON FUNDS BEING APPROPRIATED, BUDGETED, AND OTHERWISE MADE AVAILABLE, AND OTHER CONTRACTUAL REQUIREMENTS, IF APPLICABLE, BEING SATISFIED.

## SECTION II

### ADMINISTRATIVE INFORMATION

#### A. INQUIRIES:

Unless otherwise noted, prospective offerors may make written, faxed, or e-mail inquiries concerning this RFP to obtain clarification of requirements. E-mail is the preferred method for vendors to submit inquiries. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. E-mail all inquiries to:

E-mail: [jeff.wylde@state.co.us](mailto:jeff.wylde@state.co.us)

Clearly identify your inquiries as, **RFP # NCRJ1402012FASS:  
Consultant for the Re-Procurement of WSEA Electronic Benefit Transfer Services**

Response to offeror's inquiries will be published as a modification on the State of Colorado BIDS web page in a timely manner.

#### B. MODIFICATION OR WITHDRAWAL OF PROPOSALS:

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

#### C. PROPOSAL SUBMISSION:

Proposals must be received on or before the date and time indicated in the Schedule of Activities. Late proposals will not be accepted. It is the responsibility of the offeror to ensure that the proposal is received by the Division of Procurement on or before the proposal opening date and time. Offerors mailing their proposals shall allow sufficient mail delivery time to ensure receipt of their proposals by the time specified. The proposal package shall be delivered or sent by mail to:

Department of Human Services  
North/Central Procurement Office  
7866 W. Mansfield Parkway  
Denver, CO 80235

The State of Colorado Request for Proposal Signature Page **MUST** be signed in ink by the offeror or an officer of the offeror legally authorized to bind the offeror to the proposal. Proposals which are determined to be at a variance with this requirement may not be accepted.

**See the Issue and Timeline Information for the number of copies of the proposal that must be submitted.**

Proposals must be submitted and sealed in a package showing the following information:

OFFEROR'S NAME

RFP # , <title>

PROPOSAL DUE <date>, <time>, local time

The Division of Procurement desires and encourages that proposals be submitted on recycled paper, printed on both sides. While the appearance of proposals and professional presentation is important, the use of non-recyclable or non-recycled glossy paper is discouraged.

**Vendors must be registered with Colorado BIDS by the proposal submission due date and time.**

**D. ADDENDUM OR SUPPLEMENT TO REQUEST FOR PROPOSAL:**

In the event that it becomes necessary to revise any part of this RFP, an addendum/amendment will be published on the BIDS web site at [www.colorado.gov/bids](http://www.colorado.gov/bids). It is incumbent upon offerors to carefully and regularly monitor BIDS for any such postings. It is the offeror's responsibility to make known to the Division of Procurement its interest in any addendum/amendment if it has received the RFP in a direct mailing from the Division of Procurement and no addendum has been received by mail.

**E. ORAL PRESENTATIONS/SITE VISITS:**

Offerors may be asked to make oral presentations or to make their facilities available for a site inspection by the evaluation committee. Such presentations and/or site visits will be at the offeror's expense.

**F. ACCEPTANCE OF RFP TERMS:**

A proposal submitted in response to this RFP shall constitute a binding offer. Acknowledgment of this condition shall be indicated by the autographic signature of the offeror or an officer of the offeror legally authorized to execute contractual obligations. It is assumed by the offeror's response that it acknowledges all terms and conditions of this invitation for an offer. An offeror shall identify clearly and thoroughly any variations between its proposal and the State's RFP. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance, except as outlined or specified in the RFP.

**G. PROTESTED SOLICITATIONS AND AWARDS:**

Any actual or prospective offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to Director, Division of Procurement, Department of Human Services 7866 W. Mansfield Parkway, Denver, Co 80235. The protest shall be submitted in writing within seven working days after such aggrieved

person knows, or should have known, of the facts giving rise thereto. Reference C.R.S. Title 24, Article 109.

**H. CONFIDENTIAL/PROPRIETARY INFORMATION:**

Any restrictions of the use or inspection of material contained within the proposal shall be requested prior to the submission of the proposal itself. Written requests for confidentiality shall be submitted, by the offeror prior to the proposal submission date. The offeror must state specifically what elements of the proposal that would be considered confidential/proprietary. The Division of Procurement will make a written determination as to the apparent validity of any written request for confidentiality, the written determination will be sent to the offeror.

Requests that are granted shall use the following format:

- Confidential/proprietary information must be readily identified marked and separated/packaged from the rest of the proposal.
- Co-mingling of confidential/proprietary and other information is NOT acceptable. Neither a proposal, in its entirety, nor proposal price information will be considered confidential and proprietary.
- Any information that will be included in any resulting contract cannot be considered confidential.

After award, the offers shall be open to public inspection subject to any continued prohibition on the disclosure of confidential data, C.R.S. Title 24, Article 72, Part 2 as amended.

**I. RFP RESPONSE MATERIAL OWNERSHIP:**

All material submitted regarding this RFP becomes the property of the State of Colorado. Proposals may be reviewed by any person after the "Notice of Intent to Make an Award" letter has been issued, subject to the terms of C.R.S. Title 24, Article 72, Part 2 as amended.

**J. PROPOSAL PRICES:**

Estimated proposal prices are not acceptable.  
Best and final offers may be considered in determining the apparent successful offeror. Proposals shall be firm for a period of not less than One hundred eighty (180) calendar days from the date of award.

**K. EVALUATION:**

The evaluation will identify the proposals that most effectively meet the requirements of this RFP. The work will be offered to the Offerors whose proposals, conforming to the

RFP, will be most advantageous to the State of Colorado, price and other factors considered.

The State of Colorado will conduct a comprehensive, fair and impartial evaluation of each proposal received. First, all proposals will be submitted to the Division of Purchasing for acceptance. The Division of Purchasing will be responsible for ensuring that:

- The Offeror's proposal complied with the due date and time.
- The Offeror's "Colorado Request for Proposal Signature Page" meets content and other requirements.
- The Offeror included the appropriate number of proposal copies.

On the date and time shown on the Request for Proposal Signature Page, the Division of Purchasing will hold a Public Opening of Proposals. The Public Opening will only disclose the names of all Offerors who have submitted a proposal for evaluation by DHS. Information on costs and qualifications will be available from the Division of Procurement following selection of the winning Offeror.

#### Evaluation Process:

The Department plans an intensive, thorough, complete and fair evaluation process. Proposals will be evaluated on both the proposed service and the cost of the service. The evaluation will be performed and an award recommendation made to the Division of Procurement by the Evaluation Committee. Members will be selected who do not have a conflict of interest in this procurement. The Committee will be responsible for the evaluation process that will include the following steps:

- Review proposals for any conditions that may disqualify the Offeror and to ensure that required terms and conditions have been met.
- Review proposal content, contact references and assign a preliminary score to each factor for each proposal.
- Determine whether, as part of the deliberations, any Offerors will be invited to participate in discussions with the Committee. (Offerors would be those who, based on preliminary scores, are reasonably susceptible of being selected for the award.) However, proposals may be reviewed and determinations made without discussion. Therefore, it is important that proposals be complete, and Offerors should recognize that opportunity for further explanation may not exist.
- Oral presentations, if required, for invited offerors to demonstrate their proposed service.
- Adjust points or ratings as necessary.
- Best and final offers may take place at the State's option.
- Make final selection recommendation to the Division of Procurement.



**L. PROPOSAL SELECTION:**

Upon review and approval of the evaluation committee's recommendation for award, the Division of Procurement will issue a "Notice of Intent to Make an Award" on BIDS. Fax or email notice will be sent to all offeror's indicating the notice of intent has been posted. A contract must be completed and signed by all parties concerned on or before the date indicated in the Schedule of Activities. If this date is not met, through no fault of the State, the State, at its sole discretion, may elect to cancel the "Notice of Intent to Make an Award" notice and make the award to the next most advantageous offeror.

**M. AWARD OF CONTRACT:**

The award will be made to that offeror whose proposal, conforming to the RFP, will be the most advantageous to the State of Colorado, price and other factors considered.

**N. PROPOSAL CONTENT ACCEPTANCE:**

The contents of the proposal (including persons specified to implement the project) of the successful offeror will become contractual obligations if acquisition action ensues. Failure of the successful offeror to accept these obligations in a contract, purchase document, delivery order or similar acquisition instrument may result in cancellation of the award and such offeror may be removed from future solicitations.

**O. STANDARD CONTRACT:**

The State of Colorado incorporates standard State contract provisions (General and Special Provisions) into any contract resulting from this RFP. The General Provisions and Special Provisions are available on BIDS and at the link below:

<https://bidscolorado.com/purchasi.nsf/0/546C6A7C473DD34087256E9700605672?openDocument>

**P. RFP CANCELLATION:**

The State reserves the right to cancel this Request for Proposal at any time, without penalty.

**Q. STATE OWNERSHIP OF CONTRACT PRODUCTS/SERVICES:**

1. Proposals upon established opening time become the property of the State of Colorado. All products/services produced in response to the contract resulting from this RFP will be the sole property of the State of Colorado, unless otherwise noted in the RFP. The contents of the successful offeror's proposal will become contractual obligations.
2. The State of Colorado has the right to retain the original proposal and other RFP

response materials for our files. As such, the State of Colorado may retain or dispose of all copies as is lawfully deemed appropriate. Proposal materials may be reviewed by any person after the "Notice of Intent to Make an Award" letter(s) has/have been issued, subject to the terms of Section 24-72-201 et seq., C.R.S., as amended, Public (open) Records. The State of Colorado has the right to use any or all information/material presented in reply to the RFP, subject to limitations outlined in the clause, Proprietary/Confidential Information. Offeror expressly agrees that the State may use the materials for all lawful State purposes, including the right to reproduce copies of the material submitted for purposes of evaluation, and to make the information available to the public in accordance with the provisions of the Public Records Act.

**Q. INCURRING COSTS:**

The State of Colorado is not liable for any cost incurred by offerors prior to issuance of a legally executed contract or procurement document. No property interest, of any nature shall occur until a contract is awarded and signed by all concerned parties.

**R. PROPOSAL REJECTION:**

The State of Colorado reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received and to accept any portion of a proposal or all items proposed if deemed in the best interest of the State of Colorado.

**S. VENDOR IDENTIFICATION:**

The tax identification number provided must be that of the offeror responding to the RFP. The offeror must be a legal entity with the legal right to contract.

**T. NEWS RELEASES:**

News releases pertaining to this RFP shall NOT be made prior to execution of the contract without prior written approval by the State.

**U. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:**

1. By submission of this proposal each offeror certifies, and in the case of a joint proposal each party, thereto certifies as to its own organization, that in connection with this procurement:
  - (a) The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor;
  - (b) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the offeror and will not

knowingly be disclosed by the offeror prior to opening, directly or indirectly to any other offeror or to any competitor; and

- (c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
2. Each person signing the Request for Proposal Signature Page of this proposal certifies that:
- (a) She/he is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that she/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above; or she/he is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that she/he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above, and as their agent does hereby so certify; and she/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above.
3. A proposal will not be considered for award where (1)(a), (1)(c), or (2) above has been deleted or modified. Where (1)(b) above has been deleted or modified, the proposal will not be considered for award unless the offeror furnishes with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the head of the agency, or her/his designee, determines that such disclosure was not made for the purpose of restricting competition.

## **V. CONFLICTS OF INTEREST:**

The holding of public office or employment is a public trust. A public officer or employee whose conduct departs from his fiduciary duty is liable to the people of the State. Rules of conduct for public officers and state employees:

1. Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty.
2. A public officer or a state employee shall not:
  - (a) Engage in a substantial financial transaction for her/his private business purposes with a person whom she/he inspects, regulates, or supervises in the course of his official duties;
  - (b) Assist any person for a fee or other compensation in obtaining any contract, claim, license, or other economic benefit from her/his agency;
  - (c) Assist any person for a contingent fee in obtaining any contract, claim, license, or other economic benefit from any state agency; or
  - (d) Perform an official act directly and substantially affecting its economic benefit a

business or other undertaking in which she/he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.

- (e) Serve on the Board of any entity without disclosure to the entity, the Secretary of State, and his/her employer.
- 3. A head of a principal department or a member of a quasi-judicial or rule-making agency may perform an official act notwithstanding paragraph (d) of subsection (2) of this section if her/his participation is necessary to the administration of a statute and if she/he complies with the voluntary disclosure procedures under C.R.S. 24-18-110.
- 4. Paragraph (c) of subsection (2) of this section does not apply to a member of a board, commission, council, or committee if she/he complies with the voluntary disclosure procedures under C.R.S. 24-18-110 and if she/he is not a full-time state employee.

Reference C.R.S. 24-18-108, as amended.

**W. TAXES:**

The State of Colorado, as purchaser, is exempt from all federal excise taxes under Chapter 32 of the Internal Revenue Code (Registration No. 84-730123K) and from all state and local government use taxes C.R.S. 39-26-114(a). Our Colorado State and Local Sales Tax Exemption Number is 98-02565. Seller is hereby notified that when materials are purchased in certain political sub-divisions (for example – City of Denver) the seller may be required to pay sales tax even though the ultimate product or service is provided to the State of Colorado. This sales tax will not be reimbursed by the State.

## SECTION III

### BACKGROUND, OVERVIEW AND GOALS

#### BACKGROUND

The Colorado Department of Human Services (CDHS) is issuing an RFP for a professional EBT Consulting vendor to provide the services as described below. CDHS is the lead state for the Western States EBT Alliance (WSEA) procurement composed of states that joined in the last procurement for EBT services in March 2009.

Each WSEA state has entered into a contract for an initial five year period. In addition, with the exception of Arizona, each state has the option of two – one-year extensions. Arizona has the option of one – one-year extension.

The table below shows the end dates for the base contract period for each state, as well as the end dates if the extension option is exercised. Currently, Colorado and Hawaii have chosen to exercise the full extension options. The other states still have the option to extend, but have not made a decision to do so at this point.

State	EBT III Base Contract End Date	Optional Extension End Date
Alaska	March 31, 2018	March 31, 2020
Arizona	September 30, 2018	September 30, 2019
Colorado	June 30, 2019	June 30, 2019 <sup>1</sup>
Guam	September 30, 2015	September 30, 2017
Hawaii	June 30, 2017	June 30, 2017 <sup>1</sup>
Idaho	June 30, 2017	June 30, 2019
Nebraska	February 28, 2018	February 28, 2020
Washington	April 30, 2019 <sup>2</sup>	April 30, 2021
Wyoming	March 31, 2016	March 2018

<sup>1</sup> Extension Option Exercised

<sup>2</sup> EBT III Contract Not Yet Executed

#### OVERVIEW

It is the intent of the WSEA states to continue as an alliance with the mutual objectives and goals for the continuation of EBT in each state. The WSEA states share in the procurement to achieve economies of scale in volumes of transactions through tiered pricing and standard processing platforms for states and retailers. In addition, the states cooperate in the development and implementation of new federal regulations and technological changes. The successful EBT planning consulting firm and its principal officers and employees are prohibited from competing and consulting with potential respondents to the RFP for WSEA's EBT contract services. Offeror's will be required to sign and submit an organizational Non-Conflict of Interest and Confidentiality Agreement (Exhibit C) with their proposal submission.

This WSEA group procurement may result in more favorable pricing and if advantageous, other states may join this procurement. For the purposes of this procurement, if the addition of other states causes additional work for the EBT consulting firm, the additional states will be responsible for payment of costs to the contractor.

## **GOALS**

Since the last procurement, many changes have occurred in the EBT environment nationally. Changes that have occurred over time have required state governments and the vendor community to evaluate current operations and associated cost centers to determine if possibilities exist to reduce costs either by changing types of service requirements and/or by bidding component parts of EBT operations to provide for an increase in specialized vendor participation in EBT procurements. To this extent, Colorado as the lead procurement agency is soliciting proposals from EBT consulting firms to assist the WSEA states in determining the best approach to procuring EBT services, cost factors, service levels and staff availability considered.

## **ESTIMATED TIMELINE**

- A. February 10, 2014: CDHS to issue an RFP for EBT professional consulting services on behalf of the WSEA.
- B. March 10, 2014: Prospective Bidder Written Inquiries Due.
- C. March 28, 2014: Proposal Submission Deadline.
- D. April 1, 2014 – April 18, 2014: Review and Evaluation of Proposals.
- E. April 21, 2014: Proposal Selection.
- F. April 22, 2014 – July 25, 2014: Contract Drafted and Approved.
- G. July 31, 2014: Contract Finalized.
- H. August 1, 2014 – March 31, 2015: Contract period.
- I. April 1, 2015 – May 29, 2015: FNS Review and Approval of EBT IV Vendor RFP

## SECTION IV

### REQUIREMENTS / STATEMENT OF WORK

*Respond to the requirements in the same sequence as outlined in this section, and restate the requirement followed by your response. Proposals that do not follow the sequence, outline, and response format of this RFP, may be deemed non responsive and disqualified from further consideration.*

The following deliverables are required to be submitted in the vendors' proposal in response to this RFP. The vendor/s' proposal should include its approach to meeting all requirements. WSEA states have agreed that the awarded vendor will conduct most of its work to assist WSEA participating states through the CO/EBTS program. The vendor will obtain any additional individual state information via telephone and email. The contractor will arrange for conference calls, as needed including providing a conference line, facilitating the calls, and providing notes of the conference calls.

At the option of the State, the EBT consulting firm that is awarded the contract for this procurement may be required to be present for a proposed bidders conference for the RFP for re-procurement of EBT services; for the actual evaluation and EBT contractor selection process; and for a state optional request for contract negotiation and technical assistance, which could be requested by CO/EBTS or any other WSEA state. These optional services would be made available by the firm at a rate including travel expense.

The awarded vendor will be required to coordinate and follow the lead state's (Colorado) procurement office and officer's direction pertaining to the state's procurement code, rules, and best practices.

- A. Provide a detailed report that describes the current WSEA operating environment, including:
1. Breakdown of EBT cost centers and implication for pricing and possible savings areas, including recommended length of contract (number of years) states should consider in the proposal.
  2. Alternative EBT procurement solutions.
  3. Having customer service requirements that vary between in-house, in-state, in-county, and off-shore services.
  4. Recommended EBT procurement solution.
  5. Recommended pricing approach.
  6. Recommended EBT card solutions addressing:
    - a. Feasibility of having the EBT contractor automate the tracking of over the counter issuances of EBT cards in the line units and the available technology to include electronic signatures for both the client and card issuer.
    - b. Card specifications to reduce the high number of card replacements due to defective cards.

c. Security measures for card issuance/replacement or PIN change to reduce client and user fraud.

7. Recommendations on the pros and cons of adding states to the WSEA and/or RFP language allowing other states to procure off this procurement.

Vendor/s' proposal should include its approach to meeting these requirements for each state individually and the WSEA states in total.

B. Report and analysis of EBT pricing. This information will assist states that will need to make future decisions regarding exercising contract extension options versus contracting with the awarded bidder for the re-procurement.

1. Report and analysis of current EBT pricing for each WSEA state.
2. Report and analysis of EBT project pricing for each state and the WSEA. (i.e. what pricing could states and WSEA expect from a re-procurement process?)
3. Report and analysis of cost factors to include WIC-EBT, and cost savings, if any to convert to Electronic Payment Card or Co-Branded cards. (Co-Branded cards are EBT cards with both Quest and VISA/MasterCard logos.)
4. Report and analysis of costs associated with having customer service requirements in-state or in-country versus off-shore.
5. Report and analysis of cost to convert government-deployed Point-of-Sale (POS) devices to biometrics capability.
6. On a national level, report of current EBT providers and projected future providers by type of service provided.

C. Development of the Request for Proposal (RFP) for EBT re-procurement to the extent possible using or suggesting an approved format by CDHS Procurement that will be published in accordance with State of Colorado by CDHS to solicit proposals for the re-procurement of EBT services. The RFP must meet all Federal requirements as outlined in Exhibit D. The RFP will include items such as, but not limited to:

1. Transaction processing;
2. Account maintenance and state-specific settlement and reconciliation;
3. Benefit availability, aging, expungement, storage;
4. Interoperability, adjustments;
4. Card specifications;
5. Disaster planning;
6. Reports and/or access to standard activity files;
7. Retailer management including agreements with Third Party Processors and EBT-only retailers, Point of Sales (POS) deployment and training for EBT-only retailers;
8. Customer service requirements, including defined call centers (on/off-shore);
9. Card Activation PIN Selection Devices (CAPS);
10. POS terminal deployment;
11. Stored Value Card (SVC) or Electronic Payment Card (EPC) services for Child



Support and all public assistance cash benefits, including but not limited to: generated reports, applicable fees to the state and clients, card replacement process and fees, card delivery method, training materials, state and client web browser application access to account information, PIN and/or Signature based card, pre-funded and accounting processes;

12. Co-Branding Card services for Child Support, all public assistance cash benefits, and Supplemental Nutritional Assistance Program (SNAP) benefits. These services will include but not limited to: generated reports, applicable fees to the state and clients, card replacement process and fees, card delivery method, training materials, state and client web browser application access to account information, PIN and/or Signature based card, pre-funded and accounting processes;
  13. WIC services;
  14. Restaurant program functionality and indicators;
  15. Data warehouse capabilities;
  16. Access to Administrative Terminal through a Web Admin Browser;
  17. Client web site for balance inquiry, transaction inquiry, PIN change, etc.;
  18. State, county and client training;
  19. Change order process and alternative approaches to use of and payment for development hours;
  20. Security plan and fraud detection tools;
  21. State, federal audit requirements (SSAE16) and requirements related to new Federal regulations and policies;
  22. Individual states' needs for EBT contractor optional features;
  23. Individual states' needs for SNAP EBT waivers;
  24. Sub-contractor relationships and requirements;
  25. In the event of a change of vendors, a transition plan for converting from one vendor to another, maintaining a seamless transition to clients, providers and retailers, and transference of transaction history.
  26. System/acceptance testing plan, preparation of scripts, test set-up, reports;
  27. The RFP shall also suggest a proposal format, bid format, and bid pricing schedules. Provide recommendations and proposed language on performance bonds, liquidated damages, performance penalties, and verifiable and consistent performance standards.
- D. Development of RFP evaluation process, including the design of pricing evaluation structure, training of evaluators and compilation of scores for purposes of awarding the bid available to each state separately or as WSEA.
- E. Design and development of transition costs and testing support for each state to implement new contracts with the awarded bidder available to each state.

The EBT consulting vendor will perform an analysis of transition costs, assuming the selection of a new EBT vendor, analysis before the selection of the vendor for EBT services, identifying potential cost centers and estimated pricing that the WSEA can anticipate and budget for the contract. In addition, it is anticipated the EBT consulting

vendor will assist states in identifying costs associated with the transition to a new contract, after the selection of the contractor for EBT services, for the most cost efficient and effective transition for states, local offices, clients, banks and retailers. In regard to testing support, it is the intent for the EBT consulting vendor to assist states with developing and reviewing the adequacy of test scripts to assure user acceptance of the EBT vendor's system meets federal and state system functional requirements.

To the extent possible, it is the intent of the WSEA for the EBT consulting vendor to provide testing oversight and to assist states in preparing scenarios and validating test results.

F. Optional Items:

1. Availability for a proposed bidders conference for the RFP conducted by the Colorado Procurement Office for the re-procurement of EBT services.
2. Contract negotiations/technical review and support during each state's negotiation at the option of each state. Telephonic and electronic support is acceptable.
3. Availability for guidance and assistance during the evaluation of proposals and contractor selection process, as needed.
4. Assist in the development of Best and Final Offers (BAFOs) and post award appeals.
5. At the option of individual WSEA states, be available to provide negotiation assistance, tailored technical assistance, and assistance in the development of contracts.

The vendor's proposal should include its approach to meeting this requirement utilizing 20 hours per state of base technical assistance. Offeror should provide maximum hours and the rate per hour. Each state would bill individually for the additional hours. An hourly rate should be quoted for any hours beyond that amount requested by an individual state.

## SECTION V

### RESPONSE FORMAT

To facilitate an effective evaluation process, proposals must be submitted in the following format on 8 1/2 by 11 inch paper and all pages should be numbered in the following manner: page\_\_of pages. Please use double-sided pages. All acronyms in the proposal must be defined. Failure to provide the requested information may result in disqualification of the proposal. ***Proposals that do not follow the sequence, outline, and response format of this RFP, may be deemed non responsive and disqualified from further consideration.***

Responses to this RFP shall be submitted combed or bound (no-ring binders) organized, tabbed and indexed to match the Requirements and RFP Sections. The Business Proposal shall be concise, numbered, single-spaced with a font of not less than 12 point. Each sealed proposal must be prepared with the original marked "original" and **xx** copy of the proposal. Submit 2 unprotected format CD's or USB (Thumb) Drives (Technical and Cost proposal combined) in Microsoft WORD, using OFFICE 2007-2010, with all included text and data compatible with current version Microsoft Office Products. The original and copy of the Technical and Cost Proposal **must be segregated** and provided in separately sealed packages inside a single package, labeled as "original", and "copy." Comingling of cost and technical data is unacceptable (except for CD or Thumb drives). Use the format described in this RFP. Failure to provide the requested information may result in disqualification of the proposal.

#### A. STATE OF COLORADO REQUEST FOR PROPOSAL SIGNATURE PAGE

Include the State of Colorado Request for Proposal Signature Page. An officer of the offeror who is legally authorized to bind the offeror to the proposal must sign this page in ink.

#### B. TRANSMITTAL LETTER

Submit a Transmittal Letter on your official business letterhead that:

1. Positively states your willingness to comply with all work requirements and other terms and conditions as specified in this RFP.
2. Identifies all material and attachments that comprise your proposal.
3. Is signed by an individual authorized to commit your organization to the proposed work.
4. States whether the Offeror is a partnership, a non-profit corporation, a Colorado corporation, a non-Colorado corporation, or some other business structure. Non-Colorado corporations must register as a foreign corporation to conduct business in Colorado and appoint a resident agent to review process. If the Offeror is a foreign corporation, a limited liability partnership or a limited liability limited partnership, state that the Offeror currently has a Certificate of Good Standing or Certificate of Existence to do business in Colorado. Proof of such certification shall be provided upon request.
5. States whether the Offeror or any of the Offeror's employees, agents, independent

- Contractors, or proposed subcontractors have ever been an excluded provider, convicted of any criminal charges or actions involving moral turpitude. If yes, attach an explanation.
6. States that the Offeror's Proposal shall remain valid for a minimum of one hundred eighty (180) days from the date of the award or upon contract completion.
  7. Discloses all current pending contracts with the State of Colorado and all bids or proposals submitted to the State of Colorado but not yet awarded.
  8. Identifies all potential conflicts of interest related to this RFP. If any actual or potential conflicts of interest are identified, provide your plan to mitigate the actual or potential conflict of interest.

### **C. TECHNICAL/ BUSINESS PROPOSAL**

Restate each requirement set forth in Section 4, Requirements/Statement of Work, followed by a response describing the approach and how the requirement will be met. Identify the Section number of each requirement. Indicate in detail the scope of services included in your proposal and identify any items requested by the State that are not included in your proposal.

Include a risk assessment and how your firm proposes to minimize those risks including vendor self-assessment and quality control for a successful engagement meeting the goals and expected outcomes described in this RFP and RFP proposal response.

The Business Proposal should present a full and complete description of the approach you will use to carry out the requirements set forth. Your business proposal must use the outline described below. Failure to follow the outline below may result in disqualification of your proposal.

1. Executive Summary: Condense and highlight the contents of the Business Proposal. The summary should convey a clear and concise overview of the proposal.
2. Company Overview, Relevant Business Experience, and references: Provide an overview of your company, its capabilities and why it should be selected for this project. Include at least three references (name, address, phone number and relevance/experience to the work described in this RFP.)
  - Provide a list of corporate officers
  - Listing of people who will work on this project, their qualifications and their experience with EBT projects, SVC or EPC projects, Co-Branding, and WIC projects, and the percentage of time and the number of hours each assigned person will be dedicated to the WSEA development of the contractor RFP.
3. Work Plan: Use this section to describe the planned approach to be used to meet the requirements described in the RFP. Restate each of the requirements and describe how your firm proposes to provide the service, how your firm will meet each of the

requirements and the timeframes for each requirement.

4. Legal Entity Type: State in the proposal whether you are a partnership, a non-profit corporation, a Colorado corporation, a non-Colorado corporation, or some other business structure. Non-Colorado corporations must register as a foreign corporation to conduct business in Colorado and appoint a resident agent to review process. If you are a foreign corporation, a limited liability partnership or a limited liability limited partnership, state that you currently have a Certificate of Good Standing or Certificate of Existence to do business in Colorado. Proof of such certification shall be provided upon request.
5. The awarded vendor shall not have any interest in firms either as a prime or subcontractor that provides EBT services. The awarded vendor will be required to sign an Organizational Non Conflict of Interest Statement prior to beginning work on this contract.
6. The awarded vendor shall provide a signed statement agreeing that they have not been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from performing the terms of the Agreement by a government entity, either federal, State, or local.

#### **D. DEMONSTRATED EXPERIENCE AND CAPABILITIES**

1. Describe how your company will manage this project.
2. Indicate key personnel who will be assigned to the project and describe their experience. Explain how you will ensure that equally qualified persons are assigned to the project if these individuals leave the project. The state expects that the awarded Offeror will continue to make the key project personnel available through the life of the contract as long as they remain in the offeror's employ. The state reserves the right to approve any replacement personnel.
3. The Offeror's proposal shall include evidence that it has the knowledge, skills, abilities and experience in the areas identified by the requirements in Section 4, Requirements/Statement of Work.
  - a. Describe your firm's experience with similar projects. Submit at least three (3) client references from projects within the past five (5) years.

#### **E. COST PROPOSAL**

- This RFP will result in a fixed-price or NOT TOO EXCEED contract. Costs are tied to services that meet or exceed the requirements and expected outcomes. This may include the expertise, and relevant experience of the offeror that will enhance the success of the project and provide minimal risk or need for State resources.

- Provide in a separately sealed package identified as “Cost Proposal,” all pricing and costs tied to the requirements and work being proposed. If appropriate, provide the number of hours, hourly rate by level of staffing, and deliverables.
- The proposal must state the total fixed-price fee for performance of and completion of services that will become part of a contract between the State and awarded vendor, including costs for listed optional services that the WSEA may choose to exercise.

The following table provides an example format for vendor/s to enter their price for the work requirement described in Section IV of this RFP. This pricing format must be submitted in a separately sealed envelope in the same sealed package with the proposal. No mention of costs should be reflected or co-mingled in the technical or business proposal.

ITEM	REQUIREMENTS	PRICE
A.	Current WSEA EBT operating environment.	
B.	Report and Analysis of EBT pricing	
C.	Development of the Request for Proposal for EBT re-procurement.	
D.	Development of RFP evaluation process	
E.	Provide specific costs associated with each task defined in Section IV, including optional costs.	
	<b>TOTAL COST</b>	

**F. DELIVERY SCHEDULE**

The proposal must include a schedule of the work to be performed and delivery date of the required reports.

**G. ADDITIONAL INFORMATION**

Since the preceding sections are to contain information that is specifically requested, the firm may include any additional information considered essential to the proposal in this section. The firm should not include general information publications, endorsements or market-oriented information not otherwise pertinent to this RFP.

**H. STATE RESPONSIBILITIES**

The Department will appoint an individual to be a liaison to the successful Offeror. This individual will attend entrance/exit conferences and assist the firm in understanding Department requirements and reporting guidelines.

## **SECTION VI**

### **EVALUATION AND AWARD**

#### **A. EVALUATION OF PROPOSALS**

The award decision ultimately is a business judgment that will reflect an integrated assessment of the relative merits of the proposals using the factors set forth in the RFP. The Department intends to award the contract to the Offeror whose proposal, conforming to the RFP, will be most advantageous to the WSEA and the individual participating states.

The Department will conduct a comprehensive, fair, and impartial evaluation of the proposals received in this solicitation effort. A Proposal Evaluation will evaluate Proposals that meet the minimum general requirements. Evaluation criteria for the proposals will be used for the purpose of ranking the proposals in a relative position based on how fully each proposal meets the requirements of this RFP. Such ranking will not necessarily be conclusive in selection of a prospective Contractor, but will be evaluated with other information that may come to the attention of the State, and may, in their judgment, impact the prospective Contractor's ability to perform the services.

Offerors should not assume that they would have an opportunity for oral presentations or revisions of proposals. Therefore, Offerors should submit their most favorable proposal as their initial proposal. If an award is not made based on the initial proposals, Offerors considered most competitive may be provided an opportunity to make an oral presentation. The competitive range determination will be based exclusively on the written proposals. Offerors are therefore cautioned to ensure that their proposals adequately convey a sound approach and a comprehensive understanding of the scope of work requirements. If proposal revisions are permitted after the conclusion of oral presentations and discussions, the Department will establish a date, in writing, for submission of best and final offers. The purpose of this step would be to submit revisions only, not to submit comprehensive proposal rewrites.

#### **B. SUBMISSION CHECKLIST**

Proposals that have met the minimum submission requirements outlined in this RFP will be passed on to the evaluation review committee for further review and consideration.

At a minimum, proposals are:

1. Submitted by the due date and time.
2. Submitted by a Registered BIDS Vendor
3. Contain a Completed and Signed Signature Page
4. Contain a Completed and Signed Transmittal Letter

5. Organized, tabbed and formatted per instructions contained within the RFP and all other documents considered to be part of the RFP.
6. Packaging instructions and designated number of copies.

Proposals that do not meet the criteria of the Submission Checklist, and initial review may be disqualified.

### **C. GENERAL CRITERIA**

Offerors will be evaluated based upon the adequacy and completeness of their description of how they will meet the requirements of this RFP.

Proposals will be rated/scored in the following categories detailed in this RFP:

*Offerors will be evaluated based on the adequacy and completeness of its description of how it will meet the requirements of this RFP.*

#### **Category 1 – Technical/Business Proposal: Weight of 50%**

- Comprehensiveness and appropriateness of the work plan.
- Realistic time estimates to complete each segment of the work based on staff to be assigned.

#### **Category 2 – Demonstrated Experience and Capabilities: Weight of 25%**

- Breadth and depth of relevant experience.
- Qualifications and experience of staff, including specialists and consultants to be assigned to the project, minimizing the risks and the greatest potential for meeting or exceeding goals and outcomes.
- Organization, size, and stability of the firm.

#### **Category 3 – Cost Proposal: Weight of 25%**

- How costs are tied to services that meet or exceed the requirements and expected outcomes.
- Proposed price/costs tied to the requirements.
- Experience of the offeror will enhance the success of the project and provide minimal risk or need for State resources.
- Affordable and within budget.

### **D. BASIS FOR AWARD**

The business and technical factors will be assessed based on the soundness of the Offeror's overall approach and the Respondent's understanding of the requirements. The



experience and/or demonstrated capabilities factor will be assessed by considering the extent to which the qualifications, experience and past performance are likely to foster successful, on-time performance. Strategies for meeting expedited implementation timeframes will be assessed based on their reasonable likelihood of success. Assessments may include a judgment concerning the potential risk of unsuccessful or untimely performance, and the anticipated amount of State involvement necessary (beyond that reasonably necessary) to ensure timely, successful performance.

The Offeror recommended for an award must provide (upon request) documentation of financial responsibility, financial stability, and sufficient financial resources to provide the services sought in this RFP. This response must include financial information by which the State may reasonably formulate an opinion about the relative stability and financial strength of the Offeror and a credit rating by a rating service. These statements shall include at least a balance sheet and income statement (including footnotes). These statements must be certified by a certified public accountant (CPA).

The State may disqualify from consideration any Offeror who is involved in bankruptcy proceedings or whose financial condition is deemed to pose a risk to the State for successful performance of the contract.

**E. PERFORMANCE OF AWARD**

Proposed changes or exceptions to any requirement, or State's Contract Terms and Conditions (Exhibit A), may disqualify Offeror's proposal response from consideration. A completed contract is expected within 30 days following the letter of intent to award. In the event a contract is not signed (through no fault of the State) by the awarded Offeror within 30 days, and barring any protest that may delay the completion of a contract, the State may elect to cease negotiations, withdraw the award, and award to the next most advantageous Offeror.

**F. PUBLIC CONTRACTS FOR SERVICES. CRS 8-17.5-101 (EXCLUDED; SECURITIES, INVESTMENT ADVISORY SERVICES OR FUND MANAGEMENT, SPONSORED PROJECTS, INTERGOVERNMENTAL AGREEMENTS, OR INFORMATION TECHNOLOGY SERVICES OR PRODUCTS AND SERVICES).**

Effective May 13, 2008, contractors who enter into or renew a public contract for services with Colorado state agencies or political subdivisions must participate in either the Federal *E-Verify program*, or the Colorado Department of Labor and Employment Program. For more information see:

*E-Verify Program*: <http://www.dhs.gov/e-verify> or,  
**Colorado Department of Labor and Employment Program** and notice forms:  
Division of Labor: [http://www.colorado.gov/cs/Satellite/CDLE-](http://www.colorado.gov/cs/Satellite/CDLE-LaborLaws/CDLE/1248095356380)  
LaborLaws/CDLE/1248095356380

## APPENDIX A

### STATE OVERVIEWS

This Appendix will provide current information on each of the WSEA states:

#### **COLORADO:**

**Current Contractor:** J.P. Morgan Electronic Financial Services, Inc. (J.P. Morgan EFS)

**Contract End Date:** June 2019

In addition to the initial five-year contract period, Colorado has the option of two, one-year extensions. This option has been exercised.

**Subcontractors:** eFunds  
FISERV  
Oberthur  
Concord

#### **Number and Types of Cases:**

##### **March 2013**

SNAP:	201,245
Cash:	12,767
Combined:	33,308
Client EFT:	4,656
Provider EFT:	17,818

#### **Retailer Information:**

##### **March 2013**

No. of Certified SNAP Retailers:	2,579
No. of EBT - Only Retailers:	894
No. of POS Deployed:	1,156
No. of Retailer Phone Lines Paid for by State:	0

#### **Customer Service Information:**

##### **March 2013**

Client ARU Calls:	677,310
Client CRS Calls:	6,559
Retailer Manual Authorizations:	1,524

## **Agency Background, State History and Responsibility:**

The Colorado Department of Human Services is an agency of the Executive Branch of Colorado State Government charged with providing various types of human services to Coloradans.

The CDHS Mission: “Collaborating with our partners, our mission is to design and deliver high quality human and health services that improve the safety, independence, and well-being of the people in Colorado.”

The CDHS Vision: “The people of Colorado are safe, healthy, and prepared to achieve their greatest aspirations.”

The Colorado Department of Human Services will:

- Make decisions with, and act in the best interests of, the people we serve because Colorado’s success depends on their well-being.
- Share information, seek input, and explain our actions because we value accountability and transparency.
- Manage our resources efficiently because we value responsible stewardship.
- Promote a positive work environment to support and develop employees, because their performance is essential to Colorado’s success.
- Meaningfully engage our partners and the people we serve because we must work together to achieve the best outcomes.
- Commit to continuous learning because Coloradans deserve effective solutions today and forward-looking innovation for tomorrow.

The CDHS mission is accomplished through services that are provided directly by state-operated facilities and programs or administered by the state and operated by county departments of social services, or that are delivered through contracts with public and private human service providers located throughout the state.

The Department is a complex organization with a variety of statutory responsibilities. In addition to managing state-funded programs, CDHS also administers and provides oversight for a variety of federally funded programs, ensuring compliance with federal mandates and maximization of federal resources. Within the organization, the Office of Economic Security is responsible for various programs and services to clients, including the Food and Energy Assistance programs.

CO/EBTS distributes Supplemental Nutritional Assistance Program (SNAP), public assistance benefits and cash payments for services electronically, utilizing the Colorado Quest Card and/or Automated Clearing House (ACH) direct deposit options for eligible clients and service providers. Payments delivered through CO/EBTS include SNAP, Temporary Assistance to Needy Families (TANF), Old Age Pension (OAP), Aid to the Needy Disabled (AND), Aid to the Blind (AB), Health Care Allowance (HCA), Low Income Energy Assistance Program (LIEAP),

Child Care, and Child Welfare and Subsidized Adoption. State and federal benefits are transmitted from CDHS's automated program systems through COEBTS to the state's EBT contractor for subsequent deposit to client/provider accounts. The state's current EBT contractor is J.P. Morgan EFS.

J.P. Morgan EFS is responsible for the operation of the host processor for the Colorado EBTS, customer service, on-going operations, card production and distribution to county offices and/or mail distribution of cards to clients and/or providers, production and distribution of client training materials, maintenance of county equipment (Monitors, VCRs, DVDs, CAPS devices, and Card Readers), annual test for the continuation of business, back-up host system for emergencies and/or disasters, provide annual SSAE 16 Audit report, participation in and preparation of the Colorado EBTS status reports for bi-weekly meetings with the state EBT staff, and coordination with Colorado EBTS to provide problem resolution and/or implement system change orders as a result of changes in federal regulations and/or state programs or systems. J.P. Morgan EFS oversees and sub-contracts with Concord for the operation of the national gateway for routing EBT transactions to and from retailers to the JPM EFS host.

Colorado EBTS has primary responsibility for the contract monitoring; coordination of the design, development and implementation of the technology required to deliver payments to clients and providers and maintaining on-going operations for payment delivery; draw down of funds; settlement and reconciliation; participation in and response to financial and/or performance audits and security password administration. Colorado EBTS coordinates with CDHS system and program staff to resolve problems, provides staff training, and implement technical or regulatory changes as needed. Colorado EBTS plays a major role in the program communication and coordination with county staff, system staff, program staff, problem resolution, training manual updates, federal reporting, and program marketing for project expansion.

### **Current Operating Environment:**

As described above, CDHS is state supervised and county administered. County offices are responsible for client eligibility determination and payments for service providers within each of the state's 64 county offices. County staff data enter program information into the applicable system for which payment information is transmitted to the state's data center where processes occur to transmit the payment information to J.P. Morgan EFS. Further explanation of the payment legacy systems is described below in the High-level Technical Environment section.

County staff issues over-the-counter EBT cards to clients/providers, either new or replacement cards, utilizing Card Activation PIN Selection (CAPS) and Card Reader devices. In addition, clients/providers may request issuance of a card and PIN by mail by calling the J.P. Morgan EFS Customer Service Center. Counties provide client training during eligibility and/or card issuance and participate when needed with problem resolution. Counties provide ACH direct deposit enrollment forms for clients and providers as needed. ACH enrollment forms are submitted to the State EBT office for entry into the J.P. Morgan EFS system. County staff are given access to the J.P. Morgan EFS Web Administration system after the required security application is

submitted to the CDHS security administrator for approval. Access to the J.P. Morgan EFS system is limited by menu options depending on the types of duties assigned to the worker to maintain separation of duties and security controls, (i.e., card issuance, eligibility, business office etc.).

### **High Level Technical Environment:**

Please refer to Appendix A, which reflects a data flow diagram of CO/EBTS transactions. Data, both demographic and benefit, originates in local county offices through one or more different application systems as follows: Colorado Benefits Management System (CBMS) produces Food Stamp TANF, OAP, AND, and AB. The Low-income Energy Assistance Program (LEAP) system produces benefit and demographic files for the LEAP program. The “Trails” Child Welfare Eligibility and Services produces benefit and demographic files for clients and service providers that receive child welfare payments. The CHATS system is used for child care services and service providers.

The system applications produce benefit and demographic data files on a regularly scheduled basis for transmission to the County Financial Management System (CFMS). This application manages all financial transactions for CDHS; maintains CDHS’s financial statements; provides standard and ad hoc reports to county and CDHS staff; transmits financial information to the Colorado Financial Reporting System (COFRS), which maintains financial, budgeting, accounting and reporting functionality for the state; and formats demographic and benefit data for transmission to CO/EBTS. The demographic and benefit files are processed through CO/EBT and transmitted via Direct: Connect to J.P. Morgan EFS for payment distribution.

J.P. Morgan EFS processes the batch file transmissions, distributing the payments to clients and providers, either the Colorado Quest Card accounts or by ACH direct deposit to individual bank accounts. J.P. Morgan EFS returns a daily activity file that supports all of the CO/EBT activity. The daily activity file supports draw down of funds for each of the program areas and are utilized by the CFMS to manage all settlement and reconciliation activity performed by the CDHS Division of Accounting.

**ALASKA:**

**Current Contractor:** J.P.Morgan EFS

**Contract End Date:** March 2018

In addition to the initial five-year contract period, Alaska has the option of two, one-year extensions. This option has not yet been exercised.

**Subcontractors:** None

**Number and Types of Cases:**

**March 2013**

SNAP:	36,809
Cash:	485
Combined:	2,691
Direct Deposit Cash:	22,901

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers:	529
No. of EBT-Only Retailers:	221
No. of POS Deployed:	226
No. Retailer Phone Lines Paid for by State:	0

**Customer Service Information:**

**March 2013**

Client ARU Calls:	151,034
Client CSR Calls:	1,160
Retailer Manual Authorizations:	12

Alaska has a block on toll free calls to the Quest Card customer service number from a payphone.

**Agency Background, State History and Responsibility:**

The Alaska Department of Health and Social Services (DHSS) is an agency of the Executive Branch of the Alaska State government charged with providing various types of health and social services to Alaskans.

The mission of the Department of Health and Social Services is to promote and protect the wellbeing of every Alaskan by investing in families and communities.

The DHSS mission is accomplished through services that are provided directly by State operated

facilities and programs, or through collaboration with local governments, non-profit agencies, tribal governments, and private for-profit businesses, located throughout the State.

Within the DHSS, the Division of Public Assistance (DPA) is responsible for: the Food Stamp Program; Women, Infants and Children (WIC); Temporary Assistance to Needy Families (TANF) cash assistance; Adult Public Assistance (APA) a SSI-supplement program for needy aged, blind and disabled persons; Senior Benefits Program a cash assistance program for low-income senior citizens; General Relief Assistance (GRA); the Low-Income Home Energy Assistance Program (LIHEAP); Medicaid benefits and the Child Care Assistance program.

As part of the DHSS EBT contract, the Department of Revenue, Child Support Services Division (CSSD) delivers Child Support payment and the Department of Labor, Unemployment Insurance Benefits (UIB) Division delivers unemployment benefits via a branded debit card. For the month of March 2013, CSSD had 5,087 accounts totaling \$866,148 deposited to DPC accounts and UIB had 11,839 accounts totaling \$7,916,220 deposited to DPC accounts.

The Alaska DHSS, contracts with J.P. Morgan EFS to provide EBT, direct deposit and debit card services in Alaska. Food Stamp and TANF benefits are currently delivered via the QUEST Card. APA and Senior Benefits, as well as some TANF benefits, are delivered via direct deposit; and some Child Support Payments and Unemployment Insurance benefits are delivered via a VISA branded debit card. Alaska is planning to move the APA, Senior Benefits to a VISA branded debit card within the next year, in addition to moving TANF benefits off of the Quest card onto a prepaid branded debit card.

J.P. Morgan EFS is responsible for client account set-up and database management; transaction authorization and processing; production of client training materials; maintenance of state EBT equipment; preparation of monthly status reports and participation in monthly meetings; provision of annual SSAE-16 audit report; coordination to provide problem resolution and/or implementation of system change orders as a result of changes in federal regulations and/or state programs or systems; merchant services including provision of EBT-only POS equipment; merchant and client ARU; merchant and client help desk services; and transaction settlement.

Division of Public Assistance benefits are transmitted to J.P. Morgan EFS from the DPA Eligibility Information System (EIS) via two possible routes. The first is a direct host-to-host interface between EIS and J.P.Morgan EFS . DPA staff has incorporated the appropriate administrative function screens from J.P. Morgan EFS within EIS, to allow an on-line exchange and update of client data. The second method is via batch file. The current process provides for daily and monthly batch updates from EIS.

It is anticipated that VISA branded debit card services will be offered to DPA cash benefit recipients beginning sometime in 2014.

Alaska became a member of WSEA in February 1996.

## **Current Operating Environment:**

CSSD child support direct deposit payments from the Department of Revenue are sent out each workday via ACH file to the state's financial institution for direct deposits. The ACH file is then forwarded onto J.P. Morgan EFS. DPC payments and demographic information is established and maintained by CSSD through the Agent Service Center via Internet. J.P. Morgan EFS assigns the account number and then the cardholder establishes their user ID and password upon receipt of the card.

Division of Public Assistance services is delivered through 18 local offices around the state. The local office staffs are responsible for client eligibility determination, authorization of benefits, entry of client EBT data on the host-to-host interface between EIS and J.P. Morgan EFS, and providing some basic client EBT training.

The DPA System Operations Unit, located in Anchorage, produces and mails all EBT cards. No cards are issued or replaced at local offices. However, Alaska may decide to move to over the counter (OTC) issuance at some point during the term of the EBT contract. The cards and accompanying client training materials are distributed by mail. PINs are generated and mailed by J.P. Morgan EFS. In addition, Alaska chose to allow clients to select, activate and change their PIN by phone using the J.P. Morgan EFS client help desk/IVR.

Local office staff provides direct deposit enrollment forms to clients. The completed forms are forwarded to the EBT office in Juneau, which manages direct deposit enrollment and account maintenance via J.P. Morgan EFS Web Admin Browser.

Unstable electrical and telecommunications service and delays associated with satellite links, offer special challenges in some remote rural areas of Alaska. Although EBT typically runs smoothly, special care must be taken to configure point-of-sale terminals with special settings, priority phone numbers, and signal wait times, for EBT to be viable. Inoperable equipment makes Food Stamp transactions difficult, and may make cash unavailable for all recipients in the village.

## **High Level Technical Environment:**

Currently, all DPA client benefit authorizations are generated by Alaska's EIS, and sent to the J.P. Morgan EFS host by either on-line, real time transactions, or through batch file. The EIS generates both daily and monthly batch authorization files.

Benefits for TANF may be issued via the Alaska QUEST card, or may be deposited directly into a benefit recipient's personal bank account via ACH direct deposit. All Food Stamp benefits are issued via the Alaska QUEST card. Currently all APA cash benefits are issued via ACH direct deposit. However the state is exploring the possibility of also issuing APA cash via the QUEST, Co-branded Debit and/or Direct Payment card.

The State of Alaska Data Center, located in Juneau, Alaska, is connected to the J.P. Morgan EFS



data center in Elk Grove, Illinois with a backup site located in Wilmington, Delaware via a leased T-1 data line. The two host systems utilize TCP-IP and Connect Direct software to facilitate file transmission. All file transmissions from the Alaska Data Center are validated by a daily return report from J.P. Morgan EFS.

J.P. Morgan EFS provides daily and monthly reports on a wide variety of cardholder transactions, settlement, and reconciliation activity. These reports are made available to DPA through a daily report file, which is loaded onto a reports viewing software package called Document Direct.

In addition to the production database maintained and operated by J.P. Morgan EFS, they also provides the DPA with a test database located in Columbus, OH and is connected via the same T-1 data line. The test database is used by DPA to train staff, and to test modifications and enhancements to the J.P. Morgan EFS/EIS system.

CSSD and the UIB Division utilize the same T-1 data line as DHSS to access the Agent Service Center and to add demographic information for its payee's support payments via Internet connectivity.

### **Alaska Women, Infants, and Children (WIC) Program**

#### **Number and Types of Cases/Customer Service Information:**

For Federal Fiscal Year 2012 (October 2011 through September 2012), Alaska processed between 60,443 to 79,820 WIC food instruments each month. For the same period, the food instrument redemptions ranged from \$1,358,808 to \$1,630,032 per month.

WIC clients include women (pregnant, breast-feeding and post-partum), infants to twelve months of age and children one to five years of age. One could generally describe the flow of WIC client services as follows:

A client application is completed and eligibility is determined based on whether the client meets income guidelines and categorical and age requirements. Client anthropometric measures – height, weight and hemoglobin measurements – are taken. A determination of nutritional or medical risk is made. Once certified as eligible for the program, a client receives nutrition education and is prescribed a supplemental food package to address nutritional needs. The client then receives up to three months of food instruments, which s/he can redeem, for specific food items at approximately 184 WIC-authorized vendors statewide.

Food packages consist of one or more food instrument “types”. As of this writing, the Alaska WIC Program issues three hundred and eighty six food instrument types. Each food instrument type is a unique list of specific food items that can be purchased, and the quantity and package size of the food. For instance, food instrument type #1426 includes the following foods:

- 36 oz. of cereal
- 1 pound of cheese
- 1 dozen eggs (fresh, white, small, medium or large)
- 1 juice (16 oz. frozen, or 64 oz. plastic bottle)
- 1 gallon fresh milk, whole
- 1 pound dry or 64 oz. can Bean/Pea/Lentils or 18 oz. of peanut butter

Of the three hundred and eighty six food instrument types that the Alaska WIC Program issues, five of these types accounted for over 75% of all food costs from July through October 2012. Fifteen food instrument types account for another 19% of food costs.

<b>Local Agency</b>	<b>Clinic Locations</b>	<b>Average Monthly Caseload</b>
Municipality of Anchorage	Anchorage Eagle River	5,055
Resource Center for Parents and Children	Fairbanks	3,211
Southeast Alaska Health Consortium	Juneau Sitka Ketchikan	1,503
Yukon-Kuskokwim Health Corporation	Bethel	2,320
Norton Sound Regional Health Corporation	Nome	755
Alaska Family Resource Center	Palmer Wasilla Kenai Homer Seward	3,773
North Slope Borough	Barrow	394
Tanana Chiefs Conference	Fairbanks	975
Bristol Bay Area Health Consortium	Dillingham	541
Kodiak Area Native Association	Kodiak	541
Metlakatla Indian Community	Metlakatla	108
Native Village of Eyak	Cordova Valdez	227
Aleutian / Pribilof Islands Association	Anchorage	130
Maniilaq Association	Kotzebue	860
Cook Inlet Tribal Council Inc.	Anchorage	886
Armed Services YMCA	Anchorage	1,784
<b>Alaska Statewide Total</b>		<b>23,063</b>

**Retailer Information:**

Number of Authorized WIC Retailers: 184 Statewide (approximately)

**Transfer of MIS/ Future Operating Environment:**

Currently, Alaska issues food instruments through its WIC management information system (MIS), AKWIC. The existing applications are accessible to grantees through a direct connection to the State of Alaska Wide Area Network (WAN). The system resides on approximately 30 servers deployed in grantee locations throughout the state as well as in DHSS server rooms providing a distributed database.

The networking environment for the AKWIC application and databases is a client/server relationship.

The State of Alaska has contracted with Walker Computing to transfer the WIC Program from the legacy AKWIC application to the SPIRIT (Successful Partners in Reaching Innovative Technologies) MIS, State Agency Model (SAM), a web-enabled system housed in a central location and accessible to grantees via internet service secured through local internet service providers.

The state is presently in the process of data conversion, customization, and central system set up. The new MIS will be testing through UAT in August, Pilot in September, and it is scheduled for Roll Out in November of 2013.

The SPIRIT system requires Windows Server 2008 as the web server and MS SQL Server 2008 Enterprise Edition as the central database server.

The Alaska WIC EBT Feasibility study was recently submitted to FNS for review/approval. Once approved, Alaska will be submitting the IAPD to move WIC to an on-line EBT solution.

**ARIZONA:**

**Current Contractor:** J.P. Morgan EFS

In addition to the initial five-year contract period, Arizona has the option of one, one-year extension. This option has not yet been exercised.

**Subcontractors:** Oberthur  
FISERV

**Number and Types of Cases:**

**March 2013**

SNAP:	453,229
Cash:	1,959
Combined:	15,686
Client EFT:	9,416

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers:	5,768
No. of EBT - Only Retailers:	1,276
No. of POS Deployed:	1,276
No. of Retailer Phone Lines Paid for by State:	2

**Customer Service Information:**

**March 2013**

Client ARU Calls:	1,095,121
Client CSR Calls:	13,357
Retailer Manual Authorizations:	561

**Agency Background, State History and Responsibility:**

The Arizona Department of Economic Security (AZDES) is an agency of the Executive Branch of the Arizona State Government charged with the management and administration of various types of human and social services to Arizona residents.

The AZDES is a quality human service agency dedicated to working with people we serve to achieve their self-sufficiency.

The AZDES mission is accomplished through services that are provided directly by State operated facilities and programs, or through contracts with local governments, non-profit agencies, tribal governments, and private for-profit businesses, located throughout the State. The AZDES manages and operates a wide variety of programs funded from State and Federal

sources. These include income support programs, food and nutrition support programs, eligibility services for federal medical assistance, training programs, child and adult care programs, refugee resettlement programs, child support enforcement programs, unemployment insurance programs, job placement programs, rehabilitation programs, adoption programs, child and adult protective services, services to the developmentally disabled, adult and aging programs, etc., to name a representative few.

Within the AZDES, the Division of Benefits and Medical Eligibility (DBME) is responsible for the Supplemental Nutrition Assistance Program (SNAP) , and cash assistance programs. The DBME Family Assistance Administration (FAA) currently provides direct services via 65 local offices, one change center and one processing center both located in Phoenix.

The AZDES currently distributes SNAP (NA) benefits, Temporary Assistance to Needy Families (TANF) cash assistance,, Refugee Assistance (RA) and JOBS Training Related Expenses (TRE) via the Arizona Quest EBT card.

Benefits are transmitted to J.P. Morgan EFS from the AZDES AZTECS/HEA plus system via two possible routes. The first is a direct host-to-host interface between AZTECS/HEA plus and J.P. Morgan EFS. AZDES staff has incorporated the appropriate administrative function screens from J.P. Morgan EFS, within AZTECS/HEA plus, to allow an on-line exchange and update of client data. The second method is via batch file. The current process provides for a daily batch update from AZTECS, and a monthly batch update.

The AZDES provides in-office training of EBT to benefit recipients, and some over-the-counter issuance of EBT cards. PINs are usually selected through the ARU. Most cards, and training materials, and some PINs are mailed to recipients. All training is accomplished by AZDES staff. J.P. Morgan EFS is responsible for the development and printing of client training materials.

J.P. Morgan EFS is responsible for the provision of accurate and timely transaction processing, the provision of an annual SSAE16 audit report, preparation of AZDES reports on a variety of system data and transactions, and the resolution of any technical problems that impact the stability or functionality of the system. J.P. Morgan EFS provides AZDES with 400 hours per year of technical analysis and/or program modification time.

The AZDES became a member of the Western States EBT Alliance (WESA) in February 1996. An AZDES-JPM contract was signed in October 1997, with a termination in September 2004. The pilot was conducted in July 1998, with full statewide rollout and conversion being complete by August 1999. Subsequent to the pilot, the AZDES added the cash benefit programs of the State funded General Assistance program, the federal Refugee Assistance program, and the State funded Supplemental Payments program. NOTE: The state no longer operates the General Assistance and Supplemental Payments programs. The JOBS TRE program was added in March 2001.

### **Current Operating Environment:**

As described above, the Arizona implementation of EBT is accomplished via the direct provision of client eligibility determination, benefit authorization, and card issuance at 65 AZDES local offices, one change center and one processing center both located in Phoenix. AZDES staff is responsible for determining benefit authorizations and assisting clients with questions regarding benefit eligibility and general training on the use of the Arizona QUEST card. Local office staffs also provide assistance to benefit recipients in interpreting transaction histories, and card re-issuance. The AZDES AZTECS/HEA plus system are the only systems that used to send benefit authorization data to J.P. Morgan EFS.

Security access into AZTECS/HEA plus and into the on-line screens interfaced to J.P. Morgan EFS is designed to allow staff access to only those areas that are required for their job functions. The job functions of benefit authorization and those of card issuance are separated by security protocols established within the AZDES AZTECS/HEA plus system and within the AZDES Host security software.

### **High Level Technical Environment:**

Currently, all client benefit authorizations are generated by the AZDES AZTECS/HEA plus system, and sent to the J.P. Morgan EFS host by either on-line, real time transactions, or through batch file. The AZDES AZTECS generates both daily and monthly batch authorization files.

Benefits for TANF, RA, and TRE may be issued via the Arizona QUEST card, or may be deposited directly into a benefit recipient's personal checking account via ACH direct deposit. NOTE: DBME discontinued the direct deposit option effective May, 2013, but we still piggyback child welfare and child care provider direct deposit records within our batch benefit files. In the future, DBME may again use the direct deposit option. All SNAP benefits are issued via the Arizona QUEST card.

The AZDES host data centers located in Phoenix, Arizona and Sacramento, California are connected to the J.P. Morgan EFS host data center in Tampa, Florida via a leased T-1 data line. The host systems utilize TCP-IP and FTP software to facilitate file transmission. All file transmissions from AZDES are validated by a daily return report from JPM.

J.P. Morgan EFS makes a request for settlement of cardholder cash transactions to the AZDES once each business day. The AZDES requests TANF funds from the US Department of Health and Human Services, Administration for Children and Families (HH/ACF) once each business day. Payment via wire transfer is made to J.P. Morgan EFS on a daily basis.

J.P. Morgan EFS is authorized to make a daily draw down directly from the USDA FNS servicing bank for daily settlement of SNAP transactions made by cardholders. The daily settlement and draw down is reconciled daily.

J.P. Morgan EFS provides daily and monthly reports of a wide variety on cardholder transactions, settlement, and reconciliation. These reports are made available to the AZDES through a daily report file, which is loaded onto the AZDES reports viewing software package and on the WEB Admin Browser. The reports are generally not printed out as part of a production process.

In addition to the production database maintained and operated by J.P. Morgan EFS, they also provide the AZDES with a test database connected via the same T-1 data line. The test database is used by AZDES staff to test AZDES modifications and enhancements to the AZTECS/HEA plus systems.

**GUAM:**

**Current Contractor:** J.P. Morgan EFS

**Contract End Date:** In addition to the initial five-year contract period, Guam has the option of two, one-year extensions. This option has been exercised.

**Number and Types of Cases:**

**March 2013**

SNAP:	14,058
Cash:	618
Combined:	1,806

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers:	575
No. of EBT - Only Retailers:	245
No. of POS Deployed:	237
No. of Retailer Phone Lines Paid for by State:	0

**Customer Service Information:**

**March 2013**

Client ARU Calls:	346,019
Client CSR Calls:	379
Retailer Manual Authorizations:	0

**Agency Background, State History and Responsibility:**

The Department of Public Health and Social Services (DPHSS) is an executive, line agency within the Government of Guam (GovGuam), and the umbrella agency which administers a full range of health, social and environmental services.

DPHSS is comprised of four main Divisions: Public Health, Senior Citizens, Environmental Health, and Public Welfare. Services are provided out of three facilities located in the northern, central, and southern areas of the Territory of Guam. Additional services are provided at various satellite clinics and offices throughout the island.

The mission of the Department of Public Health and Social Services is to assist the people of Guam in achieving and maintaining their highest levels of independence and self-sufficiency in health and social welfare.



The DPHSS mission is accomplished through services that are provided directly by State operated facilities and programs, or through collaboration with local governments, non-profit agencies, and private for-profit businesses located throughout the Territory and the United States.

Within the DPHSS, the Division of Public Welfare (DPW), Bureau of Economic Security (BES) is responsible for the following programs, Food Stamps (FS), Old Age Assistance (OAA), Aid to the Blind (AB), Temporary Assistance to Needy Families (TANF) cash assistance, Aid to the Totally and Permanently Disabled (APTD), General Assistance (GA) and determines client eligibility for Medicaid and the Medically Indigent Program (MIP).

The DPHSS contracts with J.P. Morgan EFS to provide EBT services in Guam. J.P. Morgan EFS handles:

- information exchange in support of account setup account maintenance, benefit maintenance
- validates the PIN, card number and Electronic Demand Account information to determine if a transaction is approved or denied
- supports card production
- PIN change via the EBT ARU or Client Web
- migrates aged data to offline storage media
- performs batch processing of reconciliation and settlement activity for the EFT switch network
- Automated Response Unit (ARU) system processes selected merchant and client inquiries
- accepts and processes data supplied by Guam and forwards data to Guam
- the processing of normal card and PIN-activated requests; transactions are processed through the EBT switch and settlement for retailers occurs via the ACH system
- manual authorizations in circumstances that arise when a normally online merchant does not have access to the EBT system
- generates information for system reconciliation and settlement as well as management information
- production of client training materials
- maintenance of EBT only equipment; merchant services including provision of EBT-only POS equipment
- preparation of monthly status reports
- provision of an annual SSAE16 audit report
- merchant and client ARU
- merchant and client help desk services
- transaction settlement

Guam became a member of the WSEA in 2003.

**Current Operating Environment:**

BES is comprised of five (5) sections: Certification Section – Districts I and II, Program Management Section; Issuance Section and BES Administration. The Certification Section is responsible for eligibility determination and processing of benefits for applicants requesting food stamps, cash or medical assistance. Certification activities are provided out of three public health facilities in the northern, central and southern areas of the island. All other BES activities and services are provided at the main DPHSS office located in the village of Mangilao.

All activities related to card issuance take place at the central office in Mangilao. Guam does not mail cards or PINs. Thus, Issuance Section issues and replaces all EBT cards over-the-counter. Issuance staff provides training brochures and one-to-one training at time of issuance and link cards via the J.P. Morgan EFS Admin “OTC Card Issue” option.

**High Level Technical Environment:**

Currently, all client benefit authorization are generated by Guam’s PHPRO system and sent to the J.P. Morgan EFS host through batch files during the business week. PHPRO generates both daily and monthly batch authorization files. The daily batch files are extracted, transmitted and processed that same evening. The monthly batch files, however, are extracted one night but then transmitted and processed the following evening.

Batch files, both demographic and benefit, are downloaded to the EBT server. These files are then transmitted to J.P. Morgan EFS via Connect Direct for verification. The response files are uploaded and processed by a scheduled post program. If a demographic and/or benefit reject exists, then an alert will be generated for Issuance personnel to address. The rejected record(s) will be prepped to be sent out the following business day for verification

**HAWAII:**

**Current Contractor:** J.P. Morgan EFS

**Contract End Date:** June 2017

In addition to the initial five-year contract period, Hawaii has the option of two, one-year extensions. This option has been exercised.

**Subcontractors:** Oberthur Card Services  
FISERV  
Concord

**Number and Types of Cases:**

**March 2013**

SNAP: 82,380  
Cash: 2,175  
Combined: 13,553  
Client EFT: 6,634

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers: 990  
No. of EBT - Only Retailers: 752  
No. of POS Deployed: 635  
No. of Retailer Phone Lines Paid for by State: 0

**Customer Service Information:**

**March 2013**

Client ARU Calls: 224,775  
Client CSR Calls: 2,430  
Web Users: 14,372  
Web Hits: 539

**Agency Background, State History and Responsibility:**

The Hawaii Department of Human Services (HIDHS) is an agency of the Executive Branch of the State of Hawaii. The mission of the HIDHS is to direct our resources toward protecting and helping those least able to care for themselves, and to provide services designed towards achieving self-sufficiency for clients as quickly as possible. HIDHS is committed to maintain a high level of quality, efficiency and effectiveness in our services.

Our belief is that people need governmental assistance due to lack of sufficient financial resources to meet their basic needs for shelter, food, medical care, and other essentials of day-to-day living. A financial crisis may be brought on by a variety of circumstances such as a parent leaving the home, an illness, an unplanned pregnancy, or the loss of a job.

To assist in meeting basic needs, the HIDHS' Benefit, Employment and Support Services Division (BESSD) administers the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, and direct cash assistance programs. The cash assistance programs include the Temporary Assistance to Needy Families (TANF), Temporary Assistance to Other Needed Families (TAONF), General Assistance (GA), Aid to the Aged, Blind, and Disabled (AABD), and the Repatriate programs. (Medical assistance is administered by the Department's Med-Quest Division which oversees the Hawaii QUEST and Medicaid fee-for-services programs.)

Our goal is to assist families to obtain or better their employment in order to become self-sufficient. Yet many face a number of barriers to obtaining or bettering their employment, e.g., lack of job skills and work experience; uncertainty of childcare resources; drug or alcohol addiction; and low self-esteem. Help in removing such barriers will increase the family's chances of attaining and maintaining self-sufficiency. In addition to the SNAP and cash assistance programs, BESSD also oversees the Employment and Training and Child Care programs for individuals and families to eliminate barriers to assist them in becoming self-sufficient through employment. These programs provide child care, evaluation, counseling, training or education, and job placement services. Support services provided to eligible clients engaged in these services are paid through the Child Care (CC), First-to-Work (FTW), and the Employment & Training (E&T) programs.

The Hawaii EBT staff work within the Administrative Management Services office within BESSD. The Hawaii EBT staff is responsible to monitor the EBT contractor to ensure the payments issued via the EBT system, i.e., Food Stamps, TANF, TAONF, GA, AABD, RP, CC, FTW, and E&T, are correctly posted to the households' EBT accounts, and ensure proper administration of all credit and debit transactions by the EBT contractor.

### **Current Operating Environment:**

The Hawaii Department of Human Services Benefit Employment and Support Services Division (HI DHS BESSD) administers the following programs via EBT: SNAP and cash assistance benefits. Cash assistance is broken down in to direct assistance, such as Temporary Aid to Needy Families (TANF), General Assistance (GA), and Aid to the Aged, Blind, and Disabled (AABD), and support services, such as child care subsidies, work related expenses, transportation, and subsidized employment reimbursements for eligible adults either receiving direct assistance or meeting income qualifications.

SNAP and cash benefit determination is done statewide at various locations. SNAP and direct assistance eligibility determinations are handled by the state eligibility units. Support services are determined at either state First-to-Work program offices or contracted work program and child

care subsidy offices. All benefits are transacted electronically as either a daily or monthly transaction on one of two eligibility systems. Clientele work with offices servicing their specific census tract. All offices are located on each of the major islands with the exception of Kaho'olawe and Ni'ihau.

The EBT office serves as the liaison between all eligibility and program staff and the contracted EBT vendor to handle all problems including reporting, monitoring, and resolving. Additional all other contract details including contract development and execution, monthly invoicing, report collection, and other related items are handled by the EBT office in conjunction with our fiscal management offices.

### **High Level Technical Information:**

The HIDHS utilizes two eligibility systems. The first is the Hawaii Automated Welfare Information (HAWI) system. HAWI assists workers in determining eligibility, benefit level and allows authorization of federal and state funded Financial Assistance, SNAP, and Medical benefits.

The second is the Hawaii Automated Network of Assistance (HANA) system. HANA is an on-line, interactive and fully integrated case management system that allows for the selection of candidates from the client, intake, assessment and employment planning for recipient families who require support services related to securing and maintaining employment. The HANA system is also used for the registration and certification of licensed-approved child care providers. The HANA system supports the following programs: Child Care, FTW, E&T, and the Hawaii EBT system.

Both the HAWI and HANA systems not only assist the staff with eligibility determination, but also facilitate the management of the various programs being supported by the two systems. This is accomplished through the use of numerous standing and ad hoc reports generated by the two systems. By utilizing these reports, the Department is able to comply with federal/state reporting requirements. The vast amount of information available in the HAWI and HANA systems assist the program offices in their efforts to plan for and manage their respective programs. The end user, i.e., the eligibility worker and/or supervisor, is assisted with his or her caseload management efforts, by reports that are generated from these systems.

Each of the HAWI and HANA systems has over 750 primary users within their respective system. Other Departmental users include BESSD and MedQuest Division administrative staff, the Social Services Division staff, the Vocational Rehabilitation Division staff, and a variety of staff offices that include Fiscal Management, Recovery Services, Budget, Accounting, Investigations and Quality Assurance staff. Other federal and state users include Federal Quality Control staff, the Attorney General's Child Support Enforcement Agency staff, staff from the Departments of Health, Education, and the Labor and Industrial Relations, and the City and County Corporation Counsel staff. This brings the total number of individuals who are authorized access to over 1,200 users. The HAWI system consists of over 400 on-line screens that provide inquires, updates, tracking and required processing for branch operations. There are

over 200 batch jobs that are required to be processed in any given month. These batch jobs provide end user/branch support staff with required reports and on-line alerts necessary to effectively manage their welfare or Medicaid caseloads. In addition, other batch processes provide budget, fiscal and administrative staff with required data necessary to monitor program effectiveness and expenditures and to complete federal reporting requirements. These batch jobs also generate welfare benefits and food stamp benefits for EBT, print client notices and a variety of departmental forms.

**IDAHO:**

**Current Contractor:** J.P. Morgan EFS

**Contract End Date:** June 2017

In addition to the initial five-year contract period, Idaho has the option of two, one-year extensions. This option has not yet been exercised.

**Subcontractors:** None

**Number and Types of Cases:**

**March 2013**

SNAP:	88,933
Cash:	3,710
Combined:	10,741
Client EFT:	2,481

Direct Payment Card Cases (Child Support): 32,392

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers:	966
No. of EBT - Only Retailers:	429
No. of POS Deployed:	462
No. of Phone Lines Paid by State:	0

**Customer Service Information:**

**March 2013**

Client ARU Calls:	237,159
Client CSR Calls:	1,823
Retailer Manual Authorizations:	9

Idaho has a block on toll free calls to the Quest Card customer service number from a payphone.

**Agency Background, State History and Responsibility:**

The Idaho Department of Health and Welfare (IDHW) is the agency of the Executive Branch of Idaho State Government charged with providing various types of health and human services to Idahoans.

The IDHW vision is to, "Provide leadership for development and implementation of a sustainable, integrated health and human services system."

The IDHW mission is to, “Promote and protect the health and safety of Idahoans.” The value statement is “Integrity, high quality customer service and compassion are the foundation for all Department activities. A focus on these values will lead to success.”

The Department is a complex organization with a variety of statutory responsibilities. In addition to managing the state-funded programs, IDHW also administers and provides oversight for a variety of federally funded programs, ensuring compliance with federal mandates and maximization of federal resources. Many of these programs use, or will be using EBT to distribute benefits.

The Division of Welfare is responsible for various programs and services to clients. Within the Division of Welfare are the Bureau of Benefit Program Operations and the Bureau of Child Support Operations. The Bureau of Benefit Program Operations is responsible for Supplementary Nutrition Assistance Program (SNAP), Temporary Assistance to Families (TANF) in Idaho, Aid to the Aged, Blind and Disabled (State Supplement), Idaho Child Care, Medicaid Eligibility, Emergency Assistance, Energy Assistance, and Telephone Assistance program policies. The Bureau of Child Support Operations is responsible for child support program policies.

The Bureau of Clinical and Preventive Services within the Division of Public Health is responsible for the Idaho WIC program.

No. of WIC Authorized Vendors:	209
No. of WIC Participants:	44,000 (approximate)

The Division of Support Services, Electronic Benefits Transfer (EBT) Unit is responsible for benefit and payment distribution. EBT distributes Food Stamp, TANF, and State Supplement electronically utilizing the Idaho Quest Card and/or Automated Clearinghouse (ACH) direct deposit option for eligible customers. Child Support payments are distributed electronically utilizing the Idaho Family Support Visa branded debit card or through ACH direct deposit. Demographic information, cash payments and food stamps are transmitted from IDHW’s automated systems, Idaho Benefits Eligibility System (IBES) for state benefits, and Idaho Child Support Enforcement System (ICSES) for child support to the Electronic Payment System (EPS). This data is then transmitted to the State’s EBT contractor for processing and subsequent deposits into customer accounts. The State’s current EBT contractor is J.P. Morgan EFS.

IDHW implemented EBT statewide in February 1998 for Cash and Food Stamp benefits and in September of 2000 for the child support program. In December of 2008, IDHW added the Idaho Family Support card. The Idaho Family Support card is a Direct Payment Visa Branded Debit card (DPC) for Child Support payments. Separate job streams are maintained by IDHW for EBT and DPC. Enrollment is sent by File Transfer Protocol to J.P. Morgan EFS and payments are sent via Automated Clearing House via the state’s contract banker Wells Fargo. EBT implementation of WIC in Idaho is tentatively scheduled for 2018, leading to an additional job stream in the future.



J.P. Morgan EFS is responsible for the operation of the host processor for IDHW, daily account settlement, customer service support to clients, retailers and state staff, account set up and maintenance, card production, mail distribution of cards and PINS to customers, arranging for shipment and of EBT cards to a central location, production and distribution of client training materials, maintenance and mailing of state equipment for issuing cards over the counter (CAPS-Card Activation and PIN selection device soon to be replaced by online technology and card readers), conducting the annual test for continuation of business, maintaining a backup host system for emergencies and/or disaster, provision of the annual SSAE-16 audit report, participation in and preparation of monthly status reports, coordination to provide problem resolution and implementation of system change orders as a result of changes in federal regulations and/or state programs or systems, retail management and Point of Sale (POS) maintenance and distribution.

Idaho EBT has primary responsibility for contract monitoring; coordination of the design, development and implementation of the technology required to deliver payments to clients and providers; maintaining 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 field offices, retailer customer support and training, security administration for EPS and the J.P. Morgan EFS web admin system. Idaho EBT coordinates with IDHW systems and program staff to resolve problems and implementation of technical or regulatory changes as needed. IDHW EBT plays a role in the program communication and coordination with State staff, problem resolution, training manual updates, Federal reporting and supports program marketing for project expansion.

### **Current Operating Environment:**

IDHW is state-supervised and administered. The State is divided into seven geographical regions with field offices in each region. Self-Reliance (SR) staff in field offices are responsible for client eligibility determination and authorization of benefits. SR staff enters client information into IBES and ICSES. IBES and ICSES process and transmit demographic and payment information to EPS. EPS adds information to the data and sends a batch file to J.P. Morgan EFS nightly.

### **High Level Technical Environment:**

Data, both demographic and benefit, originates in local field offices through one or both of the application systems as follows: IBES produces Food Stamp, TANF and State supplement demographic and payment files; ICSES produces child support demographic and payment files. The two system applications produce payment and demographic data files on a daily basis for transmission to EPS and to the Financial Information System with Cost Allocation (FISCAL). This application manages all financial transactions for IDHW; maintains IDHW's financial statements; provides standard and ad hoc reports to IDHW staff. FISCAL maintains financial, budgeting, accounting and reporting functionality for the State.

EPS is also used to key and maintain the necessary information to generate an ACH (direct deposit) transaction. Bank account information is keyed directly into the EPS system. EPS compiles the batch file transmissions and transmits nightly to JPM. J.P. Morgan EFS will set up accounts and distributes the benefit/payment to client EBT accounts or by ACH direct deposit to individual bank accounts.

**NEBRASKA:**

**Current Contractor:** J.P. Morgan EFS

**Contract End Date:** March 2018

In addition to the initial five-year contract period, Nebraska has the option of two, one-year extensions. This option has not yet been exercised.

**Subcontractors:** Oberthur  
FISERV  
CTS Holdings, LLC

**Number and Types of Cases:**

**March 2013**

SNAP: 79,639

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers:	1,021
No. of EBT - Only Retailers:	382
No. of POS Deployed:	409
No. of Retailer Phone Lines Paid for by State:	0

**Customer Service Information:**

**March 2013**

Client ARU Calls:	180,730
Client CSR Calls:	4,438
Retailer Manual Authorizations:	37

**Agency Background, State History and Responsibility:**

Nebraska Legislative Bill 296 merged the three agencies of the Health and Human Services System into the Department of Health and Human Services (DHHS) effective July 1, 2007. DHHS is an agency of the Executive Branch of the State of Nebraska.

The Mission of DHHS is “Helping people live better lives.”

The organization of the DHHS includes a Chief Executive Officer appointed by the Governor and confirmed by the Nebraska Legislature. DHHS has six divisions and an Operations branch:

1. The Division of Behavioral Health administers state hospitals for the mentally ill and publicly funded community-based behavioral health services.

2. The Division of Children and Family Services includes protection and safety programs and services (child welfare, juvenile services), economic and family support programs and services, and the local offices and customer service call centers. SNAP and public assistance administration are located within this Division.
3. The Division of Developmental Disabilities consists of the Beatrice State Developmental Center and publicly-funded community-based developmental disabilities services.
4. The Division of Medicaid and Long-Term Care administers the Medicaid program, aging services, and other related programs and services.
5. The Division of Public Health includes preventive and community health programs and services, regulation and licensure of health-related professions and occupations, regulation and licensure of health care facilities, and health care services. WIC administration is located within this Division.
6. The Division of Veterans' Homes administers several veterans' service facilities located throughout Nebraska.

The Chief Operations Officer supervises the Operations units. Among the Operations units is the Issuance and Collection Center-Claims Processing Unit (ICC-CP). Some of this unit's responsibilities relate to SNAP EBT. Those include administration of the EBT contract, EBT card issuance, establishing certain EBT-related policies, EBT retailer relations, an EBT client assistance phone line, and other EBT-related matters.

### **Current Operating Environment:**

Nebraska became a member of the WSEA in 2007.

Nebraska SNAP is state administered. Client SNAP certification is accomplished at local offices and customer service call centers serving Nebraska's 93 counties. Nebraska implemented EBT for the delivery of SNAP benefits beginning on February 1, 2002, with the system fully implemented statewide in September 2002.

The DHHS process for certifying SNAP clients, issuing EBT cards and benefits is described in ten steps below:

1. After a household files an application for SNAP benefits on Nebraska Family Online Client User System (N-FOCUS) or on a paper application, DHHS certification staff creates a new SNAP case or re-opens a closed case.
2. Certification staff review the household information and an interview is conducted with the head of household. If the applying household has participated in Nebraska SNAP EBT previously and if the household will need a new EBT card if eventually certified, that information is transmitted by e-mail to the ICC-CP Unit. ICC-CP staff cancels the

household's previous EBT card in the Contractor's EBT system thus triggering issuance of a new EBT card to the household. (See Step 5 below)

3. If a household is determined eligible for SNAP it is assigned a randomly selected EBT ID number by N-FOCUS. Demographic and benefit data and EBT ID numbers are consolidated into a batch file by N-FOCUS. This file is sent to the Contractor each night.
4. The Contractor loads the file information to its mainframe and creates client EBT accounts in the Contractor's EBT system.
5. The Contractor also transmits a daily file to the State containing data on each account (including the EBT ID number) for which a client has cancelled their EBT card and requests a replacement card.
6. A State batch job updates N-FOCUS, creates labels and generates a label report for the ICC.
7. The following morning (Monday through Saturday) ICC-CP staff access the label report and print paper labels. The labels include the EBT ID numbers, type of card (new or replacement), person number from NFOCUS, household name, and address.
8. ICC-CP staff pull pre-embossed, pre-encoded EBT cards from the State's inventory.
9. ICC-CP staff use the Contractor's system to link the PANs of the pre-embossed, pre-encoded EBT cards to the EBT accounts established in the Contractor's system using a card reader.
10. Using the mail labels, ICC-CP staff mail EBT cards and educational materials to the respective households that same day.

NOTE: Systems changes are being made to allow the State to also issue EBT cards to SNAP applicants who have not been prior participants in Nebraska SNAP EBT while their applications are pending.

Replacement cards follow a similar process, except the client calls the Contractor's EBT Help Desk to report their card as being lost, damaged, or stolen. The Contractor sends a daily report of clients who reported their EBT cards as lost, damaged, or stolen to the State.

Once a household is determined eligible, the appropriate benefit amounts are transmitted to the EBT Contractor (see Step 3. above), and SNAP benefits are placed in the household's EBT account which is maintained by the EBT Contractor.

The Contractor provides toll-free access to a customer service line and ARU for clients to PIN their EBT and to report lost, stolen, or damaged cards. The State allows one valid EBT card per food stamp account.

Monthly SNAP benefits are staggered over the first five calendar days of each month, according to the last digit of the head of household's SSN.

The current EBT contractor, J.P. Morgan EFS provides the following services:

- Project management and system integration.
- System account management (settlement and reconciliation).
- Processing services.
- Transaction switching to comply with FNS and Quest<sup>®</sup> Operating Rules and interoperability requirements.
- Retailer management, including distribution and maintenance of Point of Sale (POS) devices, and retailer agreements.
- Card stock replacement.
- POS terminal installation and maintenance.
- Administrative terminal support.
- Retailer education.
- Management reports.
- Call centers (Help Desks).
- Interfaces with certain Federal systems.

### **High-Level Technical Environment:**

Nebraska Family Online Client User System (N-FOCUS) is an integrated client/server system that automates benefit/service delivery and case management for more than 30 Nebraska Health and Human Services System (NHHSS) programs. N-FOCUS functions include client/case intake, eligibility determination, case management, service authorization, benefit payments, claims processing and payments, provider contract management, interfacing with other private, state and federal organizations, and management and government reporting. N-FOCUS was implemented in production in mid-1996 and today is operational statewide.

The typical N-FOCUS user is a DHHS or contracted employee. N-FOCUS daily supports over 6000 workers, operating from offices around the State as well as from four customer service centers and two hub scanning facilities. Some cases are assigned to specific workers; however the majority of cases are managed via a universal caseload methodology coordinated by the customer service centers.

The application has both batch and online components and stores data in DB2, V9. The DB2 database has over 500 tables, some with a corresponding archive table. There are over 650 relationships between tables, 1050 indexes, and over 7000 attributes. There are over 1.6 billion rows of production data with over 200 million rows in one table with an average table size of 2.8 million rows.

The batch system is coded in Z/OS COBOL and executes in a Z/OS environment. There are more than 600 procedures, over 700 programs, and over 200 stored procedures. The application generates 550 reports using Crystal Reports that are published to a web portal through Business

Objects Enterprise software. Another 100 reports generated independently are published to the portal for viewing.

The online system is an integrated client/server based software system. The client software executes on Windows 7 and resides on Windows 2008 servers located throughout the State. Computer Associates Gen and AION toolsets are used to generate windows and C code, along with custom in-house architecture code written in C. The server components are Z/OS CICS transactions. The CICS programs are Gen-generated COBOL, along with in-house written COBOL and Assembler externals. The CICS programs access DB2 on the Z/OS mainframe. The Gen clients use External Call Interface (ECI), IBM's CICS Universal Client to connect to the Z/OS CICS using TCP/IP protocol. The online system consists of over 550 client procedures, 550 server procedures, 550 windows, and 1450 dialog boxes. The AION online system supports the complex eligibility data gathering and automated determination and noticing processes.

N-FOCUS web applications consist of public applications, including dashboard applications, and applications launched directly from N-FOCUS. Eclipse is the IDE used to generate the Java Server Faces and Facelets code. These Java applications run on Websphere Application Servers and Tomcat Servers on the Linux Operating System. The Java applications call stored procedures to access DB2 data and SQL to access SQL server data.

**Women, Infants, and Children (WIC):**

As of the date this document was written, the Nebraska WIC Program was researching various alternatives to meeting the mandatory WIC EBT deadline.

**WASHINGTON:**

**Current Contractor:** J. P. Morgan EFS

**Contract End Date:** April 2019

In addition to the initial five-year contract period, Washington has the option of two, one-year extensions. This option has not yet been exercised.

**Subcontractors:** Fidelity Information Services (FIS)  
Oberthur  
RRDonnelly Custompoint

**No. and Types of Cases:**

**March 2013**

SNAP: 460,596  
Cash: 15,631  
Combined: 129,017

**Retailer Information:**

**March 2013**

No. of Certified SNAP Retailers: 4,828  
No. of EBT - Only Retailers: 2,737  
No. of POS Deployed: 3,042  
No. of Retailer Phone Lines Paid for by State: 0

**Customer Service Information:**

**March 2013**

Client ARU Calls: 1,364,626  
Client CSR Calls: 16,765  
Retailer ARU Calls: 302

**Agency Background, State History and Responsibility:**

The Department of Social and Health Services (DSHS) is an agency of the Executive Branch of state government charged with providing a variety of human services to the citizens of the State of Washington.

The DSHS mission is to “Improve the safety and health of individuals, families, and communities by providing leadership and establishing and participating in partnerships.”

This mission is accomplished through services provided directly by DSHS staff or by contract.



Contracted service providers include private vendors, county, municipal and tribal governments. The department administers all statewide program services through three administrative regions. One region is located in Eastern Washington and two are in Western Washington.

DSHS administers and provides oversight for a large number of state and federally funded programs. Two administrations within the department are responsible for delivery of cash and food benefits to the approximately 605,244 eligible households in the state.

The Aging and Adult Services Administration manages distribution of benefits to elderly low-income households. The Economic Services Administration manages these services to all other eligible families. All clients (active cases) currently receiving TANF, Refugee Assistance, Aged, Blind, and Disabled (A,B, D), Consolidated Emergency Assistance Program (CEAP) , and State Supplemental Payments (SSP), receive benefits through the EBT or EFT program. State and federal Supplemental Nutrition Assistance Program (SNAP) eligible clients and federal Supplemental Security Income food stamp eligible clients receive benefits exclusively through the EBT program. DSHS in Washington State started piloting the Summer Food for Children's (SEBTC) demonstration project through USDA-Food and Nutrition Service (FNS) in 2012. We pilot this project only in the Vancouver school district area and provide 1500 families who have children that qualify for the free or reduced school lunches to receive \$60 in SNAP benefits per child, per month, during the summer months when school is out.

EBT distributes cash and food benefits electronically utilizing the Washington QUEST Card. State and federal benefits are transmitted from the DSHS Automated Client Eligibility System (ACES) to the state's EBT vendor for subsequent deposit to client accounts. The state's EBT vendor is J.P. Morgan EFS. The system was piloted in seven counties in Southwest Washington from March through May 1999. DSHS rolled-out the system region-by-region starting in June and completed statewide implementation in November 1999.

J.P. Morgan EFS is the prime contractor for the Washington EBT system. J.P. Morgan EFS contracts with Fiserv, Inc. for operation of their national EBT gateway and for card production and distribution. This gateway serves as the hub for all EBT transactions moving back and forth for approval and settlement between the commercial third party processors and the J.P. Morgan EFS EBT host system. J.P. Morgan EFS also contracts with FIS (formerly Deluxe Government Services) as the terminal driver for EBT only merchants. Both FIS, as our terminal driver) and J.P. Morgan EFS operate merchant help desks for equipment problems, retail questions, retail settlement, distribution of expendable supplies such as signage and manual vouchers to merchants and third party processors.

J.P. Morgan EFS and their subcontractors are responsible for the following activities:

- Operation of the host system for Washington EBT containing the client account and card databases and the transaction authorizer that affects the client database.
- Processing of complete and accurate daily account settlement between clients, DSHS, retailers, third party processors and federal agencies.

- Provision of toll-free telephone customer support services to clients, merchants and state administrative staff.
- Provision of retail management services, including contracting with third party processors and EBT-only retailers, retailer training and terminal deployment, maintenance and replacement.
- Provision of EBT card design services, as needed.
- Production, personalization and distribution of EBT cards Arrangement for shipment of vault EBT card stock to the individual DSHS local offices, DSHS Regional offices for Home and Community Services for over-the-counter issuance
- Mailing of cards directly to clients if requested with the ability for clients to change their PINs online via a cardholder website or through the toll-free Automated Voice Response (AVR).
- Provision of system security through the use of strictly defined user profiles and roles.
- Provision of web-based administrative application to support account setup and maintenance as well as benefit issuance.
- Provision of 24/7 technical support for administrative application and file issuance support.
- 24/7 client customer service including cardholder website, AVR and CSR support.
- 24/7 retailer customer service including retailer website, AVR and CSR support.
- Provision of regularly updated system and operational manuals.
- Performance of annual testing of the back-up host computer and network links in accordance with the DSHS Disaster Recovery Plan (to include both primary and back up sites) and the J.P. Morgan Continuation of Business Plan.
- Arrangement of scheduled maintenance to validate both software and hardware is operating at optimum capacity and reliability.
- Arrangement for the performance of the annual SSAE 16 Audit Report as required by Federal Regulations.
- Provision of a formal written monthly project status reports to State program staff as well as daily supervision of the ongoing program operation.
- Provision of problem resolution and/or implement system change orders as a result of changes in federal regulations and/or State programs or systems or self-imposed changes.
- Provide for the EBT system to be available for DSHS staff to access and receive near real-time transaction information as well as provide report facilities and archive information as defined within the EBT contract.

The DSHS EBT Program staff has primary responsibility for monitoring the JPM EFS contract. EBT Program staff coordinates the design, development and implementation of the technology required to deliver EBT payments to clients and alternate cardholders. EBT Program staff develops training curriculum and coordinate staff training in the field offices. EBT Program staff also coordinates development and implementation of technical or regulatory changes as needed. EBT Program staff coordinates and maintain security password administration for the system.

The DSHS Division of Finance performs ongoing financial operations for payment delivery; draw down of funds; settlement, internal reconciliation, participation in and response to financial audits. EBT Program Manager and field office staff administers and maintain the EBT security password system. EBT Program staff coordinates with ACES to resolve system related problems. EBT Program staff plays a major role in maintaining communication and coordination with regional and field office staff.

### **Current Operating Environment:**

Assistance programs in Washington State are state administered by the Department of Social and Health Services. Local offices are responsible for client eligibility determination and authorization of benefits. Local office staff enter program information into the state Automated Client Eligibility System (ACES). Payments are generated from ACES and transmitted to the EBT vendor via daily (4 times/day) and nightly batches.

EBT cards are issued to the head of the assistance unit household (payee). These clients may also select multiple authorized representatives to access either their cash or food benefits or both.

Local office staff usually issue initial EBT cards over-the-counter directly to clients/authorized representatives. All initial applicants EBT cards are issued locally through the JPM Web Administrative screen via a card reader connection. The majority of the replacement EBT cards are mailed by the J.P. Morgan EFS subcontractor, Oberthur directly to the client's address. There are certain exception criteria where a client could get an EBT replacement card directly in the local offices. All alternate cardholders are issued EBT cards from the local offices. When cards are issued locally, clients/authorized representatives select their own PIN code.

In some cases, local office staff may authorize cards to be mailed directly to clients via a batch process. These cards are mailed by the EBT vendor and will usually be delivered within 5 to 7 days. When clients receive their card in the mail, they would select their PIN via the phone through the automated PIN selection process. In exceptional/emergent circumstances EBT cards may be issued by the EBT Project staff and mailed directly to the client through USPS. We attach "no PIN" to the card. Clients can contact the J.P. Morgan EFS Automated Response Unit to change their PIN once the card is received.

Local office staff provide client training during eligibility and/or card issuance and participate when needed with problem resolution. Local staff provides ACH direct deposit enrollment forms for clients and providers as needed. State Office EBT staff processes the enrollments of direct deposit forms into the ACES system.

Access to the J.P. Morgan EFS EBT web browser application is limited by menu options depending on the types of duties assigned to the worker to maintain separation of duties security controls, i.e., card issuance, eligibility, account maintenance.

Group Homes and Drug and Alcohol Treatment Facilities are certified by the state to accept food benefits from the client's EBT account. The Group Home facilities' have 3 options on how they

choose to participate. They must select one of the options and notify the state of their chosen process:

Option A – Residents handle their own benefits in their EBT account;

Option B – The Group Home facility acts as an Alternate Cardholder to access a resident's account;

Option C – Facility is FNS certified and access a resident's benefits through an EBT-only POS machine by swiping the resident's EBT card or an Alternate Cardholder's card.

Drug and Alcohol facilities only have the ability to access residents' food benefits through Option C and must be FNS certified with an EBT-only POS machine.

### **High Level Technical Environment:**

Please refer to attached copy (Attachment B) of the EBT network diagram. All client information originates in the Community Services or Home and Community Services offices. Staff enters client demographic information into the DSHS Automated Client Eligibility System (ACES). This system determines eligibility, calculates the appropriate benefit level and transmits this information to J.P. Morgan EFS system. The ACES system is the sole interface with J.P. Morgan EFS for the EBT system. Benefit and demographic data files are sent to J.P. Morgan EFS on a regularly scheduled basis. Cash and Food Benefits are transmitted in the evening of each business day. Emergency Food Benefits are also transmitted and disbursed four times each business day.

ACES reports all financial transactions for DSHS; maintains the DSHS financial statements; provides standard reports to DSHS staff and transmits financial information to the state's Agency Financial Reporting System (AFRS). AFRS maintains the financial, budgeting, accounting and reporting functionality for state agencies. The demographic and benefit files processed through ACES and transmitted via Direct: Connect to J.P. Morgan EFS for payment distribution. Staff may also instruct ACES to pass cash benefits to the State Treasurer's office for direct deposit to client private savings or checking accounts.

J.P. Morgan EFS processes the batch file transmissions and distributes the benefits to clients' Washington QUEST Card accounts. The daily transaction files are summarized and used to support the state draw down of funds for each of program area. The DSHS Division of Finance uses this data to manage all settlement and reconciliation activity performed by the DSHS Office of Accounting Services. J.P. Morgan EFS also prepares and returns a daily activity file that detail all EBT settling transaction activity.

**WYOMING:**

**Current Contractor:** J.P. Morgan EFS

**Contract End Date:** March 2018

In addition to the initial five-year contract period, Wyoming has the option of two, one-year extensions. This option has been exercised.

**Number and Types of Cases:**

March 2013	
SNAP:	16,323
Cash:	0
Combined:	0
Client EFT:	0
Child Care Time and Attendance (CCTA):	4,230
Combined SNAP/CCTA:	4,800

**Retailer Information:**

No. of Certified SNAP Retailers:	297
No. of Integrated SNAP Retailers:	187
No. of EBT - Only SNAP Retailers:	110
No. of POS Deployed:	108
No. of Retailer Phone Lines Paid for by the State:	0

**Providers Information (CCTA):**

No. of CCTA Providers:	445
Timesheet Changes for CCTA:	2,732
CCTA Inquiries:	451

**Customer Service Information:**

Client ARU Calls:	39,777
Merchant ARU Calls:	1,144
Retailer Manual Authorizations:	17

Wyoming has a block on toll free calls to the Quest Card customer service number from a payphone.

**Agency Background, State History and Responsibility:**

The Wyoming Department of Family Services (DFS) is an agency of the Executive Branch of the Wyoming State Government charged with providing various types of human services the people in the State.

The mission of the Wyoming DFS is dedicated to promoting the safety, well-being and self-sufficiency of families through community partnerships. Our goal is to connect people with time-limited resources that promote healthy, safe, self-sufficient families so that they can contribute to their communities. The vision is to set the standard as the best in child and family services.

The DFS mission is accomplished through services that are provided directly by state employees through state-operated facilities and programs, or through collaboration with local governments, non-profit agencies, tribal governments, and private for-profit businesses located throughout the State.

Wyoming DFS manages and operates a wide variety of programs funded from State and Federal sources. DFS is responsible for the following programs:

Supplemental Nutrition Assistance Program (SNAP):

The SNAP provides crucial support to needy households and to those moving from welfare to work. SNAP benefits are distributed electronically through the Wyoming Card through JPMorgan.

Child Care Time and Attendance (CCTA) System:

The CCTA system records the attendance of children whose families receive subsidies for child care and then pays child care providers for services rendered. Accurate and real time attendance data is collected utilizing a secure website and child providers are paid directly by the State Wyoming.

The Wyoming DFS contracts with J.P. Morgan EFS to administer the time and attendance feature of CCTA. Time and attendance data is collected and transmitted to the State of Wyoming. Reimbursements are calculated and payments are issued by the Wyoming State Auditor's office. CCTA provides consistency, accuracy and efficiency in overseeing child care services in Wyoming.

CCTA is planning to move to a Parent/Guardian responsibility to pay authorized subsidies to their approved child care provider(s) within the next year (2014). Child care subsidy benefits will be posted in EBT child care account accessible by parents to pay providers. Parents pay providers via an EBT terminal or via telephone IVR.

Personal Opportunities with Employment Responsibilities (POWER):

POWER provides cash assistance Temporary Assistance for Needy Families (TANF). There are approximately 640 cases and hand warrants are issued at this time.

#### Low-Income Energy Assistance Program (LIEAP):

LIEAP helps to cover the costs of electricity, natural gas, propane, wood, diesel heating oil, coal and pellets when these are used for heating a home. This program is open to qualified homeowners and renters.

#### Weatherization Assistance Program (WAP):

WAP helps households save money on home heating cost by improving energy efficiency by adding more insulation, sealing leaks around doors and windows. People who are approved for assistance through LIEAP may also be eligible for WAP services.

#### State Disbursement Unit (SDU):

SDU is a Federally mandated centralized location for the purpose of receiving and distributing child support payments to custodial parents and their children within two business days of receipt. This unit ensures accurate and timely responses to all fiscal questions concerning child support and utilizes automated procedures and electronic processes for the efficient and economical collection and distribution of child support payments.

Child Support payments are via a branded debit card (U.S. Bank ReliaCard Visa) for approximately 7,841 active cards.

#### Supplemental Security Income (SSI):

SSI is a file received from Social Security to identify eligible (needy aged, blind & disabled) recipients and then DFS sends out a \$25.00 warrant to the recipients to help supplement their income. There are approximately 2,700 recipients monthly.

DFS contracts with J.P. Morgan EFS to provide EBT SNAP benefits and Child Care Time & Attendance (CCTA) data for services rendered.

J.P. Morgan EFS is responsible for:

- client account set-up and database management;
- transaction authorization and processing;
- production of client training materials;
- preparation of monthly status reports and participation in monthly meetings;
- provision of annual SSAE-16 audit reports;
- coordination to provide problem resolution and/or implementation of system change orders as a result of changes in Federal regulations and/or state programs or systems/
- merchant services including provision of EBT-only POS equipment, merchant and client ARU;
- merchant and client help desk services; and

- transaction settlement.

DFS SNAP benefits are transmitted to J.P. Morgan EFS via daily and monthly batch updates from Wyoming.

Wyoming became a member of the Western States EBT Alliance (WSEA) in October 2006.

### **Current Operating Environment:**

DFS local office staff (Benefits Specialists) are responsible for client eligibility determination and authorization of the benefits. Wyoming's daily batch file goes over to J.P. Morgan EFS each evening.

DFS does not issue over the counter cards. All cards are mailed out by Oberthur-Los Angeles, California. All PINs are selected through the ARU by the SNAP clients. All address changes are updated daily when the daily demographic file goes to JPMorgan. Only authorized State Admin Users can change the address in the J.P. Morgan EFS Browser Admin system.

### **High Level Technical Environment:**

J.P. Morgan EFS is authorized to make a daily draw down directly from the USDA FNS servicing bank for daily settlement of SNAP transaction made by cardholders. The daily settlement and draw down is reconciled daily. J.P.Morgan EFS provides daily and monthly reports on a wide variety of cardholder transactions, settlement, and reconciliation. These reports are made available to Wyoming through a daily report file and on the WEB Admin Browser.

### **Women, Infants and Children (WIC):**

The WIC program provides crucial supports, including healthy foods and nutrition education, to economically disadvantaged pregnant, postpartum, and breastfeeding women, infants, and young children. It is a cost efficient program that lowers the health care expenses over the long term by reducing the likelihood of poor health outcomes for both mothers and infants, such as low birth weight. Supplemental food benefits are issued, redeemed, and settled electronically. The Wyoming WIC EBT system is an offline system, utilizing integrated circuit chip (ICC) card, batch file, File Transfer Protocol (FTP), and WEB technologies in compliance with federal government standards for EBT systems issued by the U.S. Department of Agriculture, Food and Nutrition Service (USDA/FNS), and electronic funds transfer (EFT) and electronic banking standards issued by the American National Standards Institute (ANSI), American Banking Association (ABA), and National Association of Clearing House Association (NACHA).

The WIC EBT Settlement Service (WESS) supports food delivery during to an average of approximately 12,000 participants monthly and to over 10,200 families over the course of a year.



WESS functions are those defined by the USDA/FNS as the 'EBT Host'. Basic functions of the Wyoming WESS are:

- Record and maintain EBT card data, linking EBT card and Electronic Benefit Account (EBA) data;
- Record and maintain WIC food package data, issued and redeemed;
- Record and maintain WIC authorized food identifiers, food category subcategory information, unit of measure and quantity for the purpose of claims processing;
- Maintain cost containment and controls, for WY, calculating 'not to exceed' values for WIC foods at the item and subcategory levels, applying pre-payment adjustments to authorized payments;
- Process and authorizes payments to WIC authorized retailers for properly submitted claims; and
- Create the file containing electronic payments to WIC retailers for upload to Wells Fargo by WIC Financial Management personnel, that results in direct deposits to retailers' accounts via the Automated Clearing House (ACH).

Wyoming WIC has prepared and released a Request for Proposals (RFP) due September 24, 2013 for continued Wyoming WESS operations, including the enhancements necessary to enhanced design and performance required to comply fully USDA/FNS policy and standards issued by the USDA/FNS. A new contract will be in place later this year.